

REAL WORLD TOURS LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1994

Company number: 2780663

Baker Tilly

Chartered Accountants

2 Bloomsbury Street

London WC1B 3ST



DIRECTORS AND OFFICERS

DIRECTORS

MD Large
AF Goldsworthy
H Kullar

SECRETARY

PD Stephens

REGISTERED OFFICE

Box Mill
Mill Lane
Box
Corsham
Wiltshire SN14 9PL

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

DIRECTORS' REPORT

The directors submit their report and the financial statements of Real World Tours Limited for the year ended 31 December 1994.

PRINCIPAL ACTIVITIES

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

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The results of the tour for 1994 are in line with directors' expectations.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £Nil.

The directors do not recommend the payment of a dividend.

DIRECTORS

The following directors have held office since 1 January 1994:-

M Pedro	(resigned 30 September 1994)
D Stephen	(appointed 18 April 1994; resigned 28 May 1996)
AF Goldsworthy	
MD Large	(appointed 15 January 1996)
H Kullar	(appointed 15 January 1996)

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interests, were as follows:-

	Ordinary shares of £1 each	
	31.12.94	1.1.94
AF Goldsworthy	1	1
M Pedro	1	1
D Stephen	-	-

FIXED ASSETS

The significant changes in fixed assets during the year are explained in note 5 to the financial statements.

DIRECTORS' REPORT


AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board

PD Stephens

Secretary



31 July 1996

REAL WORLD TOURS LIMITED

**DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF
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 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 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 requirements of 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 REAL WORLD TOURS LIMITED

We have audited the financial statements on pages 6 to 11.

Respective responsibilities of directors and auditors

As described on page 4 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 of 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 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Baker Tilly

Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

21 July 1996

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1994

	Notes	Year to 31 December 1994	Period to 31 December 1993
TURNOVER	1	2,531,961	5,167,529
Cost of sales		(2,462,943)	(5,061,489)
Other income		369,057	683,207
Gross profit		<u>438,075</u>	<u>789,247</u>
Administrative expenses		(322,961)	(520,593)
OPERATING PROFIT		<u>115,114</u>	<u>268,654</u>
Investment income		18,537	6,179
Interest payable		(5,271)	(6,267)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>128,380</u>	<u>268,566</u>
Taxation	4	128,380	268,566
RETAINED PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>£ -</u>	<u>£ -</u>

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all gains and losses have been dealt with in the Profit and Loss Account.

No separate reconciliation of movements in shareholders' funds is presented as the only movement is dealt with through the profit and loss account.

The retained profit for the year represents the company's historical cost profit.

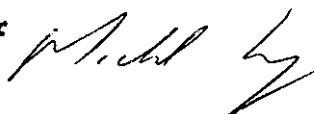
BALANCE SHEET
31 December 1994

	Notes	1994	1993
FIXED ASSETS			
Tangible assets	5	58,725	78,869
CURRENT ASSETS			
Debtors	6	638,374	183,251
Cash at bank and in hand		249,062	669,842
		<u>887,436</u>	<u>853,093</u>
CREDITORS			
Amounts falling due within one year	7	946,159	931,960
NET CURRENT LIABILITIES		<u>(58,723)</u>	<u>(78,867)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 2</u>	<u>£ 2</u>
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Profit and loss account		-	-
		<u>£ 2</u>	<u>£ 2</u>
		-	-

Approved by the board on

31 July 1996

Director



ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

CASH FLOW STATEMENT

The directors have relied upon the exemptions conferred by Financial Reporting Standard number 1 (FRS 1) from preparing a cash flow statement.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Office and music equipment	25% straight line
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TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

EXCHANGE GAINS

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling and the balance sheet date.

All differences are taken to the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

	Year to 31 December 1994	Period to 31 December 1993
1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
The company's turnover and profit before taxation were all derived from its principal activity. Sales were made in the following geographical markets:		
United Kingdom	70,000	585,957
Europe	1,527,484	3,305,306
Australia	494,071	97,948
South America	-	1,178,318
Asia	440,406	-
	<u>£ 2,531,961</u>	<u>£ 5,167,529</u>
2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation is stated after charging: Depreciation and amounts written off tangible fixed assets: Charge for the period: owned assets		
Auditors' remuneration	28,046 6,500	25,413 7,000
	<u>28,046</u>	<u>25,413</u>
3. EMPLOYEES	No.	No.
The average weekly number of persons (including directors) employed by the company during the period was:		
Office and management	3	2
Staff costs for the above persons:	-	-
Wages and salaries	-	-
Social security costs	-	-
	<u>£ Nil</u>	<u>£ Nil</u>
DIRECTORS' REMUNERATION	<u> </u>	<u> </u>
Directors' emoluments	£ Nil	£ Nil
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

	Year to 31 December 1994	Period to 31 December 1993
4. TAXATION		
Based on the profit for the period		
UK corporation tax at 33%	-	-
Withholding tax	128,380	268,566
	<u>£ 128,380</u>	<u>£ 268,566</u>
5. TANGIBLE FIXED ASSETS		
		Office and Music Equipment
Cost:		
1 January 1994		104,282
Additions		7,902
31 December 1994		<u>112,184</u>
Depreciation:		
1 January 1994		25,413
Charge for year		28,046
31 December 1994		<u>53,459</u>
Net book value:		
31 December 1994		<u>£ 58,725</u>
31 December 1993		<u>£ 78,869</u>
	1994	1993
6. DEBTORS		
Due within one year:		
Trade debtors	2,220	18,471
Other debtors	446,837	131,775
Prepayments and accrued income	189,317	33,005
	<u>£ 638,374</u>	<u>£ 183,251</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 1994

	1994	1993
7. CREDITORS		
Amounts falling due within one year:		
Trade creditors	2,919	60,408
Accruals	159,410	105,984
Deferred income	-	180,022
Other creditors	783,830	585,546
	<u>£ 946,159</u>	<u>£ 931,960</u>
8. SHARE CAPITAL		
Authorised:		
100 ordinary shares of £1 each	£ 100	£ 100
	<u> </u>	<u> </u>
Allotted, issued and fully paid:		
2 ordinary shares of £1 each	£ 2	£ 2
	<u> </u>	<u> </u>