

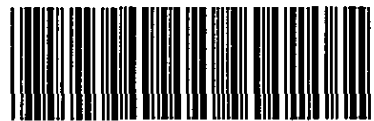
Registered No 764797

# **Apple Corps Limited**

## **Report and Financial Statements**

31 January 2012

THURSDAY



\*A1JS3LDE\*

A15

18/10/2012

#127

COMPANIES HOUSE

# Apple Corps Limited

---

Registered No 764797

## **Directors**

Y O Lennon  
O T Harrison  
H L Gerrard  
J L Eastman

## **Secretary**

J V Jones

## **Auditors**

Sopher + Co  
Chartered Accountants & Statutory Auditors  
5 Elstree Gate  
Elstree Way  
Borehamwood  
Hertfordshire  
WD6 1JD

## **Registered Office**

27 Ovington Square  
London SW3 1LJ

## Directors' report

The directors present their report and financial statements for the year ended 31 January 2012

### Directors

The Directors who served during the year were as follows

Y O Lennon  
O T Harrison  
H L Gerrard  
J L Eastman

### Principal activities and review of the business

The group's principal activities during the year continued to be the exploitation of the audio, visual and ancillary activities relating to The Beatles

### Business review

The group turnover was £18.1 million (2011- £19.7 million) and the group profit after tax for the year was £3.6 million (2011- £3.5 million) being similar to the previous year. Group net assets are £19.7 million (2011 - £17.5 million) and the group has no debt. The directors consider turnover, profit and net assets to be the key performance indicators for the group.

The directors consider that the principal risks and uncertainties faced by the group relate to the general state of the worldwide music industry and the protection of copyrights.

### Results and dividends

The consolidated profit for the year, after taxation, is £3,619,883 (2011 – profit of £3,523,170). Ordinary dividends of £1,600,000 (2011 – £18,000,000) were declared and paid during the year. The directors do not recommend a final dividend.

### Financial risk management and liquidity risk

The directors confirm that, in accordance with the Companies Act 2006, they have considered and reviewed the provisions relating to the financial risk management and policies of the group. As a result of the review, the directors have concluded that the group will be able to continue funding its activities through its cash reserves, retained profits and cash flows from ongoing activities.

### Future developments

The group will continue to develop opportunities relating to its principal business activities.

### Charitable contributions

During the year, the group made charitable donations of £68,371.

## Directors' report

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

Under section 487(2) of the Companies Act 2006, Sopher + Co will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

By order of the Board



J V Jones  
Secretary

Date 12 October 2012

## 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). The financial statements are required by law to give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 that disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 Apple Corps Limited**

We have audited the financial statements of Apple Corps Limited for the year ended 31 January 2012, set out on pages 7 to 28. 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 Chapter 3 of Part 16 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 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 explained more fully in the Statement of Directors' Responsibilities, 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 THE 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 group's and the parent 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 Director's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 January 2012 and of the group's 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.

# **Independent auditor's report**

**to the members of Apple Corps Limited**

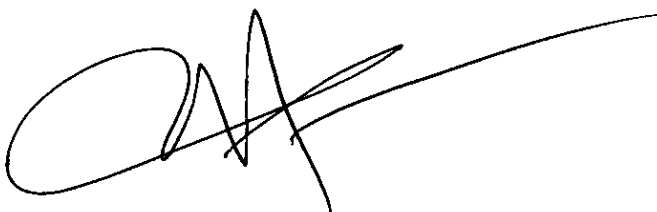
## **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial period 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Stephen Iseman FCA (Senior statutory auditor)

for and on behalf of

**Sopher + Co**

Chartered Accountants  
Statutory Auditors

5 Elstree Gate  
Elstree Way  
Borehamwood  
Hertfordshire  
WD6 1JD

Date 12 October 2012

## Group profit and loss account

for the year ended 31 January 2012

	Notes	2012 £	2011 £
<b>Turnover</b>			
Turnover group and share of joint ventures' turnover		41,403,851	42,113,554
Less share of joint ventures' turnover		(23,283,764)	(22,380,230)
<b>Group turnover</b>	2	18,120,087	19,733,324
Administrative expenses		(17,105,323)	(18,418,356)
		1,014,764	1,314,968
Other operating income		1,529,900	1,467,200
<b>Group operating profit</b>	3	2,544,664	2,782,168
Share of operating profit in joint ventures		1,048,509	1,180,782
Share of operating profit in associates		1,004,053	1,055,033
		2,052,562	2,235,815
<b>Total operating profit group and share of joint ventures and associates</b>		4,597,226	5,017,983
Interest receivable	6	713,312	103,171
Interest payable and similar charges	7	(88,489)	(3,469)
<b>Profit on ordinary activities before taxation</b>		5,222,049	5,117,685
Tax on profit on ordinary activities	8	(1,602,166)	(1,594,515)
<b>Profit for the financial year attributable to members of the parent company</b>		3,619,883	3,523,170

