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The Way Ahead Group Limited

Report and Financial Statements

31 July 2010



Directors

R I Wilmshurst

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

Royal Bank of Scotland
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280 Bishopsgate
London
EC2M 4RB

Registered Office

Norfolk House,
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NG1 2AB

Directors' report

The directors present their report and financial statements for the year ended 31 July 2010 (the prior period being from 28 July 2008 until 31 July 2009)

Results and dividends

The profit for the year after taxation amounted to £3.3m (period ended 31 July 2009 £1.1 million). The directors do not recommend a final dividend (period ended 31 July 2009 – £nil).

Principal activity and review of the business

The principal activity of the company during the year continued to be that of ticket agent for the live entertainment industry. Results were achieved through providing the ticketing solution for a number of new events in addition to the non re-occurrence of one off costs from the prior year.

The balance sheet on page 8 of the financial statements shows that the company's financial position at the year end had net assets of £9.1 million (period ended 31 July 2009 – £5.8 million). The movement in the year reflects the trading result.

The average number of employees has decreased from 193 in 2009 to 158 in 2010 as a result of a strategic review of staffing requirements across the business.

Future developments

The company has developed tactical and strategic plans to ensure it remains competitive into the future. Management processes have been implemented to monitor progress against critical success factors. As a result profits are anticipated to grow in the coming year despite the economic headwind.

Principal risks and uncertainties

The company faces competitive pressures from other ticketing agencies to attract and sell tickets for event promoters. The company manages this risk by providing quality service to promoters, being able to react quickly to promoter queries and to maintain and develop strong relationships with new and continuing event promoters.

Bank loans of the immediate parent company, in place at the period ended 31 July 2009, were settled by the overseas parent during the year, resulting in no interest rate risk existing at the balance sheet date.

Events since the balance sheet date

On 24 February 2011 the ultimate parent undertaking changed from See Investments B V to See UK Holdings B V being 100% owned by Parcom, the Private Equity firm of ING Group.

Directors

The directors who served during the year were as follows:

N G G Blackburn	(resigned 23 September 2010)
G L Charlton	(resigned 1 July 2010)
S J M Hosman	(appointed 17 November 2010, resigned 24 February 2011)
R I Wilmshurst	
C G W Taylor	(resigned 24 February 2011)
B J A Van Schriek	(resigned 24 February 2011)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' report

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

By order of the Board



Rob Wilmshurst
Director

28 MAR 2011

Statement of directors' responsibilities

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 law). 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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.

Independent auditor's report

to the members of The Way Ahead Group Limited

We have audited the financial statements of The Way Ahead Group Limited for the year ended 31 July 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 July 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report

to the members of The Way Away Group 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 by the company, 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

Ernst & Young LLP

Michael Wansbury (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

London

30 March 2011

Profit and loss account

for the year ended 31 July 2010

		<i>Year ended 31 July 2010 £000</i>	<i>Period ended 31 July 2009 £000</i>
	<i>Notes</i>		
Turnover	2	19,490	19,362
Cost of sales		(10,845)	(11,241)
Gross profit		8,645	8,121
Administrative expenses		(3,887)	(4,320)
Operating profit	3	4,758	3,801
Interest receivable and similar income	6	209	683
Interest payable and similar charges	7	(308)	(254)
Profit on ordinary activities before taxation		4,659	4,230
Tax on profit on ordinary activities	8	(1,373)	(1,171)
Profit for the financial year/period	17	3,286	3,059

All operations are continuing activities

Statement of total recognised gains and losses

for the year ended 31 July 2010

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £3,286,000 in the year ended 31 July 2010 (period ended 31 July 2009 £3,059,000)

Balance sheet

at 31 July 2010

	Notes	2010 £000	2009 £000
Fixed assets			
Tangible assets	9	894	754
Investments	10	1,086	1,086
		<u>1,980</u>	<u>1,840</u>
Current assets			
Debtors falling due within one year	11	19,348	16,502
Debtors falling due after more than one year	11	472	212
		<u>19,820</u>	<u>16,714</u>
Cash at bank	12	11,165	8,484
		<u>30,985</u>	<u>25,198</u>
Creditors amounts falling due within one year	13	(23,844)	(21,234)
		<u>7,141</u>	<u>3,964</u>
Net current assets			
Total assets less current liabilities		<u>9,121</u>	<u>5,804</u>
Provisions for liabilities and charges	14	(31)	—
		<u>9,090</u>	<u>5,804</u>
Net assets			
Capital and reserves			
Called up share capital	16	1	1
Profit and loss account	17	9,089	5,803
		<u>9,090</u>	<u>5,804</u>
Shareholders' funds	17		
		<u>9,090</u>	<u>5,804</u>

