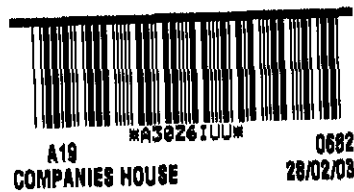


FOOTWORK PRODUCTIONS LIMITED

Report and Financial Statements

30 April 2002

**Deloitte & Touche
London**



FOOTWORK PRODUCTIONS LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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FOOTWORK PRODUCTIONS LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

D R J Beckham

SECRETARY

D E A Beckham

REGISTERED OFFICE

Hill House
1 Little New Street
London
EC4A 3TR

BANKERS

Lloyds TSB Bank Plc

AUDITORS

Deloitte & Touche
London

FOOTWORK PRODUCTIONS LIMITED

DIRECTOR'S REPORT

The director presents his report with the financial statements for the year ended 30 April 2002.

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 £34,903 (2001: loss of 300,038). The company is expected to continue to trade at current levels of activity in the future.

DIRECTOR

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
2002 and 2001
No.

D R J Beckham

2

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company and to authorise the directors to agree their remuneration is to be proposed at the forthcoming Annual General Meeting.

By order of the Board
and signed on their behalf



D R J Beckham
Director

10/02/2003

FOOTWORK PRODUCTIONS LIMITED

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 a 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 MEMBER OF FOOTWORK PRODUCTIONS LIMITED

We have audited the financial statements of Footwork Productions Ltd for the year ended 30 April 2002 which comprise the profit and loss account, the balance sheet, the cash flow statement, and related notes 1 to 15. 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 directors' responsibilities, the company's directors are 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 directors' 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 directors' remuneration and transactions with the company is not disclosed.

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

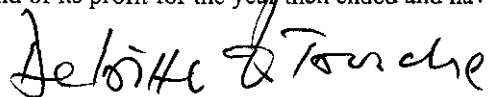
Basis of audit opinion

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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
London

27/2/2003

FOOTWORK PRODUCTIONS LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 April 2002

	Note	2002 £	2001 £
TURNOVER	1	3,535,943	3,065,994
Other operating charges		(3,511,808)	(1,267,147)
OPERATING PROFIT	2	24,135	1,798,847
Net interest receivable and similar income	3	28,828	58,342
Interest payable and similar charges		(2,967)	(84)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		49,996	1,857,105
Tax on profit on ordinary activities	5	(15,093)	(557,143)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		34,903	1,299,962
Dividends	6	-	(1,600,000)
RETAINED PROFIT/(LOSS) FOR THE YEAR		34,903	(300,038)
Profit and loss account brought forward		13,783	313,821
Profit and loss account carried forward		48,686	13,783

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 shareholders' funds other than the profit for the current financial period. Accordingly, no reconciliation of movement of shareholders' funds is given.

FOOTWORK PRODUCTIONS LIMITED

BALANCE SHEET


Year ended 30 April 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Investments	7	2	2
		<u>2</u>	<u>2</u>
CURRENT ASSETS			
Debtors	8	1,848,799	292,151
Cash at bank and in hand		112,294	1,107,107
		<u>1,961,093</u>	<u>1,399,258</u>
CREDITORS: amounts falling due within one year	9	(1,912,407)	(1,385,475)
NET CURRENT ASSETS		<u>48,686</u>	<u>13,783</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>48,688</u></u>	<u><u>13,785</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Profit and loss account		48,686	13,783
		<u>48,688</u>	<u>13,785</u>
EQUITY SHAREHOLDER'S FUNDS		<u><u>48,688</u></u>	<u><u>13,785</u></u>

The financial statements were approved by the sole Director on

10/02

2003.



D R J Beckham
Director

FOOTWORK PRODUCTIONS LIMITED

CASH FLOW STATEMENT

Year ended 30 April 2002

	Note	2002 £	2001 £
Net cash (outflow)/inflow from operating activities	11	<u>(463,465)</u>	<u>1,861,466</u>
Returns on investment and servicing of finance			
Interest received		28,828	58,342
Interest paid		<u>(2,967)</u>	<u>(84)</u>
Taxation			
UK Corporation tax paid		<u>(557,209)</u>	<u>(20,000)</u>
Equity dividends paid		<u>-</u>	<u>(1,600,000)</u>
Decrease/(increase) in cash in the year	12	<u>(994,813)</u>	<u>299,724</u>

FOOTWORK PRODUCTIONS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 April 2002

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 by the Director, 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.

