

# **Real World Tours Limited**

Financial statements

For the year ended 31 December 2005

Grant Thornton 



**Company No. 2780663**

## Company information

<b>Company registration number</b>	2780663
<b>Registered office</b>	Mill Lane Box Corsham Wiltshire SN14 9PL
<b>Directors</b>	Mrs A F Goldsworthy Mr M D Large
<b>Secretary</b>	Ms K H Gumm
<b>Bankers</b>	HSBC Private Bank (UK) Limited
<b>Solicitors</b>	Sheridans
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants Registered Auditors 43 Queen Square BRISTOL BS1 4QR

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## Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2005.

### **Principal activities and business review**

The principal activity of the company during the year was the production of Peter Gabriel's touring activities outside of North America and the hire of stage and equipment.

There was no tour activity during the year.

### **Results and dividends**

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

### **Financial risk management objectives and policies**

The company uses various financial instruments and these include cash and various items, such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the group's financial instruments are credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

#### **Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

#### **Credit risk**

The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk on non-contractual payments the directors make judgements on customers based on a previous payment history and experience and also obtain advance payments where necessary.

### The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 December 2005	At 1 January 2005
Mrs A F Goldsworthy	2	2
Mr M D Large	-	-

### Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

United Kingdom 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:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



M D Large  
Director  
7 September 2006

Grant Thornton 

## Report of the independent auditor to the members of Real World Tours Limited

We have audited the financial statements of Real World Tours Limited for the year ended 31 December 2005 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 17. 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 auditor**

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 and the information given in the Report of the Directors is consistent with the financial statements. We also 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

## Report of the independent auditor to the members of Real World Tours Limited (continued)

### **Basis of 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

*Grant Thornton UK LLP*

7 September 2006

## Principal accounting policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

### **Fixed assets**

All fixed assets are initially recorded at cost.

### **Tangible fixed assets and depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office and musical equipment	25% straight line
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### **Foreign currencies**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All other exchange differences are dealt with through the profit and loss account.



## Profit and loss account

	Note	2005 £	2004 £
Turnover	1	6,424	4,824,391
Cost of sales		(7,188)	(4,687,133)
Gross (loss)/profit		(764)	137,258
Other operating charges	2	2,708	(145,968)
<b>Operating profit/(loss)</b>	3	<b>1,944</b>	<b>(8,710)</b>
Interest receivable	5	2,700	11,526
Interest payable and similar charges	6	(60)	(3,040)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>4,584</b>	<b>(224)</b>
Tax on profit/(loss) on ordinary activities	7	356	280
<b>Profit for the financial year</b>	15	<b>4,940</b>	<b>56</b>

All of the activities of the company are classed as continuing.

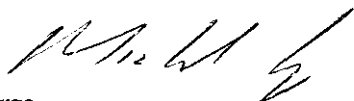
The company has no recognised gains or losses other than the results for the year as set out above.

## Balance sheet

	Note	2005 £	2004 £
<b>Fixed assets</b>			
Tangible assets	8	—	—
<b>Current assets</b>			
Debtors	9	9,335	241,397
Cash at bank		14,079	204,917
		<u>23,414</u>	<u>446,314</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>27,605</u>	<u>455,445</u>
<b>Net current liabilities</b>		<u>(4,191)</u>	<u>(9,131)</u>
<b>Total assets less current liabilities</b>		<u>(4,191)</u>	<u>(9,131)</u>
<b>Capital and reserves</b>			
Called-up equity share capital	14	2	2
Profit and loss account	15	(4,193)	(9,133)
<b>Deficit</b>	16	<u>(4,191)</u>	<u>(9,131)</u>

These financial statements were approved by the directors on 7 September 2006 and are signed on their behalf by:

Mr M D Large  
Director



## Notes to the financial statements

### 1 Turnover

The turnover and profit/(loss) before taxation are attributable to the continuing activity of the production of Peter Gabriel's touring activities outside of North America and the hire of stage and equipment. An analysis of turnover is given below:

	2005	2004
	£	£
United Kingdom	6,424	903,759
Europe	-	3,920,632
	<u>6,424</u>	<u>4,824,391</u>

### 2 Other operating charges

	2005	2004
	£	£
Administrative expenses	<u>(2,708)</u>	<u>145,968</u>

### 3 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2005	2004
	£	£
Auditor's remuneration:		
Audit fees	1,000	4,750
Net (profit)/loss on foreign currency translation	<u>(121)</u>	<u>24,998</u>

### 4 Directors and employees

There were no employees of the company during the year, other than the directors who received no remuneration (2004: £nil).