Signed on behalf of the Board of Directors on 28 March 2011



R I Wilmsheurst
Director

Notes to the financial statements

at 31 July 2010

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Practice)

Going concern

The company's business activities and its financial position are set out in the Directors' Report on pages 2 to 3

The directors have prepared forecasts and concluded that the company is able to operate and meet any obligations as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of the financial statements

In addition, the group has support from See UK Holdings B V

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements

Group financial statements

The company is exempt from the requirement to prepare group financial statements by virtue of section 400 of The Companies Act 2006 as the company is a wholly owned subsidiary. These financial statements present information about the company as an individual undertaking and not about its group.

Statement of cash flows

As permitted by FRS 1 "Statement of Cash Flows", the company has not prepared a statement of cash flows on the grounds that the company is a wholly-owned subsidiary and its intermediate parent undertaking publishes a group cash flow statement.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated to write off the cost of assets over their anticipated useful lives as follows:

Fixtures and fittings	–	4 years
Computer equipment	–	4 years
Plant and equipment	–	4 years
Leasehold improvements	–	for the remaining life of the lease

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right of consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sales of goods: Revenue from the sale of tickets is recognised when the significant risks and rewards of ownership have passed to the buyer, whether or not the goods have yet been despatched.

Interest

Interest income represents bank interest received and interest receivable from group financing arrangements.

Interest payable represents bank interest paid and accrued during the year and interest paid on other loans.

Notes to the financial statements

at 31 July 2010

1. Accounting policies (continued)

Investments

Investments held in fixed assets are stated at cost less provision for impairment. Where valuation is less than cost and this is considered to represent an impairment in value, full provision for the unrealised loss is charged against the profit and loss account.

Current taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Group relief

The company utilises the application of group relief whereby current year tax losses from one company will be surrendered to a company with current year taxable profits. The amounts surrendered from the loss making company will not exceed the amount of the profit making company's tax charge.

The profit making company will take up the tax loss and also a corresponding and equivalent amount in its intercompany account.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the contracted date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Operating leases

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the term of the lease.

Signing on fees

Amounts paid to secure contracts with promoters are held as debtors and amortised over the life of the contracts. Any impairments in value are recognised as incurred.

Notes to the financial statements

at 31 July 2010

1. Accounting policies (continued)

Pensions

The company operates a defined contribution pension plan, contributions to personal pension schemes are charged to the profit and loss account in the period in which they become payable

2. Turnover

Turnover is derived within the United Kingdom from commissions earned on the sale of tickets and associated services and recognised at the point of sale, except for coach revenue which is recognised at the event date. Turnover excludes Value Added Tax

3. Operating profit

Operating profit is stated after charging

	<i>Year ended 31 July 2010 £000</i>	<i>Period ended 31 July 2009 £000</i>
Depreciation of tangible fixed assets	371	307
Amortisation of signing on fees	464	465
Operating lease rentals	286	290
Auditor's remuneration		
Fees payable to the company's auditors for the audit of the company's statutory accounts	37	29
Total audit fees	<u>37</u>	<u>29</u>

Notes to the financial statements

at 31 July 2010

4. Directors' emoluments

	<i>Year ended 31 July 2010 £000</i>	<i>Period ended 31 July 2009 £000</i>
Emoluments	200	190
Company contributions paid to pension schemes	10	9
	<u>210</u>	<u>199</u>
	<i>No</i>	<i>No</i>
Members of defined contribution pension scheme	—	—
Members of personal pension scheme	<u>1</u>	<u>1</u>

The amounts in respect of the highest paid director are as follows

	<i>£000</i>	<i>£000</i>
Emoluments	200	190
Company contributions paid to personal pension scheme	10	9
	<u>210</u>	<u>199</u>

