



**PLATINUM TRAVEL INTERNATIONAL  
LIMITED**

**Report and Financial Statements**

**31 December 1997**

**Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR**



**REPORT AND FINANCIAL STATEMENTS 1997**

<b>CONTENTS</b>	<b>Page</b>
<b>Directors' report</b>	<b>1</b>
<b>Statement of directors' responsibilities</b>	<b>2</b>
<b>Auditors' report</b>	<b>3</b>
<b>Profit and loss account</b>	<b>4</b>
<b>Balance sheet</b>	<b>5</b>
<b>Notes to the accounts</b>	<b>6</b>

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 1997, which show the state of the affairs of the company.

**PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS**

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

The directors remain optimistic about the company's future prospects.

**RESULTS AND DIVIDENDS**

The company made a profit before taxation of £19,845 for the year (1996 - £15,472). The directors do not recommend the payment of a dividend (1996 - £nil). The retained profit for the financial year is £19,845 (1996 - £15,472).

**DIRECTORS**

The directors who served during the year were as follows:

A J Taylor  
E Strom  
M D Miller  
M J Haxby (appointed 1 January 1997)  
R C Smallwood

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

Messrs A J Taylor, M D Miller, M J Haxby and R C Smallwood are directors of the ultimate parent company, Sanctuary Enterprises plc (formerly The Sanctuary Group plc). Details of their shareholdings in that company are disclosed in its annual report.

**AUDITORS**

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

M D Miller  
Director

30 June 1998

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a 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 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.



## AUDITORS' REPORT TO THE MEMBERS OF

## PLATINUM TRAVEL INTERNATIONAL LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 6.

### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### 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 the company's affairs as at 31 December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and  
Registered Auditors

30 June 1998


**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 1997**

	Note	1997 £	1996 £
<b>TURNOVER - continuing operations</b>	2	2,809,934	3,668,092
Cost of sales		(2,562,864)	(3,373,986)
Gross profit		247,070	294,106
Administrative expenses		(211,236)	(265,435)
Interest payable and similar charges	3	(15,989)	(13,199)
<b>OPERATING PROFIT - continuing operations</b>	4	19,845	15,472
Tax on profit on ordinary activities	7	-	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		19,845	15,472
Retained profit transferred to reserves	12	19,845	15,472

There are no recognised gains or losses for the current financial year and preceding financial year other than as stated in the profit and loss account.

There has been no movement in shareholders' funds other than the profit for this and the preceding financial year.


**BALANCE SHEET**  
**31 December 1997**

	Note	£	1997 £	£	1996 £
<b>FIXED ASSETS</b>					
Tangible assets	8		9,228		17,057
<b>CURRENT ASSETS</b>					
Debtors	9	312,284		376,656	
Cash at bank and in hand		2,577		11,274	
		314,861		387,930	
<b>CREDITORS: amounts falling due within one year</b>	10	281,020		381,763	
<b>NET CURRENT ASSETS</b>			33,841		6,167
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			43,069		23,224
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		20,000		20,000
Profit and loss account	12		23,069		3,224
<b>SHAREHOLDERS' FUNDS</b>			43,069		23,224
Shareholders' Funds are split:					
Equity Shareholders' funds			32,069		12,224
Non Equity Shareholders' funds			11,000		11,000

These financial statements were approved by the Board of Directors on 30 June 1998.

Signed on behalf of the Board of Directors

M D Miller  
Director

**NOTES TO THE ACCOUNTS****Year ended 31 December 1997****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention. In the opinion of the directors it is appropriate to prepare the accounts on a going concern basis as the company has the support of its parent company.

**Turnover**

Turnover represents amounts billed to customers and commissions receivable, exclusive of VAT.

**Depreciation**

Fixed assets are depreciated on a straight line basis to write off their cost over their estimated useful lives 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 taxation is provided at anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

**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.

**Pension costs**

The company operates a defined contribution scheme and company contributions are charged to the profit and loss account as incurred. The charge for the year is shown in note 5 to the accounts.

**Operating leases**

Rental costs under operating leases are charged to the profit and loss account as incurred.

