

Registered No: 1648384

Secure Travel Limited
Annual Report
for the year ended 31 December 1997



Directors' report for the year ended 31 December 1997

The directors present their report and the audited financial statements for the year ended 31 December 1997.

Principal activity

The principal activity of the company during the year was the provision of travel agency services for customers of Secure Trust Bank PLC, the immediate parent company.

Review of business

The profit and loss account of the year is set out on page 4.

The directors are satisfied with the performance of the company during the year and do not envisage any change in the principal activities in the ensuing year.

Dividends and transfers to reserves

The directors do not recommend the payment of a final dividend. The profit for the year of £17,821 has been transferred to reserves.

Directors

The directors who served throughout the year were as follows:

R Paston
J Shipley

Mr J. Shipley is a director of the immediate parent company, Secure Trust Bank PLC, and his interests in group companies are shown in the directors' report of that company.

Mr R. Paston is a director of the ultimate parent company, Secure Trust Group PLC, and his interests in group companies are shown in the directors' report of that company.

Directors report (continued)

Statement of directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that 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.

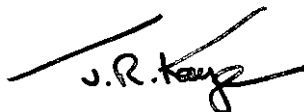
The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the financial statements. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for maintaining adequate accounting records and taking reasonable steps to safeguard the assets of the company and detect fraud or any other irregularities.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board

A handwritten signature in black ink, appearing to read 'J.R. Kaye', with a long horizontal stroke extending to the left.

J R Kaye
Secretary
31 March 1998

Report of the auditors to the members of Secure Travel Limited

We have audited the financial statements on pages 4 to 8.

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.

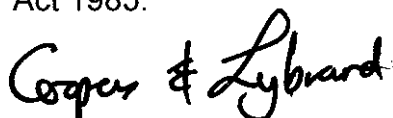
Basis of opinion

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 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.

A handwritten signature in black ink, appearing to read 'Coopers & Lybrand', is written over the printed name.

Coopers & Lybrand

Chartered Accountants and Registered Auditors
Birmingham
31 March 1998

Profit and loss account for the year ended 31 December 1997

	Notes	1997 £	1996 £
Turnover	2	25,997	54,727
Administrative expenses		(2,273)	(36,813)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	4	23,724	17,914
Taxation	5	(5,903)	(4,369)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		17,821	13,545
Dividend		-	-
		<hr/>	<hr/>
Retained profit for the year	9	17,821	13,545
		<hr/>	<hr/>

The company has no recognised gains and losses other than those included in the profit above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

The above results relate wholly to continuing operations.

Balance sheet at 31 December 1997

	Notes	1997 £	1996 £
Current assets			
Debtors	6	<u>215,487</u>	<u>209,485</u>
Creditors: amounts falling due within one year	7	<u>(169,773)</u>	<u>(181,592)</u>
Net current assets		<u>45,714</u>	<u>27,893</u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account	9	<u>45,712</u>	<u>27,891</u>
Equity shareholders' funds	10	<u>45,714</u>	<u>27,893</u>

The financial statements on pages 4 to 8 were approved by the board of directors on 31 March 1998 and were signed on its behalf by:



J. Shipley
Director

**Notes to the financial statements
for the year ended 31 December 1997****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Deferred taxation

Provision for deferred taxation is made only where a liability is expected to arise in the foreseeable future. Provisions are calculated at the current rate of corporation tax.

Cash flow statement

The company is a wholly owned subsidiary of Secure Trust Bank PLC, which is itself a wholly owned subsidiary of Secure Trust Group PLC, and the cash flows of the company are included in the consolidated group cash flow statement of Secure Trust Group PLC. Consequently, the company is exempt under the terms of Financial Reporting Standard No.1 (Revised) from publishing a cash flow statement.

Related party transactions

The company is a wholly owned subsidiary of Secure Trust Bank PLC, which itself is a wholly owned subsidiary of Secure Trust Group PLC. The company is therefore exempt from disclosing transactions with the parent company under the terms of the Financial Reporting Standard No.8.

2. Turnover

Turnover represents the value of goods and services sold to third parties in the United Kingdom.

3. Directors' emoluments and employee information

The emoluments of Mr R. Paston and Mr J. Shipley are paid by the immediate parent company which makes no recharge to the company. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the parent company.

4 Profit on ordinary activities before taxation

	1997 £	1996 £
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	600	600
	<u>600</u>	<u>600</u>

5 Taxation

	1997 £	1996 £
United Kingdom corporation tax at 31.5% (1996 33%)		
Current	7,471	5,912
Over provision in respect of prior years:		
Current	(1,568)	(1,543)
	<u>5,903</u>	<u>4,369</u>

6 Debtors

	1997 £	1996 £
Amounts falling due within one year:		
Trade debtors	215,487	209,485
	<u>215,487</u>	<u>209,485</u>

7 Creditors: amounts falling due within one year

	1997 £	1996 £
Trade creditors	58,950	61,002
Amounts owed to parent undertaking	100,529	111,064
Corporation tax	7,471	5,912
Accruals and deferred income	2,823	3,614
	<u>169,773</u>	<u>181,592</u>

8 Called up share capital

	1997 £	1996 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

9 Profit and loss account

	£
At 1 January 1997	27,891
Profit for the year	<u>17,821</u>
At 31 December 1997	<u>45,712</u>

10 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Opening equity shareholders' funds	27,893	14,348
Profit for the year after taxation	<u>17,821</u>	<u>13,545</u>
Closing equity shareholders' funds	<u>45,714</u>	<u>27,893</u>

11 Ultimate parent company

The directors regard Secure Trust Group PLC, a company registered in England and Wales, as the ultimate parent company.

A copy of the consolidated financial statements of Secure Trust Group PLC may be obtained from The Secretary, Secure Trust Group PLC, 23-27 Heathfield Road, Birmingham B14 7BY.