

Platinum Travel International Limited

**Directors' report and financial
statements**

Registered number 932343

30 September 2006



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Company information

Directors	E Strom L Brogaard J Cokell
Company Secretary	M Joy
Auditors	KPMG Audit Plc 8 Salisbury Square London EC4Y 8BB
Company Number	932343
Registered Address	Sanctuary House 45-53 Sinclair Road London W14 0NS

Directors' report

The directors submit their report and the financial statements of Platinum Travel International Limited for the year ended 30 September 2006

This director's report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

Principal activities

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

Results

The trading loss for the year after taxation was £52,231 (2005 £70,852 profit)

The directors do not recommend the payment of a dividend

Political and charitable donations

The Company made no political or charitable donations or incurred any political expenditure during the current or prior year

Directors

The following directors held office during the year

AJ Taylor	(resigned 26 May 2006)
E Strom	
MD Miller	(resigned 31 March 2006)
MJ Haxby	(resigned 30 April 2006)
RC Smallwood	(resigned 30 October 2006)
L Brogaard	
A Najeeb	(resigned 28 September 2006)
J Cokell	

Directors' interests in shares and debentures

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

The shareholdings of the directors as at 30 September 2006 in the ultimate parent company, The Sanctuary Group plc, were as follows

	30 September 2006	30 September 2005
Ordinary shares of 2p each		
E Strom	-	-
L Brogaard	-	-
J Cokell	2,298	459,697
Options on Ordinary shares of 2p each		
E Strom	-	-
L Brogaard	-	-
J Cokell	1,500	300,000

On 20 March 2006 each authorised and issued existing ordinary share of 12 5p in the capital of The Sanctuary Group plc was subdivided and converted into one ordinary share of 0 01p and one deferred share of 12 49p. Immediately following this subdivision the issued and the authorised but unissued ordinary shares of 0 01p each were consolidated into ordinary shares of 2p each on the basis of one ordinary share for every 200 subdivided shares.

Directors' report *(continued)*


Employment policy

The directors are committed to our employees' welfare and personal and career development. Employees at Platinum Travel International Limited have access to communication concerning significant matters affecting the operational and financial performance of the Company through informative emails from senior management and meetings, and they are actively encouraged to contribute to, and involve themselves in, the decision making of operations.

Auditors and disclosure of information to auditors

Baker Tilly resigned as auditors on 4 December 2006 and the directors appointed KPMG Audit Plc to fill the vacancy arising. The directors who held office at the date of the approval of the directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information. A resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board


J Cokell
Director

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities



KPMG LLP
8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the members of Platinum Travel International Limited

We have audited the financial statements of Platinum Travel International Limited for the year ended 30 September 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 auditor's 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 opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Director's Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the director 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc

Chartered Accountants

Registered Auditor

11 May 2007

Profit and loss account

for the year ended 30 September 2006

	<i>Note</i>	2006 £	2005 £
Turnover	2	243,339	342,038
Cost of sales		-	-
Gross profit		243,339	342,038
Other operating expenses		(310,054)	(271,085)
Operating (loss)/profit		(66,715)	70,953
Interest payable	3	-	(101)
(Loss)/profit on ordinary activities before taxation	4	(66,715)	70,852
Tax on (loss)/profit for the financial year	6	14,484	-
Retained (loss)/profit for the year	12	(52,231)	70,852

The operating loss 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

There is no difference between the loss as disclosed in the profit and loss account and the profit on a historical cost basis


There has been no movement in shareholders' funds other than the retained loss for the year

The notes on pages 7 to 13 form an integral part of these financial statements

Balance Sheet
at 30 September 2006

	Note	2006	2005
		£	£
Fixed assets			
Tangible assets	7	-	-
Current assets			
Debtors	8	314,325	807,301
Cash at bank and in hand		456,898	21,058
		<u>771,223</u>	<u>828,359</u>
Creditors, amounts falling due within one year	9	(706,817)	(711,722)
Net current assets		<u>64,406</u>	<u>116,637</u>
Net assets		<u>64,406</u>	<u>116,637</u>
Capital and reserves			
Called up share capital	11	20,000	20,000
Profit and loss account	12	44,406	96,637
Equity shareholders' funds	13	<u>64,406</u>	<u>116,637</u>

The financial statements were approved by the Board on *11 May* 2007 and signed on its behalf by


 J Cokell
 Director

The notes on pages 7 to 13 form an integral part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial information except as noted below

The following new standards have been adopted for the first time in these financial statements

FRS 21 *Events after the balance sheet date*,

The presentation requirements of FRS 25 *Financial instruments presentation and disclosure*, and

FRS 28 *Corresponding amounts*

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption

As a result of the adoption of FRS 21, dividends unpaid at the balance sheet date are only recognised at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements. The adoption of the standard had no material effect on the financial statements.

The adoption of FRS 25 had no significant impact on presentation in the financial statements.

