

Company Registration No. 06517802

Beckham Ventures Limited

Report and Financial Statements

31 December 2012

MONDAY



L2HZR3IB

L16

30/09/2013

#329

COMPANIES HOUSE

Beckham Ventures Limited

Report and financial statements 2012

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditor's report	5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the accounts	9

Beckham Ventures Limited

Report and financial statements 2012

Officers and professional advisers

Directors

V C Beckham
D R J Beckham
R C G Dodds (appointed 30/07/2012)

Registered Office

100 New Bridge Street
London
EC4V 6JA

EC4V 6JA Bankers

National Westminster Bank Plc
Bloomsbury Parr's
PO Box 158
214 High Holborn
London
WC1V 7BX

Solicitors

Harbottle & Lewis
Hanover House
14 Hanover Square
London
W1R 0BE

Professional Advisers and Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

Beckham Ventures Limited

Directors' report

The directors present their reported financial statements for the year ended 31 December 2012

Principal activity

The principal activity of the company is that of exploiting the brand of David and Victoria Beckham

Review of developments and future prospects

The company made a profit after tax for the period of £1,428,729 (2011 loss of £1,671,544)

The financial position of the company at the end of the year is set out on page 7

The directors believe that the company remains soundly placed to develop its business in the future

Key performance indicators

Following significant investments made in previous periods to develop the company's potential, the first financial objective set for 2012 was to return to profit. This was achieved with £1.43m post-tax profits in 2012 against a £1.67m loss in the previous year.

The second financial objective was to deliver strong revenue growth in the year. The directors felt that doubling revenue was an achievable target. In fact, due to the strong performance of the new contemporary designer category, revenue growth was 127% in the year.

The directors also considered a number of non-financial key performance indicators such as the reception of the collections in the fashion community and wider media. Press coverage continued to be widespread and favourable to the products across all categories. Equally, the social media presence and influence of the company continued to spread.

The directors' expectation is that the business will continue to grow strongly in the coming year.

Going concern

The company made a profit in the year, following the significant investment made last year in launching the Victoria Beckham fashion line. This additional line has proven to be successful and has been a key driver in growing revenues. As a consequence of the strong performance in 2012, the net liabilities position of the company is improving and the directors expect the company to have net assets before end of 2014.

On the basis of the above, and having taken into consideration all relevant matters, 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 financial statement.

Financial risk management objectives and policies

The activities of the company expose it to financial risks. The most significant risks are cash flow risk and credit risk. Credit risk arises from wholesale sales made to a large number of retailers around the world. This risk is mitigated by having a range of credit terms in place with customers, based on management's assessment of the risk entailed in selling to a certain customer. The second key financial risk arising from the company's activities is cashflow risk. The main activity of the company is the wholesale of high-end fashion goods and is, by its nature, seasonal. The seasonal nature of sales, combined with the long lead times in manufacturing the goods, creates a seasonal cashflow cycle which the company manages as part of the overall financial planning.

Dividends

The company does not propose a dividend in the current year (2011: £nil).

Beckham Ventures Limited

Directors' report

Directors

The directors, who served throughout the year except as noted, were as follows

D R J Beckham

V C Beckham

R C G Dodds (appointed 30/07/2012)

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report

Disclosure of relevant information to auditors

Each of the persons who is a director at the date of approval of this report confirms that

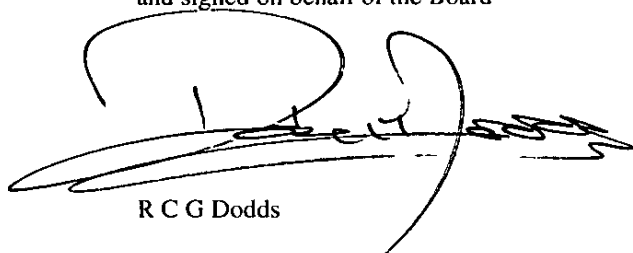
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board



R C G Dodds

Director

30 September 2013

Beckham Ventures Limited

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 judgements and estimates that are reasonable and prudent,
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the company's transactions 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 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 Beckham Ventures Limited

We have audited the financial statements of Beckham Ventures Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 14. 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 sections 495 and 496 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 and express an opinion on 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 Ethical Standards for Auditors.

Scope of the audit of 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 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.

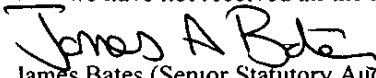
Opinion on matters prescribed in the Companies Act 2006

In our opinion the information in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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, 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.


