

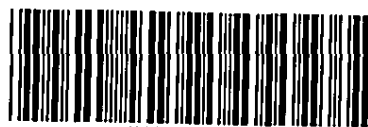
Registered No. 764797

Apple Corps Limited

Report and Financial Statements

31 January 2009

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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

Ernst & Young LLP
1 More London Place
London SE1 2AF

Registered Office

27 Ovington Square
London SW3 1LJ

Directors' report

The directors present their report and financial statements for the year ended 31 January 2009.

Results and dividends

The consolidated profit for the year, after taxation, is £4,239,278 (2008 – profit of £47,955,968). Ordinary dividends of £nil (2008 – £35,142,326) were declared and paid during the year. The directors do not recommend a final dividend.

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".

The group performed as expected during the year and the directors do not envisage any changes in its activities.

Directors

The Directors who served during the year were as follows:

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

Financial risk management and liquidity risk

The directors confirm that, in accordance with the Companies Act 1985 (Operating and Financial Review and Directors Report) Regulations 2005, they have considered and reviewed the provisions included within schedule 7(5A), 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.

Charitable contributions

During the year, the group made charitable donations of £16,546.

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

In accordance with section 386 of the Companies Act 1985, a resolution to dispense with the obligation to appoint auditors annually was passed on 16 December 1997. Accordingly, Ernst & Young LLP will be deemed to be reappointed as auditors.

By order of the Board



J V Jones
Secretary

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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 1985. 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 group and parent company financial statements (the "financial statements") of Apple Corps Limited for the year ended 31 January 2009 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets, the Group Statement of Cash Flows, and the related notes 1 to 22. 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

The directors' responsibilities for the preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

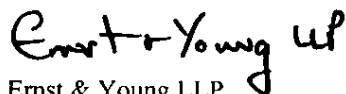
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 group's and 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.

Independent auditor's report**to the members of Apple Corps Limited****Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 January 2009 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Ernst & Young LLP
Registered auditor
London

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Group profit and loss account

for the year ended 31 January 2009

	Notes	2009 £	2008 £
Turnover			
Turnover: group and share of joint ventures' turnover		51,219,070	42,030,138
Less: share of joint ventures' turnover		(35,506,859)	(25,665,400)
Group turnover	2	15,712,211	16,364,738
Administrative expenses		(14,953,953)	(16,218,850)
		758,258	145,888
Other operating income		1,083,120	866,500
Group operating profit	3	1,841,378	1,012,388
Share of operating profit in joint ventures		3,067,228	2,605,844
Share of operating profit in associates		782,673	915,614
		3,849,901	3,521,458
Total operating profit: group and share of joint ventures and associates		5,691,279	4,533,846
Profit on sale of fixed assets		—	50,607,632
Interest receivable	6	662,954	1,818,199
Interest payable and similar charges	7	(178,469)	(594,790)
Profit on ordinary activities before taxation		6,175,764	56,364,887
Tax on profit on ordinary activities	8	(1,936,486)	(8,408,919)
Profit for the financial year attributable to members of the parent company		4,239,278	47,955,968

Group statement of total recognised gains and losses

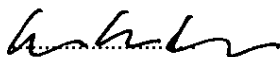
for the year ended 31 January 2009

	2009 £	2008 £
Profit for the financial year excluding share of profits of joint ventures and associates	529,540	45,581,997
Share of joint venturers' profit for the year	3,151,630	1,734,394
Share of associates' profit for the year	558,108	639,577
Profit for the financial year attributable to members of the parent company	4,239,278	47,955,968
Exchange difference on retranslation of net assets of subsidiary undertakings	1,650,575	(6,420)
Total recognised gains and losses relating to the year	5,889,853	47,949,548