All amounts relate to continuing operations

The notes on pages 12 to 28 form part of these financial statements



## Group statement of total recognised gains and losses

for the year ended 31 January 2012

	2012 £	2011 £
Profit for the financial year excluding share of profits of joint ventures and associates	1,700,332	1,198,264
Share of joint venturers' profit for the year	1,181,961	1,554,382
Share of associates' profit for the year	737,590	770,524
Profit for the financial year attributable to members of the parent company	3,619,883	3,523,170
Exchange difference on retranslation of net assets of subsidiary undertakings	120,569	155,770
<b>Total recognised gains and losses relating to the year</b>	<b>3,740,452</b>	<b>3,678,940</b>

The notes on pages 12 to 28 form part of these financial statements

# Group balance sheet

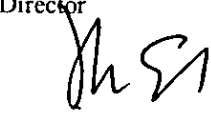
at 31 January 2012

	Notes	2012 £	2011 £
<b>Fixed assets</b>			
Intangible assets	10	—	—
Tangible assets	11	1,958,879	2,015,871
Investment in joint ventures	12		
Share of gross assets		3,805,153	4,807,212
Share of gross liabilities		(2,459,654)	(2,437,283)
Investment in associates	12	1,345,499	2,369,929
		876,361	784,771
		2,221,860	3,154,700
		4,180,739	5,170,571
<b>Current assets</b>			
Debtors	13	5,077,902	9,418,679
Cash at bank and in hand		20,185,092	15,983,696
		25,262,994	25,402,375
<b>Creditors</b> amounts falling due within one year	14	(9,759,664)	(13,029,329)
<b>Net current assets</b>		15,503,330	12,373,046
<b>Total assets less current liabilities</b>		19,684,069	17,543,617
<b>Net assets</b>		19,684,069	17,543,617
<b>Capital and reserves</b>			
Called up share capital	17	100	100
Profit and loss account	19	19,683,969	17,543,517
<b>Equity shareholders' funds</b>	19	19,684,069	17,543,617

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 October 2012



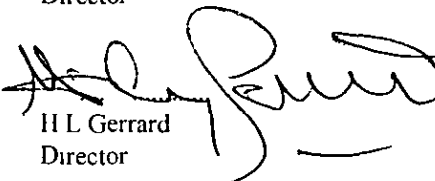
Y O Lennon  
Director



J L Eastman  
Director



O T Harrison  
Director



H L Gerrard  
Director

Registered No 764797

The notes on pages 12 to 28 form part of these financial statements

## Company balance sheet

at 31 January 2012

	Notes	2012 £	2011 £
<b>Fixed assets</b>			
Intangible assets	10	–	–
Tangible assets	11	1,958,879	2,015,871
Investments	12	176,536	176,536
		<u>2,135,415</u>	<u>2,192,407</u>
<b>Current assets</b>			
Debtors	13	4,851,242	9,211,717
Cash at bank and in hand		16,563,703	9,887,400
		<u>21,414,945</u>	<u>19,099,117</u>
<b>Creditors</b> amounts falling due within one year	14	(7,899,070)	(11,131,771)
<b>Net current assets</b>		<u>13,515,875</u>	<u>7,967,346</u>
<b>Total assets less current liabilities</b>		<u>15,651,290</u>	<u>10,159,753</u>
<b>Net assets</b>		<u>15,651,290</u>	<u>10,159,753</u>
<b>Capital and reserves</b>			
Called up share capital	17	100	100
Profit and loss account	19	15,651,190	10,159,653
<b>Equity shareholders' funds</b>	19	<u>15,651,290</u>	<u>10,159,753</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 October 2012



