

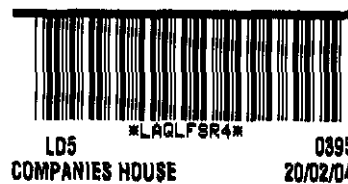
**Company Registration No. 3190273**

**Footwork Productions Limited**

**Report and Financial Statements**

**30 April 2003**

**Deloitte & Touche LLP  
London**





## **Report and financial statements 2003**

### **Officers and professional advisers**

#### **Directors**

D R J Beckham      – resigned 21 December 2003  
A Thompson        – appointed 1 July 2003  
A Adams            – appointed 21 December 2003

#### **Secretary**

D E A Beckham    – resigned 16 December 2003  
V C Beckham       – appointed 16 December 2003

#### **Registered Office**

Hill House  
1 Little New Street  
London  
EC4A 3TR

#### **Bankers**

Lloyds TSB Bank Plc

#### **Auditors**

Deloitte & Touche LLP  
Chartered Accountants  
London

**Director's report**

The director presents his report with the financial statements for the year ended 30 April 2003.

**Principal activity, results and future prospects**

The company's principal activity is the provision of the services of David Beckham. During the year the company made a profit of £1,218,127 (2002: £34,903). The company is expected to continue at the current levels of activity in the future.

**Directors**

The present membership of the Board together with the director's interest in the shares of the company are set out below. The director served throughout the year.

	Ordinary shares 2003 and 2002 No.
D R J Beckham	2


The following appointments were made after the 30 April 2003:

A Thompson – appointed 1 July 2003  
 DRJ Beckham – resigned 21 December 2003  
 A Adams – appointed 21 December 2003

**Auditors**

On 1 August 2003 Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

By order of the Board  
 and signed on their behalf



A Thompson  
 Director

12/21 2004

**Statement of director's responsibilities**

United Kingdom company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

## **Independent Auditors' Report to the members of Footwork Productions Limited**

We have audited the financial statements of Footwork Productions Ltd for the year ended 30 April 2003 which comprise the profit and loss account, the balance sheet, the cash flow statement, and related notes 1 to 16. 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 auditors' 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 described in the statement of director's responsibilities, the company's director is responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards

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. We also report if, in our opinion, the director's report is not consistent with the financial statements, if 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 the director's remuneration and transactions with the company is not disclosed.

We read the director's report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

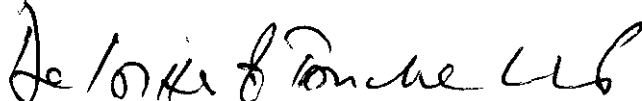
### **Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 as at 30 April 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
London

26/2/ 2004

**Profit and loss account**  
**Year ended 30 April 2003**

	Note	2003 £	2002 £
<b>TURNOVER</b>	2	8,727,186	3,535,943
Administrative expenses		(6,986,096)	(3,511,808)
<b>OPERATING PROFIT</b>	3	1,741,090	24,135
Net interest receivable and similar income	4	57,632	28,828
Interest payable and similar charges		(3,901)	(2,967)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,794,821	49,996
Tax on profit on ordinary activities	6	(576,694)	(15,093)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		1,218,127	34,903
Dividends	7	(1,250,000)	-
<b>RETAINED (LOSS)/PROFIT FOR THE YEAR</b>		(31,873)	34,903
Profit and loss account brought forward		48,686	13,783
<b>Profit and loss account carried forward</b>		16,813	48,686

All amounts derive from continuing operations.

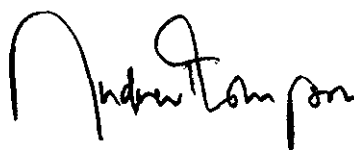
There are no recognised gains or losses other than the profit for this and the preceding financial year and accordingly no statement of total recognised gains and losses is shown.

There are no movements in shareholder's funds other than the profit for the current financial period. Accordingly, no reconciliation of movement of shareholder's funds is given.

**Balance sheet**  
**30 April 2003**

	Note	2003 £	2002 £
<b>FIXED ASSETS</b>			
Investments	8	2	2
<b>CURRENT ASSETS</b>			
Debtors	9	2,588,937	1,848,799
Cash at bank and in hand		362,388	112,294
		<u>2,951,325</u>	<u>1,961,093</u>
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(2,934,512)</u>	<u>(1,912,407)</u>
<b>NET CURRENT ASSETS</b>		<u>16,813</u>	<u>48,686</u>
<b>NET ASSETS</b>		<u><u>16,815</u></u>	<u><u>48,688</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	2	2
Profit and loss account		<u>16,813</u>	<u>48,686</u>
<b>EQUITY SHAREHOLDER'S FUNDS</b>		<u><u>16,815</u></u>	<u><u>48,688</u></u>

These financial statements were approved by the sole of Director on 12/2/ 2004.



