



**SANCTUARY AGENCY SERVICES
LIMITED**

Report and Financial Statements

31 December 1995

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



**REPORT AND FINANCIAL STATEMENTS 1995**

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

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1995, which show the state of the affairs of the company.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the company is arranging performances for entertainers.

The company had a comparatively quiet year. The directors are confident about the company's future prospects.

RESULTS

The company made a profit before taxation for the year of £208,878 (1994 loss - £17,695).

DIVIDEND AND TRANSFERS TO/(FROM) RESERVES

The directors have not recommended a dividend for the year (1994 - £nil). The retained profit for the year of £208,878 (1994 loss - £17,695) has been transferred to reserves.

DIRECTORS

The directors who served throughout the year were as follows:

AJ Taylor
JW Jackson
MD Miller

Messrs AJ Taylor and M D Miller are also directors of the ultimate parent company, The Sanctuary Group plc. Details of their shareholdings in that company are disclosed in its annual report.

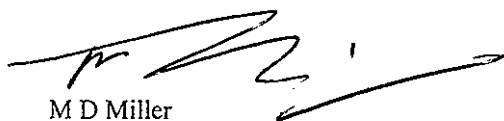
FIXED ASSETS

Movements in fixed assets are shown in notes 6 and 7 to the financial statements.

AUDITORS

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and accordingly, have signed their report in their new name. 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

25 October 1996

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. 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.



Chartered Accountants

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

Telephone: National 0171 936 3000
International + 44 171 936 3000
Telex: 884739 TRLNDN G
Fax (Gp. 3): 0171 583 8517
LDE: DX 599

AUDITORS' REPORT TO THE MEMBERS OF

SANCTUARY AGENCY SERVICES LIMITED

We have audited the financial statements on pages 4 to 8 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 at 31 December 1995 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

28 October 1996


PROFIT AND LOSS ACCOUNT
Year ended 31 December 1995

	Note	1995 £	1994 £
TURNOVER - continuing operations	1	-	-
Administrative expenses		(107,728)	(95,073)
OPERATING LOSS - continuing operations	2	(107,728)	(95,073)
Income from shares in group undertakings	4	316,606	77,388
Interest payable and similar charges		-	(10)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		208,878	(17,695)
Tax on profit/(loss) on ordinary activities	5	-	-
Retained profit/(loss) transferred to/(from) reserves	11	208,878	(17,695)

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 surplus for the financial year and deficit for the preceding financial year.


BALANCE SHEET
31 December 1995

	Note	£	1993 £	£	1994 £
FIXED ASSETS					
Investments	6		100		100
Tangible assets	7		6,655		6,655
			<u>6,755</u>		<u>6,755</u>
CURRENT ASSETS					
Debtors	8	713,538		566,920	
CREDITORS: amounts falling due within one year					
	9	<u>84,708</u>		<u>146,968</u>	
NET CURRENT ASSETS					
			<u>628,830</u>		<u>419,952</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>635,585</u>		<u>426,707</u>
CAPITAL AND RESERVES					
Called up share capital	10		100		100
Profit and loss account	11		635,485		426,607
EQUITY SHAREHOLDERS' FUNDS					
			<u>635,585</u>		<u>426,707</u>

These financial statements were approved by the Board of Directors on 25 October 1996.

Signed on behalf of the Board of Directors

M D Miller

Director



NOTES TO THE ACCOUNTS
Year ended 31 December 1995

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.

Turnover

Turnover represents commission income.

Depreciation

Fixed assets are depreciated on a straight line basis to write their cost down to their residual value over their estimated useful lives at the following rates:

Computer equipment	25% per annum
--------------------	---------------

Investments

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value.

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.

Consolidated financial statements

The company does not present consolidated financial statements by virtue of Section 228 of the Companies Act 1985 as it is a wholly owned subsidiary of a UK parent. The financial statements therefore present information on Sanctuary Agency Services Limited as an individual undertaking and not as a group.

2. OPERATING PROFIT/(LOSS)

	1995 £	1994 £
The operating profit/(loss) is stated after charging:		
Auditors' remuneration	2,750	3,500

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

There were no staff costs during either year and the directors received no remuneration.

4. INCOME FROM FIXED ASSET INVESTMENTS

	1995 £	1994 £
Income from shares in group undertakings	316,606	77,388



NOTES TO THE ACCOUNTS
Year ended 31 December 1995

5. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

There is no charge to taxation in view of the losses to be surrendered by group companies for nil consideration.

6. INVESTMENTS

Shares in
group
undertaking
£

At 1 January 1995 and 31 December 1995

100

The company has a 100% interest in the ordinary share capital of Jump for Joy Limited, whose principal activity is that of a tour agency. The company is registered in England and Wales.

7. TANGIBLE FIXED ASSETS

Computer
equipment
£

Cost:

At 1 January 1995 and at 31 December 1995

19,995

Depreciation:

At 1 January 1995 and at 31 December 1995

13,340

Net book value:

At 31 December 1995 and at 31 December 1994

6,655

8. DEBTORS

1995
£

1994
£

Amounts falling due within one year:

Trade debtors

43,690

44,384

Amounts owed by parent company

647,121

450,646

Other debtors

837

50,000

691,648

545,030

Amounts falling due after more than one year:

Other debtors

21,890

21,890

713,538

566,920



NOTES TO THE ACCOUNTS

Year ended 31 December 1995

9. CREDITORS: amounts falling due within one year

	1995 £	1994 £
Bank overdraft	54,315	132,939
Trade creditors	8,807	9,439
Amounts owed to group undertakings	18,836	-
Taxation and social security	-	1,090
Accruals and deferred income	2,750	3,500
	<u>84,708</u>	<u>146,968</u>

10. CALLED UP SHARE CAPITAL

	1995 £	1994 £
Authorised, allotted and fully paid: 100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

11. PROFIT AND LOSS ACCOUNT

	£
Balance at 1 January 1995	426,607
Retained profit for the year	208,878
Balance at 31 December 1995	<u>635,485</u>

12. CONTINGENT LIABILITIES

- (i) The company, together with certain fellow subsidiaries, has guaranteed a loan made to its parent company, Sanctuary Services Limited. At 31 December 1995 the loan amounted to £1,000,000.
- (ii) The company has guaranteed the bank indebtedness of Sanctuary Services Limited and certain fellow subsidiaries and has executed a charge over its assets in favour of the bank. At 31 December 1995 the total net borrowings of these companies amounted to £1,288,003.

13. ULTIMATE PARENT COMPANY

In the directors' opinion, the ultimate parent company at 31 December 1995 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.