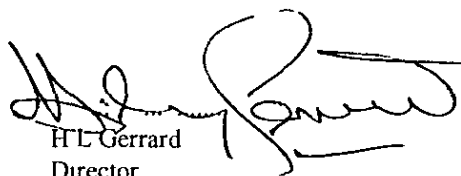
Y O Lennon  
Director



O T Harrison  
Director



J L Eastman  
Director



H L Gerrard  
Director

Registered No 764797

The notes on pages 12 to 28 form part of these financial statements

## Group statement of cash flows

for the year ended 31 January 2012

	Notes	2012 £	2011 £
<b>Net cash inflow from operating activities</b>	20(a)	3,904,424	13,742,401
<b>Dividends from joint ventures and associates</b>			
Dividends from joint ventures		1,735,995	2,185,315
Dividends from associates		646,000	841,312
		2,381,995	3,026,627
<b>Returns on investments and servicing of finance</b>	20(b)	624,823	99,702
<b>Taxation</b>	20(c)	(1,605,686)	(1,000,169)
<b>Capital expenditure and financial investment</b>	20(d)	495,840	1,369,482
<b>Equity dividends paid</b>	18	(1,600,000)	(18,000,000)
<b>Increase/ (Decrease) in cash</b>		4,201,396	(761,957)

### Reconciliation of net cash flow to movement in net funds

	Notes	2012 £	2011 £
Increase/ (Decrease) in cash	20(e)	4,201,396	(761,957)
<b>Movement in net funds</b>		4,201,396	(761,957)
<b>Net funds at 1 February</b>	20(e)	15,983,696	16,745,653
<b>Net funds at 31 January</b>	20(e)	20,185,092	15,983,696

The notes on pages 12 to 28 form part of these financial statements

## Notes to the financial statements

at 31 January 2012

### 1. Accounting policies

#### *Basis of preparation*

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

#### *Basis of consolidation*

The group financial statements consolidate the financial statements of Apple Corps Limited and its subsidiary undertakings, drawn up to 31 January each year. No company profit and loss account is presented for Apple Corps Limited as permitted by section 408 of the Companies Act 2006.

Entities in which the group holds an interest on a long-term basis and are jointly controlled by the group and one or more other venturers under a contractual agreement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the gross equity method.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates. In the group financial statements, associates are accounted for using the equity method.

#### *Investments*

In the parent company financial statements investments in subsidiaries, joint ventures and associates are accounted for at cost.

The carrying values of fixed asset investments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Intangible fixed assets*

Intangible fixed assets acquired separately from a business are capitalised at cost. They are amortised on a straight line basis over their estimated useful lives up to a maximum of 20 years.

The carrying value of intangible fixed assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	–	over 50 years
Fixtures, fittings and equipment	–	over 4 years
Website costs	–	over 3 years

Freehold land is not depreciated. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Royalty income*

Royalty income is accounted for on an accruals basis. Royalty audit claims are not booked as income until amounts arising from such claims are received by the group.

#### *Returns*

No provision is made for any reduction in royalties receivable in subsequent periods as a result of the return of products sold in respect of which royalties would normally have been accounted for during the year. Any reductions are accounted for as a deduction from turnover in subsequent periods.

## Notes to the financial statements

at 31 January 2012

### 1. Accounting policies (continued)

#### *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 retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

The financial statements of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange differences arising on the retranslation of opening net assets are taken directly to reserves. All other translation differences are taken to the profit and loss account.

#### *Deferred tax*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less, tax with the following exceptions:

- provision is made for deferred tax that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable, and
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### *Obligations under operating leases*

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

#### *Affiliated Undertakings*

In the financial statements, companies are described as affiliated to Apple Corps Limited if

- (i) they have the same shareholders or ultimate shareholders as Apple Corps Limited, or
- (ii) the company is owned by one or more of the shareholders of Apple Corps Limited.

## Notes to the financial statements

at 31 January 2012

### 2. Turnover

Turnover represents income derived from the group's continuing ordinary activities, stated net of value added tax, and is accounted for on an accruals bases

It is the opinion of the directors that, in view of the nature of the group's business, the markets in which it operates do not differ substantially from each other and are, therefore, treated as one market for the purposes of disclosing the particulars of turnover in these financial statements

### 3. Group operating profit

(a) This is stated after charging

	2012 £	2011 £
Auditor's remuneration – audit services	35,000	35,000
– taxation services*	54,889	53,058
Depreciation of owned fixed assets	66,992	67,816
Operating lease rentals – office equipment	4,986	5,002
	<u>161,867</u>	<u>160,876</u>

\*The fees for taxation services all relate to the company and its UK subsidiaries

