

**Company Registration No. 3190273**

**Footwork Productions Limited**

**Report and Financial Statements**

**31 December 2003**

**Deloitte & Touche LLP  
London**



**Report and financial statements 2003**

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## **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

## Directors' report

The directors present their report with the financial statements for the eight months ended 31 December 2003; the accounting reference date of the company has been changed to 31 December from 30 April.

### Principal activity, results and future prospects

The company's principal activity is the provision of the services of David Beckham. During the accounting period the company made a loss of £43,341 (year to 30 April 2003 loss of £31,871). The company is expected to continue at the current levels of activity in the future.

### Directors

The membership of the Board, together with the director's interest in the shares of the company at 31 December 2003 are set out below.

	Ordinary shares No.
D R J Beckham	2

A Thompson was appointed on 1 July 2003. A Adams was appointed on 21 December 2003. D R J Beckham was a director from 1 May 2003 to 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  
23 September 2004

### Statement of directors' responsibilities

United Kingdom 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 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 directors are 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 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 him to ensure that the financial statements comply with the Companies Act 1985. They are 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 eight months ended 31 December 2003 which comprise the profit and loss account, the balance sheet and related notes 1 to 13. 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 the director's 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.

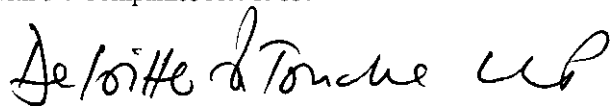
### **Basis of opinion**

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 31 December 2003 and of its loss for the eight months then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

London

29/9/ 2004

**Profit and loss account****Eight months ended 31 December 2003**

	Note	8 months to 31 December 2003 £	Year to 30 April 2003 £
<b>TURNOVER</b>	2	10,399,519	8,727,186
Administration Expenses		(10,389,330)	(6,986,094)
<b>OPERATING PROFIT</b>	3	10,189	1,741,092
Net interest receivable and similar income	4	67,168	57,632
Interest payable and similar charges		-	(3,901)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		77,357	1,794,823
Tax on profit on ordinary activities	6	(120,698)	(576,694)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(43,341)	1,218,129
Dividends	7	-	(1,250,000)
<b>RETAINED LOSS FOR THE PERIOD</b>		(43,341)	(31,871)
Profit and loss account brought forward		16,815	48,686
<b>Profit and loss account carried forward</b>		(26,526)	16,815

All amounts derive from continuing operations.

There are no recognised gains or losses other than the profit for this period 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****31 December 2003**

	Note	31 December 2003 £	30 April 2003 £
<b>FIXED ASSETS</b>			
Investments	8	2,480	2
<b>CURRENT ASSETS</b>			
Debtors	9	3,772,094	2,588,939
Cash at bank and in hand		144,829	362,388
		<u>3,917,105</u>	<u>2,951,325</u>
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(3,945,927)</u>	<u>(2,934,512)</u>
<b>NET CURRENT ASSETS</b>		<u>(29,004)</u>	<u>16,815</u>
<b>NET ASSETS</b>		<u>(26,524)</u>	<u>16,817</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	2	2
Profit and loss account		<u>(26,526)</u>	<u>16,815</u>
<b>EQUITY SHAREHOLDER'S FUNDS</b>		<u>(26,524)</u>	<u>16,817</u>

These financial statements were approved by the Board on 23 September 2004.

  
A Thompson  
Director



**NOTES TO THE ACCOUNTS****Eight months ended 31 December 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.

**Taxation**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered.

Deferred tax assets and liabilities are not discounted.

**Investments**

Fixed asset investments are shown at cost less provision for impairment.

Provisions are only made for impairment of value.