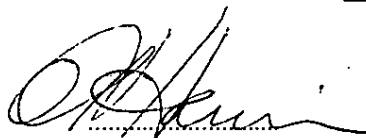
Group balance sheet

at 31 January 2009

	Notes	2009 £	2008 £
Fixed assets			
Intangible assets	10	—	—
Tangible assets	11	2,080,406	2,113,881
Investment in joint ventures:	12		
Share of gross assets		9,054,769	8,841,709
Share of gross liabilities		(3,681,816)	(3,997,571)
Investment in associates	12	5,372,953 1,061,184	4,844,138 883,084
		6,434,137	5,727,222
		8,514,543	7,841,103
Current assets			
Debtors	13	6,362,242	3,479,982
Cash at bank and in hand		26,498,315	23,537,681
		32,860,557	27,017,663
Creditors: amounts falling due within one year	14	(15,434,195)	(10,711,516)
Net current assets		17,426,362	16,306,147
Total assets less current liabilities		25,940,905	24,147,250
Creditors: amounts falling due after more than one year			
Loans	15	—	(4,096,198)
Net assets		25,940,905	20,051,052
Capital and reserves			
Called up share capital	18	100	100
Profit and loss account	20	25,940,805	20,050,952
Equity shareholders' funds	20	25,940,905	20,051,052



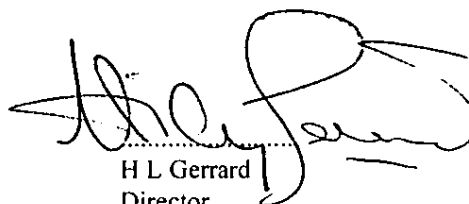
Y O Lennon
Director



O T Harrison
Director



J L Eastman
Director



H L Gerrard
Director

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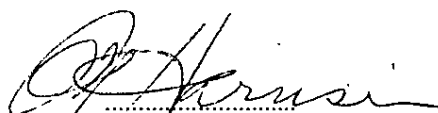
Company balance sheet

at 31 January 2009

	Notes	2009 £	2008 £
Fixed assets			
Intangible assets	10	—	—
Tangible assets	11	2,080,406	2,113,881
Investments	12	731,581	2,819,456
		<u>2,811,987</u>	<u>4,933,337</u>
Current assets			
Debtors	13	7,387,634	7,276,254
Cash at bank and in hand		22,456,799	19,520,175
		<u>29,844,433</u>	<u>26,796,429</u>
Creditors: amounts falling due within one year	14	(13,542,116)	(10,448,847)
Net current assets		<u>16,302,317</u>	<u>16,347,582</u>
Total assets less current liabilities		<u>19,114,304</u>	<u>21,280,919</u>
Creditors: amounts falling due after more than one year			
Loans	15	—	(4,096,198)
Net assets		<u>19,114,304</u>	<u>17,184,721</u>
Capital and reserves			
Called up share capital	18	100	100
Profit and loss account	20	19,114,204	17,184,621
Equity shareholders' funds	20	<u>19,114,304</u>	<u>17,184,721</u>



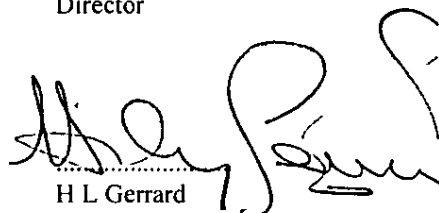
Y O Lennon
Director



O T Harrison
Director



J L Eastman
Director



H L Gerrard
Director

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Group statement of cash flows

for the year ended 31 January 2009

	Notes	2009 £	2008 £
Net cash inflow from operating activities	21(a)	8,822,940	954,843
Dividends from joint ventures and associates			
Dividends from joint ventures		3,468,368	1,508,902
Dividends from associates		380,000	400,000
		3,848,368	1,908,902
Returns on investments and servicing of finance	21(b)	447,511	358,094
Taxation	21(c)	(6,828,685)	(4,104,974)
Capital expenditure and financial investment	21(d)	2,060,154	51,559,523
Equity dividends paid	19	-	(35,142,326)
Financing	21(e)	(5,389,654)	(1,291,038)
Increase in cash		2,960,634	14,243,024

Reconciliation of net cash flow to movement in net funds

	Notes	2009 £	2008 £
Increase in cash	21(f)	2,960,634	14,243,024
Cash outflow from decrease in loans		5,389,654	1,291,038
Change in net debt resulting from cash flows		8,350,288	15,534,062
Exchange difference		-	97,390
Movement in net funds		8,350,288	15,631,452
Net funds at 1 February	21(f)	18,148,027	2,516,575
Net funds at 31 January	21(f)	26,498,315	18,148,027

Notes to the financial statements

at 31 January 2009

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 230 of the Companies Act 1985.

