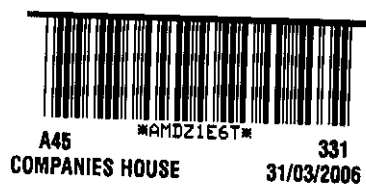


Platinum Travel International Limited

REPORT AND FINANCIAL STATEMENTS

year ended 30 September 2005



Platinum Travel International Limited

DIRECTORS AND OFFICERS

DIRECTORS

AJ Taylor
E Strom
MD Miller
MJ Haxby
RC Smallwood
L Brogaard
A Najeeb
J Cokell

COMPANY SECRETARY

SEA Standing

REGISTERED OFFICE

Sanctuary House
45-53 Sinclair Road
London W14 0NS

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Platinum Travel International Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Platinum Travel International Limited for the year ended 30 September 2005.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of travel agents.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company has had a reasonable trading year and the directors remain optimistic about the company's future prospects.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £70,852 (2004: £183,605).

The directors do not recommend the payment of a dividend.

DIRECTORS

The following directors have held office during the year:

AJ Taylor
E Strom
MD Miller
MJ Haxby
RC Smallwood
L Brogaard
M T Cass (resigned 29 April 2005)
A Najeeb (appointed 29 April 2005)
J Cokell (appointed 29 April 2005)

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

None of the directors had any beneficial interests in the share capital of the company during the year.

Messrs AJ Taylor, MD Miller, A Najeeb, J Cokell and RC Smallwood are directors of the ultimate parent company, The Sanctuary Group plc. Details of their shareholdings in that company are disclosed in its annual report.

The shareholdings' of the other directors in The Sanctuary Group plc were as follows:

	Ordinary shares of 12.5p each	
	2005	2004
	No	No
E Strom	-	-
L Brogaard	-	-
MJ Haxby	289,720	289,720

The Sanctuary Group plc held an Extraordinary General meeting on 17 March 2006 where all the resolutions put to shareholders in order to effect a Placing and Open Offer of 219,931,148 new Ordinary Shares of 50 pence per share, sub-division and consolidation of existing Ordinary Shares and an amendment to the borrowing powers of The Sanctuary Group plc as announced on 3 February 2006 were duly passed.

Platinum Travel International Limited

DIRECTORS' REPORT

AUDITORS

The Directors are requesting proposals from a number of firms to act as auditors for the Company. The Directors will present members with a resolution to appoint auditors, which will be considered at the Annual General Meeting.

By order of the board

A handwritten signature in black ink, appearing to be 'MD Miller', written over a horizontal line.

MD Miller
Director

Platinum Travel International Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLATINUM TRAVEL INTERNATIONAL LIMITED

We have audited the financial statements on pages 6 to 14.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.


Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 30 September 2005 and of the company's profit for the year then ended and have been properly prepared in accordance with The Companies Act 1985.


BAKER TILLY
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

28 March 2006

Platinum Travel International Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 2005

	<i>Notes</i>	2005 £	2004 £ Restated
TURNOVER	1,16	342,038	424,773
Cost of sales		-	-
Gross profit		342,038	424,773
Other operating expenses		(271,085)	(241,168)
OPERATING PROFIT		70,953	183,605
Interest payable	2	(101)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	70,852	183,605
Taxation	5	-	-
RETAINED PROFIT FOR THE YEAR	11	70,852	183,605

The operating profit for the year arises from the company's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss account.


Platinum Travel International Limited

BALANCE SHEET

30 September 2005

	<i>Notes</i>	2005 £	2004 £
FIXED ASSETS			
Tangible assets	6	-	4,491
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	7	807,301	750,870
Cash at bank and in hand		21,058	110,302
		<hr/>	<hr/>
		828,359	861,172
CREDITORS: Amounts falling due within one year	8	(711,722)	(819,878)
		<hr/>	<hr/>
NET CURRENT ASSETS		116,637	41,294
		<hr/>	<hr/>
NET ASSETS		116,637	45,785
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	9	20,000	20,000
Profit and loss account	10	96,637	25,785
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS	11	116,637	45,785
		<hr/>	<hr/>
Equity shareholders' funds		105,637	34,785
Non equity shareholders' funds		11,000	11,000
		<hr/>	<hr/>

Approved by the board on 28 March 2006



MD Miller
Director

Platinum Travel International Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

PRIOR YEAR ADJUSTMENT

The Directors have decided to change certain of the Company's accounting policies in order to increase the relevance, understandability and comparability of the Company's financial reporting.