**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**

	8 months to 31 December 2003 £	Year to 30 April 2003 £
Operating profit is stated after charging:		
Auditors' remuneration	8,000	6,000
Non-audit fees	213,665	30,100
	<u>221,665</u>	<u>36,100</u>

**NOTES TO THE ACCOUNTS**  
**Eight months ended 31 December 2003**

**4. Interest receivable and similar income**

	<b>8 months to 31 December 2003 £</b>	<b>Year to 30 April 2003 £</b>
Bank interest receivable	<u>67,168</u>	<u>57,632</u>

**5. Directors**

	<b>8 months to 31 December 2003 £</b>	<b>Year to 30 April 2003 £</b>
Director's remuneration	7,921,537	4,919,237
Social security and other costs	<u>156,814</u>	<u>580,295</u>
	<u>8,078,351</u>	<u>5,499,532</u>

This amount relates to the remuneration of D R J Beckham. He was a director up to 21 December 2003. D R J Beckham should be considered as a company employee from this date.

The only other employee during the accounting period is T M Byrne who was paid £6,109 (£5,004 social security costs) for services provided during December 2003.

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

<i>Analysis of tax charge on ordinary activities</i>	<b>8 months to 31 December 2003 £</b>	<b>Year to 30 April 2003 £</b>
United Kingdom corporation tax at 30%	120,506	576,694
Adjustment in respect of prior years	192	-
Double taxation relief	<u>(49,947)</u>	<u>-</u>
	70,751	576,694
Foreign tax for the current period	<u>49,947</u>	<u>-</u>
	<u>120,698</u>	<u>576,694</u>

**NOTES TO THE ACCOUNTS**  
**Eight months ended 31 December 2003**

<i>Factors Affecting Tax Charge for the current Period</i>	<b>8 months to 31 December 2003 £</b>	<b>Year to 30 April 2003 £</b>
Profit on ordinary activities before tax	77,358	1,794,821
Tax at 30% thereon	(23,207)	(538,447)
Expenses not deductible for tax purposes	(97,299)	(38,247)
Prior period adjustments	(192)	-
	<u>120,698</u>	<u>576,694</u>

**7. Dividends**

	<b>8 months to 31 December 2003 £</b>	<b>Year to 30 April 2003 £</b>
Final proposed £nil (year to 30 April 2003: £625,000 per share)	-	1,250,000

**8. Investments**

	<b>£</b>
<b>Cost:</b>	
At 1 May 2003	2
Additions (shares in subsidiary undertakings)	2,478
	<u>2,480</u>
At 31 December 2003	<u>2,480</u>
<b>Provisions:</b>	
At 1 May 2003 and 31 December 2003	-
<b>Net book value:</b>	
At 31 December 2003	<u>2,480</u>
At 30 April 2003	<u>2</u>

The fixed asset investment addition relates to the acquisition during the year by FPL of a Spanish limited liability company named Upsala S.L. This company is to be called Footwork Productions Spain S.L., and is a 100% owned subsidiary of Footwork Productions Limited.

The financial statements for Upsala S.L. show that the company was dormant during the year with a share capital of €3,500.

Footwork Productions Limited has taken advantage of the exemption from preparing consolidated financial statements for its group in line with FRS 2: 21(a) – the group is medium-sized.

**NOTES TO THE ACCOUNTS**  
**Eight months ended 31 December 2003**

**9. Debtors**

	31 December 2003 £	30 April 2003 £
Trade debtors	2,656,653	1,686,074
Prepayments and accrued income	905,918	902,865
VAT	209,523	-
	<u>3,772,094</u>	<u>2,588,939</u>

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

	31 December 2003 £	30 April 2003 £
Trade creditors	229,277	253,901
Corporation tax	647,253	576,502
Social security and other taxes	161,818	276,210
Accruals and deferred income	244,045	126,500
Director's current account	2,663,534	451,399
Dividends	-	1,250,000
	<u>3,945,927</u>	<u>2,934,512</u>

**11. Called up share capital**

	31 December 2003 £	30 April 2003 £
<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>

**12. Controlling party**

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

**13. Related party transactions**

The sole shareholder, Mr D R J Beckham, who was a director up until 21 December 2003, has a current account. At the year end, the balance was £2,663,534 in credit (April 2003 £451,399 in credit).