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

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 2009

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 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 2009

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/(crediting):

	2009 £	2008 £
Auditor's remuneration – audit services	35,000	35,000
– taxation services*	94,116	174,762
– other services*	–	25,000
Depreciation of owned fixed assets	57,975	63,671
Operating lease rentals – office equipment	6,291	5,770
Exchange loss/(gain) on foreign currency long term borrowings	115,526	(97,395)

The auditor's remuneration in respect of audit services includes £30,000 (2008 – £30,000) relating to the company.

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

4. Directors' remuneration

	2009 £	2008 £
Fees	600,000	600,000
Other Emoluments	153,565	140,383
	<u>753,565</u>	<u>740,383</u>

The aggregate emoluments of the highest paid director amounted to £202,315 (2008 – £198,993).

5. Staff costs

	2009 £	2008 £
Wages and salaries	1,129,462	896,031
Social security costs	136,189	117,965
	<u>1,265,651</u>	<u>1,013,996</u>

Notes to the financial statements

at 31 January 2009

5. Staff costs (continued)

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

	2009 No.	2008 No.
Administration	13	14

6. Interest receivable

	2009 £	2008 £
Bank interest receivable	484,666	1,785,392
Other interest	178,288	32,807
	<u>662,954</u>	<u>1,818,199</u>

7. Interest payable and similar charges

	2009 £	2008 £
Loan interest	160,850	554,725
Bank loans	17,481	39,636
Other interest	138	429
	<u>178,469</u>	<u>594,790</u>

8. Tax

(a) Tax on profit on ordinary activities

	2009 £	2008 £
<i>Current tax:</i>		
UK corporation tax	290,482	7,269,432
Double taxation relief	(94,462)	(159,734)
	<u>196,020</u>	<u>7,109,698</u>
Foreign tax	683,428	151,734
Share of associates' current tax	224,564	276,037
Current tax attributable to joint ventures	916,875	943,965
	<u>2,020,887</u>	<u>8,481,434</u>
<i>Deferred tax:</i>		
Share of joint ventures' deferred tax	(84,401)	(72,515)
	<u>1,936,486</u>	<u>8,408,919</u>

Notes to the financial statements

at 31 January 2009

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 standard rate of corporation tax in the UK of 28.33% (2008 – 30%). The differences are reconciled below:

	2009 £	2008 £
Profit on ordinary activities before tax	6,175,764	56,364,887
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.33% (2008 – 30%)	1,749,799	16,909,466
<i>Effects of:</i>		
Expenses not deductible for tax purposes	32,506	9,406
Depreciation in excess of capital allowances	8,080	(14,330)
Overseas timing differences	287,085	(177,722)
Prior year over provision	(315,026)	–
Fixed assets – March 1982 valuation		(8,422,235)
Overseas tax rate in excess of UK rate	258,443	176,849
Current tax for the year	2,020,887	8,481,434

(c) Deferred taxation

Deferred tax is analysed as follows:

Group and Company

	2009 £	2008 £
Depreciation in advance of capital allowances	10,600	13,000
Deferred tax asset	10,600	13,000

The asset has not been recognised in the financial statements on the grounds that there is insufficient evidence available that the asset will be recovered in future years.

9. Profit attributable to members of parent company

The profit dealt with in the financial statements of the parent company was £1,929,583 (2008 – £45,423,420).