The changes in accounting policies have been applied to all financial reporting periods presented and the changes and their financial effects are described below.

Under the previous policy the Company's activities were reported on a gross basis. In current market conditions the company is earning income on a fee basis. Accordingly, the new policy requires sales invoiced by the Company to be disclosed on a 'net fee' basis. 'Net fees' represent gross sales to customers less the amount remitted to the third party. This change in accounting policy results in a change in the recorded income but does not affect profit.

The effect of this change on the accounts for the years ended 30 September 2004 and 2005 is comprehensively outlined in Note 16 to the financial statements.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Short leasehold improvements	over the term of the lease
Fixtures and fittings	10% per annum
Computer equipment	20% per annum
Motor vehicles	25% per annum

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are operating leases and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

Platinum Travel International Limited

ACCOUNTING POLICIES

PENSIONS CONTRIBUTIONS

The costs of providing pensions for employees are charged in the profit and loss account over the average working life of employees in accordance with the recommendations of qualified actuaries. Any funding surplus or deficit which may arise from time to time is amortised over the average working life of employees.

TRANSLATION OF FOREIGN CURRENCY

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

TURNOVER

Turnover represents the invoiced value or contractual amount of goods or services supplied to third parties. Turnover is stated on a 'net fee' basis where appropriate and excludes VAT and similar sales-related taxes.

Platinum Travel International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2005

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation arises from only one class of business and is derived wholly within the United Kingdom. The turnover disclosed is on a 'net fee' basis. The gross fees in the year were £2,532,959 (2004:£2,793,776).

	2005	2004
	£	£
2 INTEREST PAYABLE		
On bank loans, overdrafts and other loans repayable within 5 years:		
Bank loans and overdrafts	101	-
	<u>101</u>	<u>-</u>
	2005	2004
	£	£

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

Depreciation and amounts written off tangible fixed assets:

Charge for the year		
Owned assets	4,491	4,489
Auditors' remuneration	9,000	3,000
Directors' remuneration		
Emoluments	35,000	35,000
Money Purchase Pension Contributions	2,100	2,100
	<u>37,100</u>	<u>37,100</u>

Only one director received remuneration

	2005	2004
	No.	No.
4 EMPLOYEES		
The average monthly number of persons (including directors) employed by the company during the year was:		
Sales	3	3
Administration	1	1
	<u>4</u>	<u>4</u>
	2005	2004
	£	£

Staff costs for the above persons:

Wages and salaries	104,505	133,652
Social security costs	11,283	14,104
Other pension costs	4,974	6,838
	<u>120,762</u>	<u>154,594</u>

Platinum Travel International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2005

5	TAXATION	2005 £	2004 £
	a) Analysis of charge in year		
	Current tax:		
	UK Corporation tax at 30% (2003 30%)	-	-
		-	-
	b) Factors affecting the charge for the year		
	Tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%)		
	The difference is explained below:		
	Profit on ordinary activities before tax	70,852	183,605
	Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK at 30% (2004:30%)	21,256	55,081
	Group relief	(21,256)	(55,081)
		-	-
6	TANGIBLE FIXED ASSETS		
		<i>Motor vehicles</i> £	<i>Total</i> £
	Cost		
	1 October 2004 and 30 September 2005	32,491	32,491
	Depreciation		
	1 October 2004	28,000	28,000
	Charged in the year	4,491	4,491
	30 September 2005	32,491	32,491
	Net book value		
	30 September 2005	-	-
	30 September 2004	4,491	4,491

Platinum Travel International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2005

		2005 £	2004 £
7	DEBTORS		
	Due within one year:		
	Trade debtors	371,070	490,320
	Amounts owed by parent company and fellow subsidiaries	434,140	258,656
	Other debtors	1,141	944
	Prepayments and accrued income	950	950
		<u>807,301</u>	<u>750,870</u>
		2005 £	2004 £
8	CREDITORS: Amounts falling due within one year		
	Bank overdraft	286,951	-
	Trade creditors	204,124	208,659
	Amounts due to parent company and fellow subsidiaries	201,191	594,396
	Other taxation and social security	11,356	8,131
	Other creditors	-	4,192
	Accruals and deferred income	8,100	4,500
		<u>711,722</u>	<u>819,878</u>
		2005 £	2004 £
9	SHARE CAPITAL		
	Authorised, allotted and fully paid:		
	6,000 6% redeemable preference shares of £1 each	6,000	6,000
	5,000 deferred shares of £1 each	5,000	5,000
	20,000 ordinary shares of 10p each	2,000	2,000
	7,000 ordinary shares of £1 each	7,000	7,000
		<u>20,000</u>	<u>20,000</u>

