



**REAL WORLD
TOURS LIMITED**
Financial Statements for the year
ended 31 December 1997

Company number: 2780663

REAL WORLD TOURS LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 1997

Company registration number: 2780663

Registered office: Mill Lane
Box
Corsham
Wiltshire
SN14 9PL

Directors: Ms A F Goldsworthy
Mr H S Kullar
Mr M D Large

Secretary: Ms K H Gumm

Bankers: Coutts & Co.

Solicitors: Sheridans

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants

REAL WORLD TOURS LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 1997

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REAL WORLD TOURS LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 1997.

Principal activities

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.

Business review

No tours were undertaken during 1997.

There was a loss for the year after taxation amounting to £2,736 (1996: £20,067). The directors do not recommend payment of a dividend.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

The interests of the directors in the shares of the company as at 1 January 1997 and 31 December 1997 were as follows:

	Ordinary shares of £1 each	
	1997	1996
Ms A F Goldsworthy	1	1
Mr M D Large	-	-
Mr H S Kullar	-	-

REAL WORLD TOURS LIMITED

REPORT OF THE DIRECTORS

Directors' responsibilities for the 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 period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and to 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.

Auditors

Grant Thornton were appointed auditors on 6 June 1998. Special notice pursuant to sections 379 and 391A of the Companies Act 1985 having been given, a resolution to appoint Grant Thornton as auditors in accordance with section 385 was proposed at the General Meeting held on 22 October 1998. Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



H S Kullar
Director

22 October 1998

**REPORT OF THE AUDITORS TO THE MEMBERS OF
REAL WORLD TOURS LIMITED**

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

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.

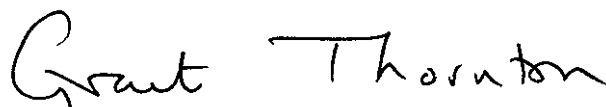
Basis of opinion

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 loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Bath

22 October 1998

REAL WORLD TOURS LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

DEPRECIATION

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives.

The rates generally applicable are :

Musical and office equipment	25%
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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 exchange differences are dealt with through the profit and loss account.

REAL WORLD TOURS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1997

	Note	1997 £	1996 £
Turnover	1	2,579	15,510
Cost of sales		<u>1,350</u>	<u>5,074</u>
Gross profit		1,229	10,436
Administration expenses		<u>5,041</u>	<u>30,637</u>
Operating loss		(3,812)	(20,201)
Net interest	2	<u>-</u>	<u>(2,337)</u>
Loss on ordinary activities before taxation	1	(3,812)	(17,864)
Tax on loss on ordinary activities	4	<u>1,076</u>	<u>(2,203)</u>
Loss on ordinary activities after taxation	9	<u>(2,736)</u>	<u>(20,067)</u>

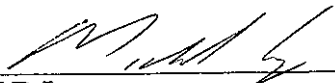
There were no recognised gains or losses other than the loss for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

REAL WORLD TOURS LIMITED**BALANCE SHEET AT 31 DECEMBER 1997**

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	5	-	2,633
Current assets			
Debtors	6	402,743	404,991
Cash at bank and in hand		10,604	9,626
		413,347	414,617
Creditors: amounts falling due within one year	7	449,367	450,534
Net current liabilities		(36,020)	(35,917)
Total assets less current liabilities		(36,020)	(33,284)
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account	9	(36,022)	(33,286)
Shareholders' funds		(36,020)	(33,284)

These financial statements were approved by the Board of Directors on 22 October 1998.


M D Large
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

REAL WORLD TOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1997

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and loss before taxation is 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.

The loss on ordinary activities is stated after:

	1997 £	1996 £
Auditors' remuneration	1,000	2,000
Depreciation of tangible fixed assets, owned	<u>2,633</u>	<u>28,046</u>

2 NET INTEREST

	1997 £	1996 £
Other interest receivable and similar income	<u>-</u>	<u>(2,337)</u>

3 DIRECTORS AND EMPLOYEES

The average number of employees of the company during the year was 3 (1996: 3).

No employee or director received any remuneration during the year (1996: nil).

4 TAX ON LOSS ON ORDINARY ACTIVITIES

The tax (credit)/charge represents:

	1997 £	1996 £
Corporation tax @ 25% (1996: 25% & 24%)	(1,076)	236
Adjustments in respect of prior year	<u>-</u>	<u>1,967</u>
	<u>(1,076)</u>	<u>2,203</u>

Unrelieved tax losses of £4,306 (1996: £nil) remain available to offset against future taxable trading profits.

REAL WORLD TOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1997

5 TANGIBLE FIXED ASSETS

	Office & musical equipment £
Cost	
At 1 January 1997	112,184
Additions	-
	112,184
Disposals	-
At 31 December 1997	112,184
Depreciation	
At 1 January 1997	109,551
Provided in the year	2,633
	112,184
Eliminated on disposals	-
At 31 December 1997	112,184
Net book amount at 31 December 1997	-
Net book amount at 31 December 1996	2,633

6 DEBTORS

	1997 £	1996 £
Trade debtors	823	4,147
Other debtors	401,920	400,844
	402,743	404,991

REAL WORLD TOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1997

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Corporation tax	1,405	1,641
Social security and other taxes	88	569
Other creditors	446,324	446,324
Accruals	1,550	2,000
	<u>449,367</u>	<u>450,534</u>

8 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 RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Profit and loss account £	Share capital £	Total shareholders' funds £
Shareholders' funds at 1 January 1997	(33,286)	2	(33,284)
Loss for the financial year	<u>(2,736)</u>	-	<u>(2,736)</u>
Shareholders' funds at 31 December 1997	<u>(36,022)</u>	<u>2</u>	<u>(36,020)</u>

REAL WORLD TOURS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1997

10 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 1997 or 31 December 1996.

11 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 1997 or 31 December 1996.

12 TRANSACTIONS WITH RELATED PARTIES

At 31 December 1997 the company was due £45,037 (1996: £45,037) from Real World Productions Limited of which Mr M D Large and Mr H S Kullar are also directors.

At 31 December 1997 the company was due £1,717 (1996: £1,717) from Real World Multimedia Limited of which Mr M D Large and Mr H S Kullar are also directors.

At 31 December 1997 the company owed £446,324 (1996: £446,324) to Peter Gabriel Limited of which Mr M D Large and Mr H S Kullar are also directors.

13 CONTROLLING RELATED PARTY

No tours were undertaken during 1997 and therefore the company had no controlling related party. The company's affairs were managed by Real World Holdings Limited, of which Mr M D Large and Mr H S Kullar are also directors.