James Bates (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
30 September 2013

Beckham Ventures Limited

Profit and loss account Year ended 31 December 2012

	Notes	2012 £	2011 £
Turnover		15,366,679	6,770,749
Cost of sales		(5,447,545)	(3,268,114)
Gross profit		9,919,134	3,502,635
Administrative expenses		(7,916,692)	(5,683,091)
Operating profit/(loss)	3	2,002,442	(2,180,456)
Finance charges (net)		18	(22)
Profit/(loss) on ordinary activities before tax		2,002,460	(2,180,478)
Tax on profit/(loss) on ordinary activities	4	(573,731)	508,934
Profit/(loss) on ordinary activities after taxation		<u>1,428,729</u>	<u>(1,671,544)</u>

The company's activities are all attributable to continuing operations

There are no recognised gains or losses or movements in equity shareholders' funds for the current year other than as stated in the profit and loss account and accordingly no statement of total recognised gains or losses has been presented

Beckham Ventures Limited

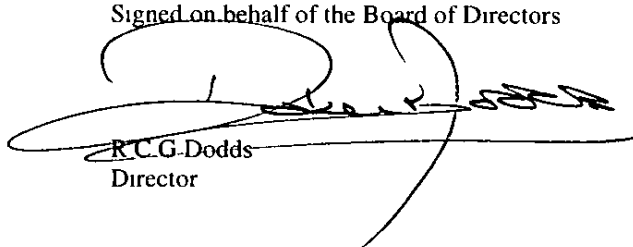
Balance sheet As at 31 December 2012

	Notes	2012 £	2011 £
Fixed assets	5	352,558	-
Stock		3,584,708	1,889,822
Debtors	6	3,555,031	2,357,988
Cash at bank and in hand		443,120	434,297
		<u>7,582,859</u>	<u>4,682,107</u>
Creditors: amounts falling due within one year	8	(9,413,959)	(7,589,378)
Net current liabilities		<u>(1,831,100)</u>	<u>(2,907,271)</u>
Net liabilities		<u>(1,478,542)</u>	<u>(2,907,271)</u>
Capital and reserves			
Called up share capital	11	999	999
Profit and loss account	12, 13	(1,479,541)	(2,908,270)
Shareholders' deficit		<u>(1,478,542)</u>	<u>(2,907,271)</u>

The notes on pages 10 to 16 form an integral part of the financial statements

The financial statements of Beckham Ventures Limited registered number 06517802 were approved by the Board of Directors on ~~30 September~~ 2013

Signed on behalf of the Board of Directors


R.C.G. Dodds
Director

Beckham Ventures Limited

Cash flow statement As at 31 December 2012

	Note	2012 £	2011 £
Net cash inflow from operating activities	9	362,841	307,388
Returns on investments and servicing of finance	10	-	-
Taxation	10	-	-
Capital expenditure and financial investment	10	(354,036)	-
Cash outflow before management of liquid resources and financing			
Financing	10	18	(22)
Increase in cash in the year	10	8,823	307,366

Beckham Ventures Limited

Notes to the accounts Year ended 31 December 2012

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have all been applied consistently throughout the year and prior year.

Accounting convention

The financial statements are prepared under the historical cost convention.

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.

Turnover

Turnover represents the value of goods and services provided globally, net of value added taxation and is recognised when the significant risks and rewards of ownership are considered to have been transferred to the buyer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

The directors do not consider any one part of the worldwide market to be significantly different from any other. Full segmental information has not been disclosed as permitted by Statement of Standard Accounting Practice No. 25, Segmental Reporting. In the opinion of the directors, such disclosure would be commercially sensitive.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at the balance sheet date are translated at the rates ruling at that date. All differences are taken to the profit and loss account.

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.

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 that they will be recovered. Deferred tax assets and liabilities are not discounted.

Beckham Ventures Limited

Notes to the accounts Year ended 31 December 2012

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Fixtures & fittings – 3 or 4 years, depending on the expected useful economic life of the asset

Website costs – 3 years

Website development costs

Design and content development costs are capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised. If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period until the design and content are next updated, the costs of developing the design and content are charged to the profit and loss account as incurred.

Stock

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Going concern

The company has made a profit in the year, following the significant investment made last year in launching the Victoria by Victoria Beckham fashion line. This additional line has proven to be successful and has been a key driver in growing revenues. As a consequence, the net liabilities position of the company has improved and the Directors expect the company to have net assets at the year end 2013.

On the basis of the above, and having taken into consideration all relevant matters, 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 financial statement.

Beckham Ventures Limited

Notes to the accounts Year ended 31 December 2012

2. Directors and employees

The directors did not receive any remuneration for their qualifying services as directors in the current financial period

Staff costs

The average monthly number of employees including directors was 37 (2011 20)

Their aggregate remuneration comprised

	2012 £	2011 £
Wages and salaries	1,013,357	690,092
Social security costs	98,566	76,630
	<u>1,111,923</u>	<u>766,722</u>

There was no director's remuneration or emoluments during the year

3. Operating profits

	2012 £	2011 £
Operating profit is stated after charging/(crediting) the following charges		
Fees payable to the company's auditor, for the audit of the Company's annual financial statements	22,220	24,750
Taxation	46,616	12,650
Foreign exchange movements	365,003	69,781
Depreciation	1,478	-
	<u>435,317</u>	<u>117,181</u>

Beckham Ventures Limited

Notes to the accounts Year ended 31 December 2012

4. Tax on profit on ordinary activities

	2012 £	2011 £
Current tax		
United Kingdom corporation tax based on profits for the period at 24.5%(2011: 26.5%)	-	-
Current tax (credit)/charge for the period	-	-
Deferred taxation	573,731	(508,934)
Tax charge/(credit) for the period	573,731	(508,934)