The 6% preference shares are entitled to a fixed cumulative dividend of 6% per annum, however the owners of the entire issued preference share capital have irrevocably waived any rights to their fixed cumulative preferential dividend. The preference shares may be redeemed by the company at any future date after giving three months' notice and would be redeemable at par together with a sum equal to the fixed dividend thereon. The preference shares carry full voting rights. Preference shareholders are entitled to repayment of their capital on winding up in preference to the ordinary and deferred shareholders. They are not entitled to participation in any surplus on winding up.

Platinum Travel International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2005

9 SHARE CAPITAL *continued* ...

The deferred shares carry no rights to dividends. They carry full voting rights and deferred shareholders are entitled to repayment of their capital on winding up after repayment of preference share capital and ordinary share capital. They are not entitled to participation in any surplus on winding up.

Both classes of ordinary shares carry full rights to dividends and full voting rights. Ordinary shareholders are entitled to participation in a surplus on winding up.

	2005 £	2004 £
10 PROFIT AND LOSS ACCOUNT		
1 October 2004	25,785	(157,820)
Profit for the financial year	70,852	183,605
30 September 2005	<u>96,637</u>	<u>25,785</u>

	2005 £	2004 £
11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		
Profit for the financial year	70,852	183,605
Opening shareholders' funds	45,785	(137,820)
Closing shareholders' funds	<u>116,637</u>	<u>45,785</u>

12 PENSION COMMITMENTS

The company is a member of the Sanctuary Group plc group personal pension scheme, the assets of which are held separately for each employee in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to £7,074 (2004: £8,938). No contributions remained payable at the year end.

13 CONTINGENT LIABILITY

The company has guaranteed the bank indebtedness of The Sanctuary Group plc and certain fellow subsidiaries and has executed a charge over its assets in favour of the bank. At 30 September 2005 the total net borrowings of these companies amounted to £114,272,000 (2004: £68,222,000).

14 RELATED PARTY DISCLOSURES

In preparing these financial statements, the directors have taken advantage of the exemptions available under paragraph 3(c) of the Financial Reporting Standard No 8 Related Party Disclosures.

15 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The directors consider that the ultimate parent company and controlling party at 30 September 2005 was The Sanctuary Group plc, a company registered in England and Wales.

Copies of the group financial statements of The Sanctuary Group plc are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.

Platinum Travel International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2005

16 PRIOR YEAR ADJUSTMENTS

The effect of the Company's changes in accounting policy are as follows.

(a) Effect on profit and loss account for the year ended 30 September 2004

	Effect on turnover increase / (decrease) £	Effect on profit increase / (decrease) £
Accounting for fee-based revenue	(2,369,003)	-
Operating (loss) / profit for the year	-	-
Profit and loss account reserve for year ended 30 September 2004	-	-
Profit and loss account reserve for periods prior to year ended 30 September 2004	-	-
Accumulated effect on profit and loss account reserve	-	-
Accumulated effect on net assets	-	-

(b) Reconciliation of restated and previously reported profit and loss account for the year ended 30 September 2004

Details	As originally reported £	Fee Based Revenue £	As restated £
Total turnover	2,793,776	(2,369,003)	424,773
Cost of sales	(2,369,003)	2,369,003	-
Gross profit	424,773	-	424,773
Total administrative expenses	(241,168)	-	(241,168)
Operating profit	183,605	-	183,605
Interest payable	-	-	-
Profit On Ordinary Activities Before Taxation	183,605	-	183,605
Taxation	-	-	-
Retained Profit For The Year	183,605	-	183,605

(c) Effect of changes in accounting policies on the results for the year ended 30 September 2005.

	Reported under new policies £	Accounting for fee-based income £	Restated under old policies £
Year ended 30 September 2005			
Profit and loss account			
Total turnover	342,038	2,190,921	2,532,959
Total operating profit	183,604	-	183,604