FRS 28 *Corresponding amounts* has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

Basis of accounting

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

The company is exempt by virtue of s 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

As the Company is a wholly owned subsidiary of The Sanctuary Group plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the Company in its own published consolidated financial statements.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenues can be reliably measured.

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:

Motor vehicles 25% per annum

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

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

Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction

2 Turnover

The company's turnover and (loss)/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 £1,739,678 (2005 £2,532,959)

3 Interest payable

	2006 £	2005 £
On bank loans, overdrafts and other loans repayable within 5 years	-	101
Bank loans and overdrafts	-	-

Notes (continued)

4 (Loss)/profit on ordinary activities before taxation

	2006 £	2005 £
<i>(Loss/profit) on ordinary activities before taxation is stated after charging</i>		
<i>Depreciation and amounts written off tangible fixed assets</i>		
Charge for the year	-	4,491
Owned assets		
Auditors' remuneration	6,000	9,000
<i>Directors' remuneration</i>		
Emoluments	35,875	35,000
Money purchase pension contributions	2,126	2,100

Only one director received remuneration

5 Employees

	2006 £	2005 £
The average weekly number of person (including directors) employed by the company during the year was		
Sales	3	3
Administration	1	1
	<u>4</u>	<u>4</u>
	2006 £	2005 £
Staff costs for the above persons		
Wages and salaries	114,836	104,505
Social security costs	10,945	11,283
Other pension costs	6,290	4,974
	<u>132,071</u>	<u>120,762</u>

6 Taxation

Analysis of charge in the year

	2006 £	2005 £
<i>Current tax</i>		
UK corporation tax at 30% (2005 30%)	-	-
<i>Deferred tax</i>		
Reversal of timing differences	(14,484)	-
Total current tax	<u>(14,484)</u>	<u>-</u>

Notes (continued)

6 Taxation (continued)

Factors affecting the tax charge for the current year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below

	2006	2005
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(66,715)	70,852
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax of 30% (2005 30%)	(20,015)	21,256
Expenses not allowable for tax purposes	3,215	-
Depreciation in excess of capital allowances	(605)	-
Group relief (claimed)/surrendered from/(to) other group companies	17,405	(21,256)
Current tax	-	-

7 Tangible fixed assets

	Motor vehicles £	Total £
<i>Cost</i>		
1 October 2005 and 30 September 2006	32,491	32,491
<i>Depreciation</i>		
1 October 2005	32,491	32,491
Charged in the year	-	-
30 September 2006	32,491	32,491
<i>Net book value</i>		
30 September 2006	-	-
30 September 2005	-	-

8 Debtors amounts due within one year

	2006 £	2005 £
Trade debtors	192,410	371,070
Amounts owed by parent company and fellow subsidiaries	97,120	434,140
Deferred tax (see note 10)	15,428	944
Other debtors	8,179	197
Prepayments and accrued income	1,188	950
	314,325	807,301

Notes (continued)

9 Creditors: amounts falling due within one year

	2006 £	2005 £
Bank overdrafts	-	286,951
Trade creditors	126,305	204,124
Amounts due to parent company and fellow subsidiaries	425,422	201,191
Other taxation and social security	9,466	11,356
Other creditors	137,724	-
Accruals and deferred income	7,900	8,100
	<u>706,817</u>	<u>711,722</u>

10 Deferred tax

	2006 £	2005 £
At 1 October 2005	944	944
Deferred tax credit/(charged) to profit and loss account (note 6)	14,484	-
At 30 September 2006	<u>15,428</u>	<u>944</u>

11 Called up share capital

	2006 £	2005 £
<i>Authorised</i>		
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.

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.

Notes (continued)

12 Profit and loss account

	2006 £	2005 £
1 October 2005	96,637	25,785
(Loss)/profit for the financial year	(52,231)	70,852
	<hr/>	<hr/>
30 September 2006	44,406	96,637
	<hr/>	<hr/>

13 Reconciliation of movement in shareholders' funds

	2006 £	2005 £
Opening shareholders' funds	116,637	45,785
(Loss)/profit for the financial year	(52,231)	70,852
	<hr/>	<hr/>
Closing shareholders' funds	64,406	116,637
	<hr/>	<hr/>

14 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 £6,290 (2005 £4,974). No contributions remained payable at the year end.

15 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 2006 the total net borrowings of these companies amounted to £71,169,000 (2005 £114,272,000).

16 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.

17 Cash flow Statement

In accordance with Financial Reporting Standard No 1, cash flow statements have not been prepared as the cash flows of the company are included in those of the ultimate parent company, The Sanctuary Group plc.

18 Immediate parent undertaking

The immediate parent company at 30 September 2006 was Sanctuary Artist Services Limited

19 Ultimate parent company and controlling party

The directors consider that the ultimate parent company and controlling party at 30 September 2006 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, Mandy, Cardiff CF4 3UZ.