5. Staff costs

	<i>Year ended 31 July 2010 £000</i>	<i>Period ended 31 July 2009 £000</i>
Wages and salaries	2,636	2,873
Social security costs	183	180
Defined contribution pension costs	25	25
	<u>2,844</u>	<u>3,078</u>

Notes to the financial statements

at 31 July 2010

5. Staff costs (continued)

The average monthly number of employees (excluding directors) during the year was as follows

	<i>Year ended 31 July 2010 No</i>	<i>Period ended 31 July 2009 No</i>
Office and management	3	3
Administration staff	40	34
Operators	115	156
	<u>158</u>	<u>193</u>

6. Interest receivable and similar income

	<i>Year ended 31 July 2010 £000</i>	<i>Period ended 31 July 2009 £000</i>
Bank interest	39	153
Interest receivable from group undertakings	170	241
Exchange gain on foreign currency borrowings	–	289
	<u>209</u>	<u>683</u>

7. Interest payable and similar charges

	<i>Year ended 31 July 2010 £000</i>	<i>Period ended 31 July 2009 £000</i>
Exchange loss on foreign currency borrowings	127	–
Other interest	181	254
	<u>308</u>	<u>254</u>

Notes to the financial statements

at 31 July 2010

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	<i>Year ended 31 July 2010 £000</i>	<i>Period ended 31 July 2009 £000</i>
<i>Current tax</i>		
UK corporation tax	–	–
Payment in respect of group relief	1,468	1,264
Prior period adjustments	93	(20)
Total current tax charge	1,561	1,244
<i>Deferred tax</i>		
Origination and reversal of timing differences	(198)	(73)
Effect of change in tax rate	10	–
Total current tax charge	1,373	1,171

(b) Factors affecting current tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 – 28%) The differences are explained below

	<i>Year ended 31 July 2010 £000</i>	<i>Period ended 31 July 2009 £000</i>
Profit on ordinary activities	4,659	4,230
UK corporation tax charge at 28% (2009 – 28%)	1,305	1,184
<i>Effects of</i>		
Expenses not deductible for tax purposes	58	86
Depreciation in excess of capital allowance	104	(7)
Other timing differences	1	1
Prior year adjustments	93	(20)
Total current tax charge for the year	1,561	1,244

Notes to the financial statements

at 31 July 2010

8. Tax (continued)

c) Factors that may affect future tax charges

A number of changes to the UK Corporation tax system were announced in the June 2010 Budget Statement. The Finance (No 2) Act 2010 was enacted in July 2010 and reduces the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions are proposed to be enacted separately each year with the aim of reducing the rate by 1% per annum to 24% by 1 April 2014. The reduction in the rate has been reflected in the calculation of the deferred tax balance at 31 July 2010. The estimated effect of the proposed reductions in rate by 2014 would be to decrease the deferred tax asset by £29,000.

9. Tangible fixed assets

	<i>Plant and equipment</i>	<i>Fixtures and fittings</i>	<i>Computers</i>	<i>Short leasehold improvements</i>	<i>Total</i>
	£	£	£	£	£
Cost					
At 1 August 2009	109	125	1,678	17	1,929
Additions	15	26	438	31	510
At 31 July 2010	124	151	2,116	48	2,439
Depreciation					
At 1 August 2009	(85)	(84)	(1,001)	(4)	(1,174)
Charge for the year	(13)	(23)	(333)	(2)	(371)
At 31 July 2010	(98)	(107)	(1,334)	(6)	(1,545)
Net book value					
At 31 July 2010	26	44	782	42	894
At 1 August 2009	23	40	678	13	754

10. Investments

Cost	£000
At 1 August 2009 and 31 July 2010	1,086

The investments relates to a 100% interest in the ordinary share capital of Intascope com Limited. Its principal activity is software development.