### 4. Directors' remuneration

	2012 £	2011 £
Fees	800,000	800,000
Other Emoluments	125,330	128,136
	<u>925,330</u>	<u>928,136</u>

The aggregate emoluments of the highest paid director amounted to £250,551 (2011 – £250,685)

### 5. Staff costs

	2012 £	2011 £
Wages and salaries	1,507,669	1,191,830
Social security costs	197,728	143,955
	<u>1,705,397</u>	<u>1,335,785</u>

## Notes to the financial statements

at 31 January 2012

### 5. Staff costs (continued)

The average monthly number of employees, excluding directors, during the year was made up as follows

	2012 No	2011 No
Administration	13	12

### 6. Interest receivable

	2012 £	2011 £
Bank interest receivable	30,063	23,367
Other interest	683,249	79,804
	<u>713,312</u>	<u>103,171</u>

### 7. Interest payable and similar charges

	2012 £	2011 £
Loan interest	3,375	3,375
Other interest	85,114	94
	<u>88,489</u>	<u>3,469</u>

### 8 Tax

(a) Tax on profit on ordinary activities

	2012 £	2011 £
<i>Current tax</i>		
UK corporation tax on profit for the year	795,526	673,120
Adjustments in respect of prior periods	(5,636)	(13,713)
Double taxation relief	(90,278)	(79,351)
	<u>699,612</u>	<u>580,056</u>
Foreign tax	750,069	1,072,309
Share of associates' current tax	266,463	284,509
Current tax attributable to joint ventures	19,474	31,240
Total current tax (note 8(b))	<u>1,735,618</u>	<u>1,968,114</u>
<i>Deferred tax</i>		
Share of joint ventures' deferred tax	(133,452)	(373,599)
Tax charge for the year	<u>1,602,166</u>	<u>1,594,515</u>



## Notes to the financial statements

at 31 January 2012

### 8. Tax (continued)

#### (b) Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year differs from the composite rate of corporation tax in the UK of 26.33% (2011 – 28 %). The differences are reconciled below

	2012 £	2011 £
Profit on ordinary activities before tax	5,222,049	5,117,685
Profit on ordinary activities multiplied by composite rate of corporation tax in the UK of 26.33% (2011 – 28 %)	1,375,137	1,432,952
<i>Effects of</i>		
Expenses not deductible for tax purposes	58,876	9,372
Depreciation in excess of capital allowances	111,391	10,820
Other timing differences	70,827	308,535
Prior year over provision	(38,388)	(13,713)
Overseas tax rate in excess of UK rate	157,775	220,148
Current tax for the year	1,735,618	1,968,114

### 9. Profit attributable to members of parent company

The profit dealt with in the financial statements of the parent company was £7,091,537 (2011 – £3,775,658)

## Notes to the financial statements

at 31 January 2012

### 10. Intangible fixed assets

*Group and Company*

	<i>Trademarks</i> £
Cost	
At 1 February 2011 and 31 January 2012	518,067
Amortisation	
At 1 February 2011 and 31 January 2012	518,067
Net book value	
At 1 February 2011 and 31 January 2012	—

### 11. Tangible fixed assets

*Group and Company*

	<i>Freehold land and buildings</i> £	<i>Fixtures, fittings and equipment</i> £	<i>Website costs</i> £	<i>Total</i> £
Cost				
At 1 February 2011	2,385,367	545,085	30,518	2,960,970
Additions	—	10,000	—	10,000
At 31 January 2012	2,385,367	555,085	30,518	2,970,970
Depreciation				
At 1 February 2011	430,715	483,866	30,518	945,099
Provided during the year	37,604	29,388	—	66,992
At 31 January 2012	468,319	513,254	30,518	1,012,091
Net book value				
At 31 January 2012	1,917,048	41,831	—	1,958,879
At 31 January 2011	1,954,652	61,219	—	2,015,871

## Notes to the financial statements

at 31 January 2012

### 12. Investments

#### Group

	2012 £	2011 £
Joint ventures (a)		
The Cirque Apple Creation Partnership	559,953	627,159
Cirque Apple Las Vegas, L L C	785,546	1,742,770
	<u>1,345,499</u>	<u>2,369,929</u>
Associates (b)		
MacLen (Music) Limited	608,096	533,472
Subafilms Limited	268,265	251,299
	<u>876,361</u>	<u>784,771</u>
	<u>2,221,860</u>	<u>3,154,700</u>

