

Registered number  
3385395

Red Girl Productions Ltd

Report and Accounts

31 August 2005



## Red Girl Productions Ltd

### Directors' Report

The directors present their report and accounts for the year ended 31 August 2005.

#### Principal activities

The company's principal activity during the year continued to be the exploitation of the talents of the recording artist and entertainer Melanie Chisholm.

#### Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	31 Aug 2005	1 Sep 2004
M J Chisholm	2	2
A J Thompson	-	-
N Phillips	-	-

#### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the company's state of affairs at the end of the period and of the profit or loss 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

follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements

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 them to ensure that the financial statements comply with the Companies Act 1985.

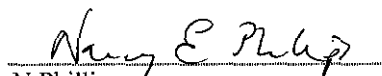
The directors are also responsible for safeguarding the assets of the company and for this reason taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that the financial statements comply with these requirements.

#### Small company special provisions

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 16 August 2006.

  
N Phillips  
Director

**Red Girl Productions Ltd**  
**Profit and Loss Account**  
**for the year ended 31 August 2005**

	Notes	2005 £	2004 £
Turnover	2	333,735	440,023
Cost of sales		(85,907)	(290,212)
<b>Gross profit</b>		<u>247,828</u>	<u>149,811</u>
Administrative expenses		(126,305)	(161,398)
Other operating income		-	6,500
<b>Operating profit/(loss)</b>	3	<u>121,523</u>	<u>(5,087)</u>
Interest receivable		26,814	34,823
<b>Profit on ordinary activities before taxation</b>		<u>148,337</u>	<u>29,736</u>
Tax on profit on ordinary activities	4	(56,191)	(12,920)
<b>Profit for the financial year</b>		<u>92,146</u>	<u>16,816</u>
<b>Retained profit for the financial year</b>	10	<u>92,146</u>	<u>16,816</u>

**Red Girl Productions Ltd**  
**Balance Sheet**  
**as at 31 August 2005**

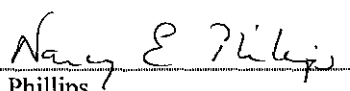
	Notes	2005 £	2004 £
<b>Fixed assets</b>			
Tangible assets	5	2,286	31,600
Investments	6	82	82
		<u>2,368</u>	<u>31,682</u>
<b>Current assets</b>			
Debtors	7	770,960	441,751
Cash at bank and in hand		-	247,743
		<u>770,960</u>	<u>689,494</u>
<b>Creditors: amounts falling due within one year</b>	8	(125,582)	(165,578)
<b>Net current assets</b>		<u>645,378</u>	<u>523,916</u>
<b>Net assets</b>		<u>647,746</u>	<u>555,598</u>
<b>Capital and reserves</b>			
Called up share capital	9	2	2
Profit and loss account	10	647,744	555,596
<b>Shareholders' funds</b>		<u>647,746</u>	<u>555,598</u>

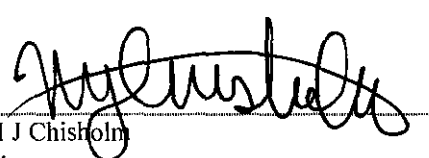
The directors are satisfied that the company is entitled to exemption under Section 249A(1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with Section 221 of the Companies Act 1985; and
- (ii) preparing accounts 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 its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective June 2002).

  
N Phillips  
Director

  
M J Chisholm  
Director

Approved by the board on 16 August 2006

**Red Girl Productions Ltd**  
**Notes to the Accounts**  
**for the year ended 31 August 2005**

**1 Accounting policies**

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

***Turnover***

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

***Royalties***

Royalties receivable from sub-licensees are recognised in respect of each of their royalty accounting periods ending within the company's financial year.

***Advances***

Non-returnable advances received from record companies, licensees and sub-licensees are taken to income when contractually due. Returnable advances received from licensees are carried forward until they are recouped or returned.

***Depreciation***

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Musical and office equipment	25% straight line
Home studio	25% straight line

***Deferred taxation***

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

***Foreign currencies***

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

***Fixed asset investment***

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

***Group Accounts***

The company is exempt from the requirement to prepare group accounts as it qualifies as the parent company of a small sized group under section 248 of the Companies Act 1985. Accordingly, these financial statements represent information about the individual company and not about its group.

**Red Girl Productions Ltd**  
**Notes to the Accounts**  
**for the year ended 31 August 2005**

<b>2 Turnover</b>	<b>2005</b>	<b>2004</b>
Turnover attributable to geographical markets outside the UK	14.0%	-
<b>3 Operating profit/Loss</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation of owned fixed assets	<u>32,081</u>	<u>32,892</u>
<b>4 Taxation</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Group tax relief	56,191	12,920
	<u>56,191</u>	<u>12,920</u>

A deferred tax asset has not been recognised in respect of timing differences relating to capital allowances and revenue losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £13,560 (2004 - £8,851). The asset would be recovered if taxable profits arise such that the company may use these assets to shelter it.