Notes to the financial statements

at 31 July 2010

11. Debtors

	2010	2009
	£000	£000
Amounts falling due in less than one year		
Trade debtors	317	603
Amounts due from group undertakings	17,122	13,701
Prepayments and accrued income	1,136	1,978
Deferred tax asset	261	73
Corporation tax recoverable	512	147
	<u>19,348</u>	<u>16,502</u>
Amounts falling due after more than one year		
Other debtors	472	212
	<u>472</u>	<u>212</u>

12. Cash

Included within the cash balance is an amount of £9,077,481 (period ending 31 July 2009 - £7,043,440), which will be paid to the promoters/producers and is held within a designated trust account with restricted access

A creditor is also recorded for the amount to be paid to the promoters/producers

13. Creditors: amounts falling due within one year

	2010	2009
	£000	£000
Trade creditors	1,247	1,246
Amounts owed to group undertakings	1,236	359
Group relief payable to fellow subsidiary undertakings	1,468	1,264
Social security and other taxes	9,686	8,404
Accruals and deferred income	9,955	9,790
Other creditors	252	171
	<u>23,844</u>	<u>21,234</u>

14. Provisions for liabilities and charges

	2010	2009
	£000	£000
Provision for leasehold dilapidations	31	–
	<u>31</u>	<u>–</u>

Amounts provided in respect of dilapidations of leases premises relate to the cost of making good the wear and tear on the premises during the company's occupancy. The company has provided an amount of £31k (2009 £nil) in respect of this, which is expected to be utilised over the remaining life of the lease.

Notes to the financial statements

at 31 July 2010

15. Deferred tax

A deferred tax asset of £261,454 (period ended 31 July 2009 – £73,092), arising due to capital allowances in excess of depreciation charges, has been recognised in the accounts and is anticipated to be recovered over the coming years

16. Issued share capital

	2010	2009
	£	£
<i>Allotted, called up and fully paid</i>		
1,100 'A' Ordinary Shares of 25p each	275	275
463 'B' Ordinary shares of 50p each	232	232

Only the 'A' ordinary shareholders are entitled (to the exclusion of the 'B' ordinary shareholders) to 100% of any distribution of the company's post-adoption profits. The 'B' ordinary shareholders are entitled (to the exclusion of the 'A' ordinary shareholders) to 100% of any distribution of the company's pre-adoption profits.

On winding up or other return of capital the surplus assets of the company shall be paid to 'B' ordinary shareholders in priority to the rights of holders of 'A' ordinary shares. The balance of any surplus assets shall be paid to the 'A' ordinary shareholders by reference to the amounts paid up or credited as paid up on such shares respectively held by them.

17. Reconciliation of movements in shareholders' funds

	2010	2009
	£000	£000
Opening shareholders' funds	5,803	2,744
Profit for the year	3,286	3,059
Closing shareholders' funds	9,089	5,803

18. Pensions

The pension cost charge represents contributions of £25,173 (period ended 31 July 2009 – £24,832) payable by the company to personal pension schemes. Pension contributions accrued but not paid by the year end were £3,806 (period ended 31 July 2009 – £2,087).

Notes to the financial statements

at 31 July 2010

19. Other financial commitments

Annual commitments in respect of non-cancellable operating lease rentals are as follows

	2010		2009	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	£000	£000	£000	£000
Operating leases which expire				
Within one year	–	3	–	5
Within two to five years	132	17	28	21
More than five years	–	–	224	–
	<u>132</u>	<u>20</u>	<u>252</u>	<u>26</u>

20. Related parties

The company has taken advantage of exemptions from disclosures granted by Financial Reporting Standard No 8 Related Party Transactions, not to disclose transactions with other group companies. The exemptions taken relate to the disclosure of the intra-company transactions only.

21. Bank guarantee

The bank loans held by group for the United Kingdom were repaid on 27 July 2010. Therefore there are no longer any bank guarantees.

22. Ultimate parent undertaking and controlling party

The immediate parent company is See Group Limited, a company incorporated in the United Kingdom.

At 31 July 2010, the ultimate parent undertaking was SEE Investments B V. Copies of the financial statements may be obtained from Boeing Avenue 235, 1119PD, Schiphol-Rijk, The Netherlands. The company is majority owned by Parcom, the Private Equity firm of ING Group, the results of this company are not consolidated at this level. Stage Entertainment, the international entertainment group founded by Joop van den Ende, is a minority shareholder.

On 24 February 2011, the ultimate parent undertaking changed from See Investments B V to See UK Holdings B V, being 100% owned by Parcom, the Private Equity firm of ING Group.