(a) Joint ventures

(i) The Cirque Apple Creation Partnership

	£
At 1 February 2011	627,159
Share of profit retained by joint venture	75,125
Distributions	(151,711)
Exchange rate differences	9,380
At 31 January 2012	<u>559,953</u>

Additional disclosures are given in respect of The Cirque Apple Creation Partnership, which exceeds certain 25% thresholds under FRS 9 'Associates and Joint Ventures', as follows

	2012 £	2011 £
Fixed assets	2,879	108,747
Current assets	1,254,031	1,334,566
Share of gross assets	<u>1,256,910</u>	<u>1,443,313</u>
Liabilities due within one year	<u>696,957</u>	<u>816,154</u>
Share of gross liabilities	<u>696,957</u>	<u>816,154</u>
Share of net assets	<u>559,953</u>	<u>627,159</u>

## Notes to the financial statements

at 31 January 2012

### 12. Investments (continued)

#### (i) The Cirque Apple Creation Partnership (continued)

	2012 £	2011 £
Turnover	5,729,814	5,391,380
Profit before tax	75,125	107,652
Taxation	—	—
Profit after tax	75,125	107,652

#### (ii) Cirque Apple Las Vegas, L L C

	£
At 1 February 2011	1,742,770
Share of profit retained by joint venture	1,106,836
Capital repayments	(505,840)
Dividends received	(1,584,284)
Exchange differences	26,064
At 31 January 2012	785,546

Additional disclosures are given in respect of Cirque Apple Las Vegas, L L C , which exceeds certain 25% thresholds under FRS 9 'Associates and Joint Ventures', as follows

	2012 £	2011 £
Fixed assets	141,197	800,927
Current assets	2,407,046	2,562,972
Share of gross assets	2,548,243	3,363,899
Liabilities due within one year	1,655,904	1,384,424
Liabilities due after more than one year	106,793	236,705
Share of gross liabilities	1,762,697	1,621,129
Share of net assets	785,546	1,742,770

## Notes to the financial statements

at 31 January 2012

### 12. Investments (continued)

#### (ii) Cirque Apple Las Vegas, L L C (continued)

	2012 £	2011 £
Turnover	17,553,950	16,988,850
Profit before tax	973,384	1,073,130
Taxation	133,452	373,599
Profit after tax	1,106,836	1,446,729

#### (b) Associates

##### (i) Maclen (Music) Limited

The figures presented for Maclen (Music) Limited represent the group's combined share of Maclen (Music) Limited and its subsidiary Maclen Joint Limited

	£
At 1 February 2011	533,472
Share of profit retained by associate	720,624
Dividends received	(646,000)
At 31 January 2012	608,096

Additional disclosures are given in respect of Maclen (Music) Limited, which exceeds certain 25% thresholds under FRS 9 'Associates and Joint Ventures', as follows

	2012 £	2011 £
Fixed assets	59	59
Current assets	1,277,687	1,154,249
Share of gross assets	1,277,746	1,154,308
Liabilities due within one year	669,650	620,836
Share of gross liabilities	669,650	620,836
Share of net assets	608,096	533,472

## Notes to the financial statements

at 31 January 2012

### 12 Investments (continued)

#### (i) Maclen (Music) Limited (continued)

	2012	2011
	£	£
Turnover	2,549,850	2,445,353
Profit before tax	980,466	977,792
Taxation	(259,842)	(274,694)
Profit after tax	720,624	703,098

#### (ii) Subafilms Limited

	£
At 1 February 2011	251,299
Share of profit retained by associate	16,966
Dividends received	-
At 31 January 2012	268,265

Additional disclosures are given in respect of Subafilms Limited, which exceeds certain 25% thresholds under FRS 9 'Associates and Joint Ventures', as follows

	2012	2011
	£	£
Fixed assets	-	-
Current assets	342,469	334,439
Share of gross assets	342,469	334,439
Liabilities due within one year	65,719	74,655
Deferred taxation	8,485	8,485
Share of gross liabilities	74,204	83,140
Share of net assets	268,265	251,299