**2. TURNOVER**

The turnover arises from only one class of business and is derived wholly within the United Kingdom.




**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1997**
**3. INTEREST PAYABLE AND SIMILAR CHARGES**

	1997 £	1996 £
Group interest	1,800	765
Bank interest	14,189	12,434
	<u>15,989</u>	<u>13,199</u>

**4. OPERATING PROFIT**

	1997 £	1996 £
Operating profit is stated after charging:		
Depreciation	9,021	8,241
Auditors' remuneration	3,000	3,000
Operating lease rentals - land and buildings	30,345	15,172
	<u>30,345</u>	<u>15,172</u>

**5. STAFF COSTS**

	1997 £	1996 £
All employees including executive directors:		
Wages and salaries	103,826	106,478
Social security costs:	9,816	9,954
Other pension costs	2,015	3,711
	<u>115,657</u>	<u>120,143</u>
	<b>No.</b>	<b>No.</b>
The average number of persons employed by the company was:		
Sales	4	4
Administration	2	2
	<u>6</u>	<u>6</u>

**6. DIRECTORS' REMUNERATION**

	1997 £	1996 £
Emoluments	41,060	38,462
Emoluments, excluding pension contributions, of: Highest paid director	<u>39,975</u>	<u>36,414</u>

The other directors received no emoluments in either year.


**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1997**
**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

There is no charge to taxation in the current and preceding year in view of losses to be surrendered to group companies for nil consideration.

**8. TANGIBLE FIXED ASSETS**

	Short leasehold improve- ments £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost:					
At 1 January 1997	33,094	55,341	26,293	15,883	130,611
Additions	-	416	776	-	1,192
	<u>33,094</u>	<u>55,757</u>	<u>27,069</u>	<u>15,883</u>	<u>131,803</u>
At 31 December 1997					
Depreciation:					
At 1 January 1997	27,282	53,430	24,245	8,597	113,554
Charge for year	5,519	289	994	2,219	9,021
	<u>32,801</u>	<u>53,719</u>	<u>25,239</u>	<u>10,816</u>	<u>122,575</u>
At 31 December 1997					
Net book value:					
At 31 December 1997	293	2,038	1,830	5,067	9,228
	<u>5,812</u>	<u>1,911</u>	<u>2,048</u>	<u>7,286</u>	<u>17,057</u>
At 31 December 1996					

**9. DEBTORS**

	1997 £	1996 £
Trade debtors	190,440	273,377
Amounts owed by parent company and fellow subsidiaries	58,625	77,253
Other debtors	43,425	9,610
Prepayments and accrued income	19,794	16,416
	<u>312,284</u>	<u>376,656</u>



**NOTES TO THE ACCOUNTS**

**Year ended 31 December 1997**

**10. CREDITORS: amounts falling due within one year**

	1997 £	1996 £
Bank loans and overdrafts	98,330	140,602
Trade creditors	107,607	215,493
Amounts due to parent company and fellow subsidiaries	54,756	-
Taxation and social security	-	5,924
Accruals and deferred income	20,327	19,744
	<u>281,020</u>	<u>381,763</u>

The bank loans and overdrafts are secured by a fixed and floating charge on the assets of the company.

**11. CALLED UP SHARE CAPITAL**

	1997 £	1996 £
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.

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.

**12. PROFIT AND LOSS ACCOUNT**

	£
At 1 January 1997	3,224
Profit for the year	<u>19,845</u>
At 31 December 1997	<u>23,069</u>

**NOTES TO THE ACCOUNTS****Year ended 31 December 1997****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 No. 8 Related Party Disclosures.

**14. CONTINGENT LIABILITIES**

The company, together with certain fellow subsidiaries, has guaranteed a loan made to its immediate parent company, Sanctuary Services Limited. At 31 December 1997 the loan amounted to £727,272.

**15. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The directors consider that the ultimate parent company and controlling party at 31 December 1997 was Sanctuary Enterprises plc (formerly The Sanctuary Group plc), a company registered in England and Wales.

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