

Platinum Travel International Limited

REPORT AND FINANCIAL STATEMENTS

year ended 30 September 2003



Platinum Travel International Limited

DIRECTORS AND OFFICERS

DIRECTORS

AJ Taylor
E Strom
MD Miller
MJ Haxby
RC Smallwood
L Brogaard
M T Cass

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 2003.

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 loss for the year after taxation was £75,676 (2002: Loss £136,482).

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 appointed 2 January 2003

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 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 are as follows:

	Ordinary shares of 12.5p each	
	2003	2002
	No	No
E Strom	-	-
L Brogaard	-	-
MJ Haxby	289,720	289,720
M T Cass	60,000	-

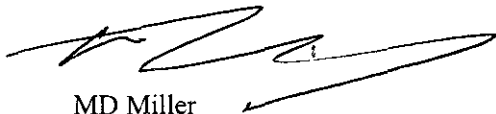
Platinum Travel International Limited

DIRECTORS' REPORT

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board



MD Miller
Director

19 January 2004

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 12.

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.

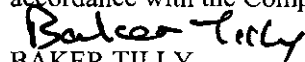
Basis of opinion

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 2003 and of the company's loss 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

19 January 2004

Platinum Travel International Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 September 2003

	<i>Notes</i>	2003 £	2002 £
TURNOVER	1	2,575,250	2,516,032
Cost of sales		(2,411,350)	(2,356,260)
Gross profit		<u>163,900</u>	<u>159,772</u>
Other operating expenses		(237,660)	(291,784)
OPERATING LOSS		<u>(73,760)</u>	<u>(132,012)</u>
Interest payable	2	(1,916)	(4,470)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>(75,676)</u>	<u>(136,482)</u>
Taxation	5	-	-
RETAINED LOSS FOR THE YEAR	11	<u>(75,676)</u>	<u>(136,482)</u>

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.

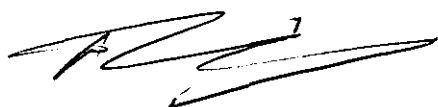
Platinum Travel International Limited

BALANCE SHEET

30 September 2003

	<i>Notes</i>	2003 £	2002 £
FIXED ASSETS			
Tangible assets	6	8,980	11,188
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	7	549,018	399,113
Cash at bank and in hand		60,201	39,290
		<hr/>	<hr/>
		609,219	438,403
CREDITORS: Amounts falling due within one year	8	(756,019)	(511,736)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(146,800)	(73,333)
		<hr/>	<hr/>
NET LIABILITIES		(137,820)	(62,145)
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	9	20,000	20,000
Profit and loss account	10	(157,820)	(82,144)
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS	11	(137,820)	(62,144)
		<hr/>	<hr/>
Equity shareholders' funds		(148,820)	(73,144)
Non equity shareholders' funds		11,000	11,000
		<hr/>	<hr/>

Approved by the board on 19 January 2004



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.

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.

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.

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, net of Value Added Tax, of amounts billed to customers and commissions receivable.

Platinum Travel International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2003

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.

2	INTEREST PAYABLE	2003 £	2002 £
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On bank loans, overdrafts and other loans repayable within 5 years:

Bank loans and overdrafts	1,916	4,470
	<u>1,916</u>	<u>4,470</u>

3	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2003 £	2002 £
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Profit on ordinary activities before taxation is stated after charging:

Depreciation and amounts written off tangible fixed assets:

Charge for the year		
owned assets	-	3,277
leased assets	2,208	2,205
Auditors' remuneration	3,000	3,000
	<u> </u>	<u> </u>

4	EMPLOYEES	2003 No.	2002 No.
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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>

	2003 £	2002 £
Staff costs for the above persons:		
Wages and salaries	128,790	132,141
Social security costs	12,938	12,236
Other pension costs	6,659	6,436
	<u>148,387</u>	<u>150,813</u>

Platinum Travel International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2003

5	TAXATION	2003 £	2002 £
	a) Analysis of charge in year		
	Current tax:		
	UK Corporation tax at 30% (2002 30%)	(22,703)	(40,945)
	Group relief	22,703	40,945
		<u>-</u>	<u>-</u>
	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:		
	Loss on ordinary activities before tax	(75,676)	(136,482)
		<u>-</u>	<u>-</u>
	Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK at 30% (2002:30%)	(22,703)	(40,945)
	Group relief	22,703	40,945
		<u>-</u>	<u>-</u>

6	TANGIBLE FIXED ASSETS	Short leasehold improvement £	Fixtures & fittings £	Computer equipment £	Motor vehicles £	Total £
	Cost					
	1 October 2002	35,844	57,550	37,801	32,491	163,686
	Less disposals	(35,844)	(57,550)	(37,801)	-	(131,195)
	30 September 2003	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,491</u>	<u>32,491</u>
	Depreciation					
	1 October 2002	35,844	57,550	37,801	21,303	152,498
	Charged in the year	-	-	-	2,208	2,208
		<u>35,844</u>	<u>57,550</u>	<u>37,801</u>	<u>23,511</u>	<u>154,706</u>
	Less on disposals	(35,844)	(57,550)	(37,801)	-	(131,195)
	30 September 2003	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,511</u>	<u>23,511</u>
	Net book value					
	30 September 2003	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,980</u>	<u>8,980</u>
	30 September 2002	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,188</u>	<u>11,188</u>

The net book value of motor vehicles includes £8,980 (2002: £11,188) of assets held under finance leases.

Platinum Travel International Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 September 2003

	2003	2002
	£	£
7 DEBTORS		
Due within one year:		
Trade debtors	400,090	171,947
Amounts owed by parent company and fellow subsidiaries	121,590	225,278
Other debtors	26,388	-
Prepayments and accrued income	950	1,888
	<u>549,018</u>	<u>399,113</u>

	2003	2002
	£	£
8 CREDITORS: Amounts falling due within one year		
Trade creditors	203,322	153,633
Amounts due to parent company and fellow subsidiaries	531,898	350,743
Accruals and deferred income	3,000	3,500
Taxation and social security	-	1,663
Other creditors	17,799	-
Obligations under finance leases	-	2,197
	<u>756,019</u>	<u>511,736</u>

Obligations under finance leases are secured on related assets.

	2003	2002
	£	£
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 2003

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.

	2003 £	2002 £
10 PROFIT AND LOSS ACCOUNT		
1 October 2002	(82,144)	54,338
Loss for the financial year	(75,676)	(136,482)
30 September 2003	<u>(157,820)</u>	<u>(82,144)</u>

	2003 £	2002 £
11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		
Loss for the financial year	(75,676)	(136,482)
Opening shareholders' funds	(62,144)	74,338
Closing shareholders' funds	<u>(137,820)</u>	<u>(62,144)</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 £6,659 (2002: £6,436). No contributions remained payable at the year end.

13 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.

14 ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The directors consider that the ultimate parent company and controlling party at 30 September 2003 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.