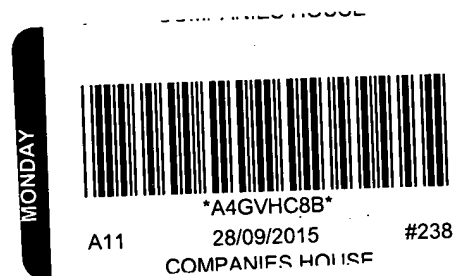


Financial Statements

Real World Records Limited

For the year ended 31 December 2014



Registered number: 2257027

Company Information

Directors	Mr P B Gabriel Mr M D Large Ms A Jones Mr C P Pike
Company secretary	Mr D C Hatchman
Registered number	2257027
Registered office	Mill Lane Box Corsham Wiltshire SN13 8PL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Hartwell House 55-61 Victoria Street Bristol BS1 6FT
Bankers	HSBC Private Bank (UK) Limited
Solicitors	Sheridans

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Directors' Report

For the year ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Directors

The directors who served during the year were:

Mr P B Gabriel
Mr M D Large
Ms A Jones
Mr C P Pike

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' Report

For the year ended 31 December 2014

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 22 September 2015 and signed on its behalf.



Mr D C Hatchman
Secretary

Independent Auditor's Report to the Members of Real World Records Limited

We have audited the financial statements of Real World Records Limited for the year ended 31 December 2014, which comprise the Profit and Loss account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of Real World Records Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the Directors' report.



James R Morter (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Bristol

24 September 2015

Profit and Loss Account

For the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	1,2	1,370,789	1,409,177
Cost of sales		<u>(621,522)</u>	<u>(622,616)</u>
Gross profit		749,267	786,561
Administrative expenses		<u>(595,397)</u>	<u>(562,689)</u>
Operating profit	3	153,870	223,872
Interest receivable and similar income		9	-
Interest payable and similar charges		<u>(2)</u>	<u>(1,365)</u>
Profit on ordinary activities before taxation		153,877	222,507
Tax on profit on ordinary activities	5	<u>-</u>	<u>-</u>
Profit for the financial year	13	<u>153,877</u>	<u>222,507</u>

The notes on pages 7 to 12 form part of these financial statements.

Balance Sheet

As at 31 December 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Investments	6		2		2
Current assets					
Debtors	7	215,538		173,666	
Cash at bank and in hand		311,020		203,835	
		<u>526,558</u>		<u>377,501</u>	
Creditors: amounts falling due within one year	8	<u>(704,376)</u>		<u>(709,196)</u>	
Net current liabilities			<u>(177,818)</u>		<u>(331,695)</u>
Total assets less current liabilities			<u>(177,816)</u>		<u>(331,693)</u>
Capital and reserves					
Called up share capital	12		111,302		111,302
Profit and loss account	13		<u>(289,118)</u>		<u>(442,995)</u>
Shareholders' deficit			<u>(177,816)</u>		<u>(331,693)</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 September 2015.



Mr M D Large
Director

The notes on pages 7 to 12 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Going concern

The directors report an overall profit for the financial year. The balance sheet, however, shows a net deficit position as at 31 December 2014. Taking into account post year-end trading, current cash flow forecasts and continued group support, the directors consider it appropriate to prepare the financial statements on the going concern basis.

1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within a group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006 is not required to produce, and has not published, consolidated accounts. These financial statements therefore present information about the individual company only.

1.5 Turnover

ROYALTIES AND ADVANCES RECEIVABLE

Turnover represents the royalty, performance and related income due in the year, including non-returnable advances, excluding Value Added Tax. Royalty, performance and related income is credited to the Profit and Loss account on the earnings basis, or where unspecified, the date of receipt. Advances are credited to the Profit and Loss account when they become non-returnable.

OTHER SOURCES

Revenue on other income streams including the sale of goods and services are recognised at the point which the goods are transferred or the services have been completed, net of Value Added Tax.