**5 Tangible fixed assets**

	<b>Land and buildings £</b>	<b>Plant and machinery etc £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 September 2004	63,663	67,978	131,641
Additions	-	2,766	2,766
At 31 August 2005	<u>63,663</u>	<u>70,744</u>	<u>134,407</u>
<b>Depreciation</b>			
At 1 September 2004	47,747	52,293	100,040
Charge for the year	15,916	16,165	32,081
At 31 August 2005	<u>63,663</u>	<u>68,458</u>	<u>132,121</u>
<b>Net book value</b>			
At 31 August 2005	<u>-</u>	<u>2,286</u>	<u>2,286</u>
At 31 August 2004	<u>15,916</u>	<u>15,685</u>	<u>31,601</u>

**Red Girl Productions Ltd**  
**Notes to the Accounts**  
**for the year ended 31 August 2005**

**6 Investments**

	Investments in subsidiary undertakings £
Cost	
At 1 September 2004	82
At 31 August 2005	<u>82</u>

**7 Debtors**

	2005 £	2004 £
Trade debtors	81,841	56,961
Amounts owed by group undertakings	687,505	239,515
Amounts owed by related parties	-	13,526
Other debtors	1,614	131,749
	<u>770,960</u>	<u>441,751</u>

The amounts owed by subsidiary undertakings are not expected to be due within one year. All other debtors are due within one year.

**8 Creditors: amounts falling due within one year**

	2005 £	2004 £
Bank loans and overdrafts	1,512	-
Trade creditors	17,253	4,799
Amounts owed to subsidiary undertakings	-	6,415
Amounts owed to related parties	-	55,221
Corporation tax	-	6,174
Other taxes and social security costs	6,638	7,510
Accruals & deferred income	49,439	24,814
Director's current account	50,740	60,645
	<u>125,582</u>	<u>165,578</u>

**9 Share capital**

	2005 £	2004 £
Authorised:		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	2005 No	2004 No
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

**Red Girl Productions Ltd**  
**Notes to the Accounts**  
**for the year ended 31 August 2005**

<b>10 Profit and loss account</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
At 1 September	555,598	538,780
Retained profit	92,146	16,816
At 31 August	<u>647,744</u>	<u>555,596</u>

**11 Related parties**

During the year there was a fee payable of £15,000 (2004-£15,000) to Spice Girls Ltd in respect of administration fees. Ms M Chisholm is a director and Shareholder of Spice Girls Ltd.

During the year the company lent its subsidiary company, Red Girl Records Ltd £480,000. (2004-200,000) This loan is interest free and with no fixed repayment date. At 31 August 2005 £673,585 was due from Red Girl Records Ltd. There is £48,158 (2004-£6,415) due to this company arising from group tax relief.

The company was charged fees of £1,119 (2004-£5,700) for the provision of legal services by Lee & Thompson, in which A J Thompson is a partner.

At the year end the company is owed £405,781(2004-£373,918) by its subsidiary company, Red Girl Touring Ltd. This loan has no fixed repayment date.

N Phillips, a director of the company is also a director and controlling shareholder of 45 Management Ltd. This company provides management services to Red Girl Productions Ltd and its subsidiary companies. During the year management commission and fees of £50,565 (2004-£78,030) was charged for these services.

	<b>£</b>	<b>£</b>
<b>Amounts owed by subsidiary undertakings include:</b>		
Red Girl Records Ltd	625,427	200,222
Red Girl Touring Ltd	405,781	380,085
Less provision	(343,703)	(340,792)
	<u>687,505</u>	<u>239,515</u>



**Red Girl Productions Ltd**  
**Notes to the Accounts**  
**for the year ended 31 August 2005**

	2005	2004
	£	£
<b>Amounts owed by related parties are due from:</b>		
Red Girl Inc.	2,181	2,181
45 Management Ltd	-	106
Spice Girls Ltd	-	13,420
Less provision	(2,181)	(2,181)
	<u>-</u>	<u>13,526</u>
	<u><u>-</u></u>	<u><u>13,526</u></u>
<b>Amounts owed to related parties are payable to:</b>		
Spice Girls Ltd	-	32,625
45 Management Ltd	-	22,596
	<u>-</u>	<u>55,221</u>
	<u><u>-</u></u>	<u><u>55,221</u></u>
<b>Amounts owed to subsidiary undertakings:</b>		
Red Girl Records Ltd	-	6,415
	<u>-</u>	<u>6,415</u>
	<u><u>-</u></u>	<u><u>6,415</u></u>

All related party transactions are undertaken on an arm's length basis unless specifically stated otherwise.

**12 Controlling party**

Red Girl Productions Ltd is controlled by Ms M Chisholm.