### 5 Interest receivable

	2005	2004
	£	£
Bank interest receivable	<u>2,700</u>	<u>11,526</u>

**6 Interest payable and similar charges**

	2005	2004
	£	£
Interest payable on bank borrowing	-	3,040
Other similar charges payable	60	-
	<u>60</u>	<u>3,040</u>

**7 Taxation on ordinary activities**

(a) Analysis of charge in the year

	2005	2004
	£	£
Current tax:		
Corporation tax	-	-
(Over)/under provision in prior year	(356)	(280)
Total current tax	<u>(356)</u>	<u>(280)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2004 - 19%).

	2005	2004
	£	£
Profit/(loss) on ordinary activities before taxation	<u>4,584</u>	<u>(224)</u>
Profit/(loss) on ordinary activities by rate of tax	871	(43)
Expenses not deductible for tax purposes	12	20
Capital allowances in excess of depreciation	(53)	(70)
Utilisation of losses	-	93
Adjustments to tax charge in respect of previous periods	(356)	(280)
Small company exemption	(830)	-
Total current tax (note 7(a))	<u>(356)</u>	<u>(280)</u>

**8 Tangible fixed assets**

	Office and musical equipment £
Cost	
At 1 January 2005 and 31 December 2005	<u>112,184</u>
Depreciation	
At 1 January 2005 and 31 December 2005	<u>(112,184)</u>
Net book value	
At 31 December 2005	<u>-</u>
At 31 December 2004	<u>-</u>

**9 Debtors**

	2005 £	2004 £
VAT recoverable	-	240,047
Amounts owed by related parties	-	830
Other debtors	3,661	520
Prepayments and accrued income	<u>5,674</u>	<u>-</u>
	<u>9,335</u>	<u>241,397</u>

**10 Creditors: amounts falling due within one year**

	2005 £	2004 £
Amounts owed to related parties	20,925	210,292
Trade creditors	-	240,426
Accruals and deferred income	<u>6,680</u>	<u>4,727</u>
	<u>27,605</u>	<u>455,445</u>

**11 Capital commitments**

The company had no capital commitments at 31 December 2005 or 31 December 2004.

**12 Contingent liabilities**

There were no contingent liabilities at 31 December 2005 or 31 December 2004.

### 13 Related party transactions

All transactions with related parties totalling over £5,000 are detailed below.

During the year, the company was invoiced £nil (2004: £636,739) for touring services and £nil (2004: £42,993) for recharged salaries and expenses by Peter Gabriel Limited, of which Mr M D Large is also a director. The company invoiced Peter Gabriel Limited £nil (2004: £16,805) for recharged expenses.

During the year, the company was invoiced £nil (2004: £110,000) in respect of management charges by Real World Holdings Limited of which Mr M D Large is also a director. The company invoiced Real World Holdings Limited £nil (2004: £7,946) for recharged expenses.

During the year, the company was invoiced £nil (2004: £22,716) in respect of touring costs by Real World Records Limited, of which Mr M D Large is also a director.

During the year, the company invoiced Real World Productions Limited, of which Mr M D Large is also a director, £nil (2004: £1,103,259) in respect of touring costs.

During the year, the company invoiced Real World Music Limited, of which Mr M D Large and Ms A F Goldsworthy are also directors, £nil (2004: £193,648) in respect of touring costs.

At 31 December 2005 the company owed Peter Gabriel Limited, of which Mr M D Large is also a director £20,925 (2004: £204,526). This amount is disclosed within the amounts owed to related parties.

At 31 December 2005 the company owed £nil (2004: £125) to Real World Holdings Limited, of which Mr M D Large is also a director.

At 31 December 2005 the company owed £nil (2004: £5,641) to Real World Records Limited, of which Mr M D Large is also a director.

At 31 December 2005 the company was owed £nil (2004: £830) by Real World Productions Limited, of which Mr M D Large is also a director.

### 14 Share capital

Authorised share capital:

	2005	2004
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

**15 Profit and loss account**

	2005	2004
	£	£
Balance brought forward	(9,133)	(9,189)
Profit for the financial year	4,940	56
Balance carried forward	<u>(4,193)</u>	<u>(9,133)</u>

**16 Reconciliation of movements in shareholders' funds**

	2005	2004
	£	£
Profit for the financial year	4,940	56
Opening shareholders' deficit	(9,131)	(9,187)
Closing shareholders' deficit	<u>(4,191)</u>	<u>(9,131)</u>

**17 Controlling related party**

Mrs A F Goldsworthy is the company's controlling party by virtue of her majority shareholding.