## Notes to the financial statements

at 31 January 2012

### 12. Investments (continued)

#### (ii) Subafilms Limited (continued)

	2012 £	2011 £		
Turnover	99,258	142,415		
Profit before tax	23,587	77,240		
Taxation	(6,621)	(9,814)		
Profit after tax	16,966	67,426		
<i>Company</i>				
	<i>Subsidiary undertakings</i> £	<i>Associated undertakings</i> £	<i>Joint venture</i> £	<i>Total</i> £
Cost				
At 1 February 2011 and 31 January 2012	12,881	171,700	–	184,581
Amounts provided				
At 1 February 2011 and 31 January 2012	(8,045)	–	–	(8,045)
Net book value				
At 31 January 2012	4,836	171,700	–	176,536
At 31 January 2011	4,836	171,700	–	176,536

## Notes to the financial statements

at 31 January 2012

### 12. Investments (continued)

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

	<i>Country of Incorporation (or registration) if not Great Britain</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
<b>Subsidiary undertakings</b>			
Apple Corps S A +	Switzerland	100%	Intermediate holding company
Apple Corps Inc	USA	100%*	Intermediate holding company
Apple Records Inc (California)	USA	100%*	Exploitation of musical copyrights
Apple Records Inc (New York)	USA	100%*	Dormant
Apple Music Publishing Inc	USA	100%*	Dormant
Apple Films Inc	USA	100%*	Exploitation of film copyrights
Apple Washington	USA	100%	Charity
Apple Publicity Limited		100%	Dormant
Apple Management Limited		100%	Dormant
Apple Electronics Limited		100%	Dormant
Apple Charity (UK) Limited		100%*	Charity
Python Music Limited		100%	Production and commercial exploitation of films
Apple Show Inc	USA	100%	Intermediate holding company

\* Held by a subsidiary undertaking

+ Year ended 31 December 2011

All shareholdings are ordinary shares or common stock



## Notes to the financial statements

at 31 January 2012

### 12. Investments (continued)

		<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
<i>Associated undertakings</i>			
Maclen (Music) Limited+	'C' ordinary shares	20%	Holding company
Maclen Joint Limited+	Ordinary shares	20%	Exploitation of music rights
Subafilms Limited+	Ordinary shares	23.9%	Marketing, production and distribution of films and videos

Maclen Joint Limited is held by an associated undertaking

		<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
<i>Joint ventures</i>			
The Cirque Apple Creation Partnership+		50%	Creation of musical performance
Cirque Apple Las Vegas, L L C * + (incorporated in the USA)		50%	Producing and presenting a live show

+ Year ended 31 December 2011

\* Held by a subsidiary undertaking

The registered office address of The Cirque Apple Creation Partnership is 27 Ovington Square, London SW3 1LJ

The principal place of business of Cirque Apple Las Vegas L L C is 980 Kelly Johnson Drive, Las Vegas, Nevada, 89119, USA

### 13 Debtors

	<i>2012</i>	<i>Group 2011</i>	<i>2012</i>	<i>Company 2011</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Amounts owed by subsidiary undertakings	-	-	493	487
Amounts owed by associated undertakings	622,824	501,844	622,824	501,844
Amounts owed by joint ventures	46,823	43,063	-	-
Amounts owed by affiliated undertakings	168,852	158,600	16,000	8,000
Corporation tax repayable	16,737	16,737	16,737	16,737
Other debtors	617,715	665,241	616,703	664,839
Prepayments and accrued income	3,604,951	8,033,194	3,578,485	8,019,810
	<u>5,077,902</u>	<u>9,418,679</u>	<u>4,851,242</u>	<u>9,211,717</u>

## Notes to the financial statements

at 31 January 2012

### 14. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	£	£	£	£
Amounts owed to associated undertakings	1,029,255	1,025,880	-	-
Amounts owed to affiliated undertakings	317,372	313,029	-	-
Accruals and deferred income	7,740,875	10,896,462	7,423,134	10,704,164
Corporation tax	570,948	702,000	374,722	335,649
Other taxes and social security costs	101,214	91,958	101,214	91,958
	<u>9,759,664</u>	<u>13,029,329</u>	<u>7,899,070</u>	<u>11,131,771</u>

### 15. Commitments under operating leases

At 31 January 2012 the group and company had annual commitments under non-cancellable operating leases as set out below

	<i>2012</i>	<i>Other</i>
	£	£
Operating leases which expire		
In two to five years	5,000	5,000

### 16. Contingent liabilities

The group and company are involved in various legal disputes in the ordinary course of business and, as at 31 January 2012, the directors are of the opinion that none of the claims or disputes of which they are aware will result in a material loss to the group and company