Notes to the Financial Statements

For the year ended 31 December 2014

1. Accounting Policies (continued)

1.6 Royalties and advances payable

Advances made to artists in respect of future royalties are charged to the profit and loss account on the contractually due date. Royalties payable are charged to the Profit and Loss account on an accruals basis unless recouping against advances already paid.

1.7 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.8 Operating leases

Rentals under operating leases are charged to the Profit and Loss account on a straight line basis over the lease term.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss account.

2. Turnover

0.0% of the company's turnover (2013 - 20.3%) is attributable to geographical markets outside the United Kingdom.

3. Operating profit

The operating profit is stated after charging:

	2014	2013
	£	£
Auditor's remuneration	4,000	4,000
Pension costs	16,239	14,837
Difference on foreign exchange	1,749	11,820

Notes to the Financial Statements

For the year ended 31 December 2014

4. Directors' remuneration

	2014	2013
	£	£
Aggregate remuneration	72,215	69,711

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes.

5. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 20% (2013 - 20%). The differences are explained below:

	2014	2013
	£	£
Profit on ordinary activities before tax	153,877	222,507
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 20%)	30,775	44,501
Effects of:		
Expenses not deductible for tax purposes	-	5
Capital allowances for year in excess of depreciation	-	(5)
Utilisation of tax losses	-	(35,916)
Group relief	(30,775)	(8,585)
Current tax charge for the year (see note above)	-	-

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2014 and 31 December 2014	2
Net book value	
At 31 December 2014	2
At 31 December 2013	2

Notes to the Financial Statements

For the year ended 31 December 2014

6. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Real World Productions Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Real World Productions Limited	90,211	7,887

7. Debtors

	2014 £	2013 £
Trade debtors	78,591	128,080
Amounts owed by group undertakings	68,044	18,656
Other debtors	68,903	26,930
	<u>215,538</u>	<u>173,666</u>

8. Creditors:

Amounts falling due within one year

	2014 £	2013 £
Trade creditors	11,994	36,703
Amounts owed to group undertakings	207,746	53,586
Other taxation and social security	23,066	21,963
Accruals and deferred income	461,270	582,766
Other creditors	300	14,178
	<u>704,376</u>	<u>709,196</u>

There is a company guarantee given by Peter Gabriel Limited, the company's ultimate parent, for £200,000 to secure all liabilities of the company.

Notes to the Financial Statements

For the year ended 31 December 2014

9. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
After more than 5 years	44,250	44,250

10. Contingent liabilities

There were no contingent liabilities at 31 December 2014 or 31 December 2013.

11. Related party transactions

As a wholly owned subsidiary of Real World Holdings Limited which is a wholly owned subsidiary of Peter Gabriel for whom consolidated financial statements are prepared and publicly available, the company has taken advantage of the exemption under FRS8 from disclosing transactions with other wholly owned group companies.

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

During the year the company invoiced Real World Works Limited, a company of which Mr P B Gabriel and Mr M D Large are also directors, £121,988 (2013: £100,000) in respect of management charges. At the year end £21,988 (2013: £NIL) was owed by Real World Works.

During the year the company invoiced Womad Music Limited, a company of which Mr P B Gabriel and Mr M D Large are directors, £9,611 (2013: £5,000) in respect of management charges.

During the year, the company received £103,587 (2013: £59,742) in ticket income on behalf of Real World Tours Limited, a company of which Mr M D Large is also a director. At 31 December 2014, the company owed £NIL (2013: £14,181) to Real World Tours Limited. This balance is included in other creditors.

12. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
111,302 Ordinary shares of £1 each	111,302	111,302

Notes to the Financial Statements

For the year ended 31 December 2014

13. Reserves

	Profit and loss account £
At 1 January 2014	(442,995)
Profit for the financial year	153,877
	<hr/>
At 31 December 2014	(289,118)
	<hr/>

14. Ultimate parent undertaking and controlling party

The directors consider that the ultimate parent undertaking of this company is Peter Gabriel Limited.

Mr P B Gabriel is this company's ultimate controlling party by virtue of his majority shareholding in Peter Gabriel Limited.