A Thompson  
Director

**Cash flow statement**  
**Year ended 30 April 2003**

	Note	2003 £	2002 £
Net cash inflow/(outflow) from operating activities	12	211,582	(463,465)
Returns on investments and servicing of finance			
Interest received		57,632	28,828
Interest paid		(3,901)	(2,967)
Taxation			
UK corporation tax paid		(15,219)	(557,209)
Equity dividends paid		-	-
Increase/(decrease) in cash in year	13	250,094	(994,813)



**NOTES TO THE ACCOUNTS**  
**Year ended 30 April 2003**

**1. Accounting policies**

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

The principal accounting policies of the company are consistent with the previous year and are set out below.

**Turnover**

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

**Advances and royalties**

Non-returnable, recoupable advances on royalty income are recognised in the period in which they are received. Thereafter, royalty income is included on a receivable basis calculated in accordance with the terms of each agreement.

**Consolidation**

The company has an investment within one dormant company, David Beckham Ltd. However it is exempt from producing consolidated accounts under Companies Act '85 sections 229 (2) and (5).

**2. Turnover**

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and Value Added Tax. The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to one activity, the provision of the services of David Beckham.

**3. Operating profit**

	2003 £	2002 £
Operating profit is stated after charging:		
Auditors' remuneration	6,000	10,500
Non-audit fees	30,100	19,250
	<u>36,100</u>	<u>29,750</u>

**4. Interest receivable and similar income**

	2003 £	2002 £
Bank interest receivable	57,632	28,828
	<u>57,632</u>	<u>28,828</u>

**5. Directors**

	2003 £	2002 £
Director's remuneration	4,919,237	2,287,953
Social security and other costs	580,295	535,963
	<u>5,499,532</u>	<u>2,823,916</u>

There were no employees in the current or preceding year other than the sole director.

**NOTES TO THE ACCOUNTS**  
**Year ended 30 April 2003**

**6. Tax on profit on ordinary activities**

	2003 £	2002 £
The tax charge is based on the profit for the year and comprises: United Kingdom corporation tax at 30%	<u>576,694</u>	<u>15,093</u>
The tax charge is higher than the standard rate of corporation tax in the UK of 30%. The differences are explained below:		
Profit on ordinary activities before tax	1,794,823	49,996
Tax at 30% thereon:	538,447	14,999
Expenses not deductible for tax purposes	38,247	30
Prior period adjustments	-	64
Current tax charge for period	<u>576,694</u>	<u>15,093</u>

**7. Dividends**

	2003 £	2002 £
Final proposed £625,000 per share (2002: £nil)	<u>1,250,000</u>	<u>-</u>

**8. Investments**

	2003 £
Cost and net book amount at 30 April 2002 and 30 April 2003	<u>2</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 30 April 2003**

**9. Debtors**

	2003 £	2002 £
Trade debtors	1,686,074	1,845,716
Other debtors	-	1,098
Prepayments and accrued income	902,863	1,985
	<u>2,588,937</u>	<u>1,848,799</u>

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

	2003 £	2002 £
Trade creditors	253,901	-
Corporation tax	576,502	15,027
Social security and other taxes	276,210	1,527,495
Accruals and deferred income	126,500	58,938
Director's current account	451,399	310,947
Dividends	1,250,000	-
	<u>2,934,512</u>	<u>1,912,407</u>

**11. Called up share capital**

	2003 £	2002 £
<b>Authorised:</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Called up, allotted and fully paid</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 30 April 2003**

**12. Reconciliation of operating profit to net cash (outflow)/inflow from operating activities**

	2003 £	2002 £
Operating profit	1,741,090	24,135
Increase in debtors	(740,138)	(1,556,648)
(Decrease)/increase in creditors	(789,370)	1,069,048
Net cash inflow/(outflow) from operating activities	<u>211,582</u>	<u>(463,465)</u>

**13. Reconciliation of cash flow to movements in net funds**

	2003 £	2002 £
Increase/(decrease) in cash in the year	250,094	(994,813)
Change in net funds	250,094	(994,813)
Net funds at 1 May	112,294	1,107,107
Net funds at 30 April	<u>362,388</u>	<u>112,294</u>

**14. Analysis of changes in net funds**

	At 1 May 2002 £	Arising from cash flows	At 30 April 2003 £
Cash at bank and in hand and net funds	<u>112,294</u>	<u>250,094</u>	<u>362,388</u>

**15. Controlling party**

Mr D R J Beckham owns 100% of the shares and controls the company.

**16. Related party transactions**

The sole director (Mr D R J Beckham) who is also the sole shareholder has a current account. At the year end, the balance was £451,399 in credit (2002 £279,393 in credit).