### 17 Share capital

	<i>2012</i>		<i>2011</i>	
<i>Allotted, called up and fully paid</i>	<i>No</i>	£	<i>No</i>	£
Ordinary shares of £1 each	100	100	100	100

### 18 Dividends

	<i>2012</i>	<i>2011</i>
	£	£
<i>Declared and paid during the year</i>		
Equity dividends on ordinary shares		
Interim	1,600,000	18,000,000

## Notes to the financial statements

at 31 January 2012

### 19 Reconciliation of shareholders' funds and movements on reserves

<i>Group</i>	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total share- holders' funds £</i>
At 1 February 2010	100	31,864,577	31,864,677
Profit for the year	–	3,523,170	3,523,170
Exchange differences on retranslation of subsidiary undertakings	–	155,770	155,770
Dividends declared and paid	–	(18,000,000)	(18,000,000)
At 1 February 2011	100	17,543,517	17,543,617
Profit for the year	–	3,619,883	3,619,883
Exchange differences on retranslation of subsidiary undertakings	–	120,569	120,569
Dividends declared and paid	–	(1,600,000)	(1,600,000)
At 31 January 2012	100	19,683,969	19,684,069
<i>Company</i>			
	<i>Share capital £</i>	<i>Profit account £</i>	<i>Total share- funds £</i>
At 1 February 2010	100	24,383,995	24,384,095
Profit for the year	–	3,775,658	3,775,658
Dividends declared and paid	–	(18,000,000)	(18,000,000)
At 1 February 2011	100	10,159,653	10,159,753
Profit for the year	–	7,091,537	7,091,537
Dividends declared and paid	–	(1,600,000)	(1,600,000)
At 31 January 2012	100	15,651,190	15,651,290

### 20 Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	<i>2012 £</i>	<i>2011 £</i>
Group operating profit	2,544,664	2,782,168
Depreciation	66,992	67,816
Unrealised exchange loss	90,604	154,680
Decrease in debtors	4,340,777	16,266,734
Decrease in creditors	(3,138,613)	(5,528,997)
Net cash inflow from operating activities	3,904,424	13,742,401

## Notes to the financial statements

at 31 January 2012

### 20. Notes to the statement of cash flows (continued)

#### (b) Returns on investments and servicing of finance

	2012 £	2011 £
Interest received	713,312	103,171
Interest paid	(88,489)	(3,469)
	<u>624,823</u>	<u>99,702</u>

#### (c) Taxation

	2012 £	2011 £
Corporation tax recovered	419,987	1,650,713
Corporation tax paid	(1,100,000)	(1,925,000)
Overseas tax paid	(925,673)	(725,882)
	<u>(1,605,686)</u>	<u>(1,000,169)</u>

#### (d) Capital expenditure and financial investment

	2012 £	2011 £
Payments to acquire tangible fixed assets	(10,000)	(11,144)
Investment in joint ventures – capital repayments received	505,840	1,380,626
	<u>495,840</u>	<u>1,369,482</u>

#### (e) Analysis of changes in net funds

	At 31 January 2011 £	Cash flows £	At 31 January 2012 £
Cash at bank and in hand	15,983,696	4,201,396	20,185,092

## Notes to the financial statements

at 31 January 2012

### 21. Related party transactions

- (a) Amounts charged to the profit and loss account include fees for the promotional services of the beneficial shareholders (Sir J P McCartney, Mr R Starkey, Mrs Y O Lennon and Mrs O T Harrison) amounting to £1,587,500 each (2011 – £1,890,000 each) and name and likeness payments amounting to £1,197,125 each (2011 – £1,103,250 each)
- (b) The company is party to an agreement with Maclen (Music) Limited and its wholly owned subsidiary undertaking, Maclen Joint Limited, in which Mrs Y O Lennon and Sir J P McCartney each has a direct interest of 40% in the share capital. Apple Corps Limited provides administration services to Maclen Joint Limited for which £1,529,900 was included as income in the profit and loss account in the year (2011 – £1,467,200)
- (c) At 31 January 2012, the company was owed the following amounts by companies in which one or more of the shareholders of Apple Corps Limited has a beneficial interest -

	2012	2011
	£	£
Maclen (Music) Limited	2,461	2,421
Maclen Joint Limited	610,363	494,423
Subafilms Limited	10,000	5,000
Apple Publishing Limited	10,000	5,000
Apple Films Limited	6,000	3,000

### 22. Controlling party

The company has no ultimate controlling party