2. OPERATING PROFIT

	2002 £	2001 £
Operating profit is stated after charging:		
Auditors' remuneration	10,500	3,500

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2002 £	2001 £
Bank interest receivable	28,828	58,342

4. DIRECTORS

	2002 £	2001 £
Director's remuneration	2,287,953	562,282
Social security and other costs	535,963	66,608
	2,823,916	628,890

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

FOOTWORK PRODUCTIONS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 April 2002

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge on ordinary activities

	2002	2001
	£	£
United Kingdom corporation tax at 30% (2000 – 30%)	15,093	557,143

The effective tax rate for the current year (30.18%) and preceding years (30.00%) are not materially different from the standard corporation tax rate. Consequently, no reconciliation of the current tax charge reported to the current tax charge that would result from applying a relevant standard rate of tax to the profit on ordinary activities before tax is presented.

6. DIVIDENDS

	2002	2001
	£	£
Interim paid - £500,000 per ordinary share	-	1,000,000
Final paid - £300,000 per ordinary share	-	600,000

7. INVESTMENTS

	2002
	£
Cost and net book amount at 30 April 2001	2
Additions in the year	-
Cost and net book amount at 30 April 2002	2

8. DEBTORS

	2002	2001
	£	£
Trade debtors	1,845,716	179,028
Other debtors	1,098	623
Prepayments and accrued income	1,985	112,500
	1,848,799	292,151

FOOTWORK PRODUCTIONS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 April 2002

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade creditors	-	28,533
Corporation tax	15,027	557,143
Social security and other taxes	1,527,495	343,682
Accruals and deferred income	58,938	130,327
Director's current account	310,947	325,790
	<u>1,912,407</u>	<u>1,385,475</u>

10. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

11. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/ INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit	24,135	1,798,847
(Increase)/decrease in debtors	(1,556,648)	(100,929)
Increase in creditors	<u>1,069,048</u>	<u>163,548</u>
Net cash (outflow)/inflow from operating activities	<u>(463,465)</u>	<u>1,861,466</u>

12. RECONCILIATION OF CASH FLOW TO MOVEMENTS IN NET FUNDS

	2002 £	2001 £
Decrease/(increase) in cash in the year	<u>(994,813)</u>	<u>299,724</u>
Change in net funds	(994,813)	299,724
Net funds at 1 May	<u>1,107,107</u>	<u>807,383</u>
Net funds at 30 April	<u>112,294</u>	<u>1,107,107</u>

FOOTWORK PRODUCTIONS LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 April 2002

13. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 May 2001 £	Arising from cash flows £	At 30 April 2002 £
Cash at bank and in hand and net funds	1,107,107	(994,813)	112,294

14. CONTROLLING PARTY

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

15. RELATED PARTY TRANSACTIONS

The sole director (Mr D R J Beckham) who is also the sole shareholder has a current account. At year end, the balance was £279,393 in credit (2001 – £18,378 in credit).

FOOTWORK PRODUCTIONS LIMITED

ADDITIONAL INFORMATION

The additional financial information on page 13 has been prepared from the accounting records of the company. Whilst it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditors' report thereon.

FOOTWORK PRODUCTIONS LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

Year ended 30 April 2002

	2002	2001
	£	£
Fees and royalties receivable	3,535,943	3,065,994
Less: expenses		
Commission	590,006	162,512
Documentary Expenses	2,128	216,207
Video Productions	58	9,109
Director's remuneration (incl. Social security)	2,823,916	628,891
Motor expenses	-	540
Auditors' remuneration	10,500	3,500
Legal and professional	79,517	180,410
PR Consultancy	64	65,000
Bank charges	253	233
Sundries	5,366	2,745
Bad debt expense	-	(2,000)
	<u>(3,511,808)</u>	<u>(1,267,147)</u>
	24,135	1,798,847
Interest receivable	28,828	58,342
Interest payable	<u>(2,967)</u>	<u>(84)</u>
Profit before taxation	<u><u>49,996</u></u>	<u><u>1,857,105</u></u>