Factors affecting the tax charge for the current year

The tax charge for the year is lower than the standard rate of corporation tax in the UK (24.5%) and this is due to the factors set out below

	2012 £	2011 £
Profit/(loss) on ordinary activities before taxation	2,002,460	(2,180,478)
Tax charge at 24.5% (2011: 26.5%)	490,603	(577,677)
Expenses not deductible for tax purposes	83,128	2,499
(Profits)/loss on which deferred tax is recognised	(573,731)	575,178
Current tax charge for the period	-	-

Beckham Ventures Limited

Notes to the accounts Year ended 31 December 2012

5. Tangible fixed assets

	Website £	Fixtures & Fittings £	Total £
Cost or valuation			
At 1 January 2012	-	-	-
Additions	335,761	18,275	354,036
	<u>335,761</u>	<u>18,275</u>	<u>354,036</u>
At 31 December 2012	<u>335,761</u>	<u>18,275</u>	<u>354,036</u>
Depreciation			
At 1 January 2012	-	-	-
Charge for the year	-	1,478	1,478
	<u>-</u>	<u>1,478</u>	<u>1,478</u>
At 31 December 2012	<u>-</u>	<u>1,478</u>	<u>1,478</u>
Net book value			
At 31 December 2012	<u>335,761</u>	<u>16,797</u>	<u>352,558</u>
At 31 December 2011	<u>-</u>	<u>-</u>	<u>-</u>

6. Debtors

	2012 £	2011 £
Trade debtors	1,972,669	807,100
Prepayments and accrued income	392,503	60,632
Other debtors	674,166	475,754
Deferred tax asset (see note 7)	391,879	965,610
Amounts owed by related parties	123,814	48,892
	<u>3,555,031</u>	<u>2,357,988</u>

All debtors are due within 12 months

Beckham Ventures Limited

Notes to the accounts Year ended 31 December 2012

7. Deferred tax

	2012 £	2011 £
Opening balance	965,610	456,676
Current year movement	(501,314)	542,762
Effect of rate change during the period	(72,417)	(33,828)
Closing balance	<u>391,879</u>	<u>965,610</u>

8. Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	3,653,348	1,862,148
Accruals and deferred income	551,094	1,457,058
Amounts due to related parties	5,143,564	4,228,733
Other creditors	65,953	41,439
	<u>9,413,959</u>	<u>7,589,378</u>

9 Reconciliation of operating profit to operating cash flows

	2012 £	2011 £
Operating profit/(loss)	2,002,442	(2,180,456)
Depreciation and amortisation	1,478	-
Profit on sale of tangible fixed assets	-	-
Increase in stocks	(1,694,886)	(1,388,781)
Increase in debtors	(1,770,774)	(111,401)
Increase in creditors	1,824,581	3,988,026
Net cash inflow from operating activities	<u>362,841</u>	<u>(307,388)</u>

All operating cashflows identified above relate to continuing activities

Beckham Ventures Limited

Notes to the accounts **Year ended 31 December 2012**

10. Analysis of cash flows

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	18	-
Interest paid	-	(22)
	<u>18</u>	<u>(22)</u>
Net cash outflow	<u>18</u>	<u>(22)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(354,036)	-
	<u>(354,036)</u>	<u>-</u>
Net cash outflow	<u>(354,036)</u>	<u>-</u>

11. Share capital

	2012	2011
	£	£
Allotted, called up and fully paid		
999 ordinary shares of £1 each	999	999
	<u>999</u>	<u>999</u>

12. Reserves

	Profit and loss account £
As at 31 December 2011	(2,908,270)
Profit for year	1,428,729
	<u>1,428,729</u>
As at 31 December 2012	<u>(1,479,541)</u>

Beckham Ventures Limited

Notes to the accounts Year ended 31 December 2012

13. Reconciliation in shareholders' funds

	2012 £	2011 £
Profit/(loss) for the financial year	1,428,729	(1,671,544)
Opening shareholder's funds	(2,907,271)	(1,235,727)
Closing shareholder's funds	(1,479,541)	(2,907,271)

14. Related party transactions

The company is jointly controlled by David Beckham, Victoria Beckham and XIX Management UK Limited, who each own 33 percent of the issued share capital of the Company. During the year the company entered into transactions in the normal course of business with the following related parties as all of these parties are related by virtue of common ownership interests.

Amounts owed by related parties

	2012 £	2011 £
XIX Management UK Limited	-	16,252
XIX Entertainment Inc	123,814	-
Moody Productions Limited	-	32,640
	123,814	48,892

Amounts owed to related parties

	2012 £	2011 £
Beckham Brand Limited	5,057,069	4,228,317
19 RM Limited	2	-
Footwork Productions Limited	-	416
Moody Productions Limited	-	-
XIX Management Limited	79,455	-
XIX Entertainment Inc	7,040	-
	5,143,564	4,228,733