Notes to the financial statements

at 31 January 2009

10. Intangible fixed assets

Group and Company

	<i>Trademarks</i> £
Cost:	
At 1 February 2008 and 31 January 2009	518,067
Amortisation:	
At 1 February 2008 and 31 January 2009	518,067
Net book value:	
At 31 January 2008 and 31 January 2009	—

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 2008	2,385,367	453,992	30,518	2,869,877
Additions	—	24,500	—	24,500
At 31 January 2009	2,385,367	478,492	30,518	2,894,377
Depreciation:				
At 1 February 2008	317,800	407,678	30,518	755,996
Provided during the year	37,707	20,268	—	57,975
At 31 January 2009	355,507	427,946	30,518	813,971
Net book value:				
At 31 January 2009	2,029,860	50,546	—	2,080,406
At 31 January 2008	2,067,567	46,314	—	2,113,881

Notes to the financial statements

at 31 January 2009

12. Investments

Group

	2009 £	2008 £
Joint ventures (a)		
The Cirque Apple Creation Partnership	792,912	1,072,486
Cirque Apple Las Vegas, L.L.C.	4,580,041	3,771,652
	<u>5,372,953</u>	<u>4,844,138</u>
Associates (b)		
Maclen (Music) Limited	641,343	512,852
Subafilms Limited	419,841	370,232
	<u>1,061,184</u>	<u>883,084</u>
	<u>6,434,137</u>	<u>5,727,222</u>

(a) Joint ventures

(i) The Cirque Apple Creation Partnership

	£
At 1 February 2008	1,072,486
Share of profit retained by joint venture	120,536
Capital repaid	(649,703)
Exchange rate differences	263,151
Other	(13,558)
At 31 January 2009	<u>792,912</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:

	2009 £	2008 £
Fixed assets	500,999	648,808
Current assets	1,256,568	1,242,645
Share of gross assets	<u>1,757,567</u>	<u>1,891,453</u>
Liabilities due within one year	<u>964,655</u>	<u>818,967</u>
Share of gross liabilities	<u>964,655</u>	<u>818,967</u>
Share of net assets	<u>792,912</u>	<u>1,072,486</u>

Notes to the financial statements

at 31 January 2009

12. Investments (continued)

(i) The Cirque Apple Creation Partnership (continued)

	2009 £	2008 £
Turnover	9,040,376	6,854,785
Profit before tax	120,536	201,860
Taxation	–	(50,637)
Profit after tax	120,536	151,223

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

	£
At 1 February 2008	3,771,652
Share of profit retained by joint venture	3,031,094
Capital repayments	(1,434,950)
Dividends received	(3,468,368)
Exchange differences	1,787,210
Other	893,403
At 31 January 2009	4,580,041

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:

	2009 £	2008 £
Fixed assets	3,959,602	3,781,295
Current assets	3,337,600	3,168,961
Share of gross assets	7,297,202	6,950,256
Liabilities due within one year	1,730,521	2,388,655
Liabilities due after more than one year	986,640	789,949
Share of gross liabilities	2,717,161	3,178,604
Share of net assets	4,580,041	3,771,652

Notes to the financial statements

at 31 January 2009

12. Investments (continued)

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

	2009 £	2008 £
Turnover	26,466,483	18,810,615
Profit before tax	2,946,693	2,403,983
Taxation	84,401	(820,813)
Profit after tax	3,031,094	1,583,170

(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 2008	512,852
Share of profit retained by associate	508,499
Dividends received	(380,000)
Other	(8)
At 31 January 2009	641,343

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

	2009 £	2008 £
Fixed assets	59	59
Current assets	1,757,723	1,458,667
Share of gross assets	1,757,782	1,458,726
Liabilities due within one year	1,116,439	945,874
Share of gross liabilities	1,116,439	945,874
Share of net assets	641,343	512,852

Notes to the financial statements

at 31 January 2009

12. Investments (continued)

(i) Maclen (Music) Limited (continued)

	2009 £	2008 £
Turnover	1,730,208	1,369,178
Profit before tax	711,023	555,536
Taxation	(202,524)	(166,184)
Profit after tax	508,499	389,352

(ii) Subafilms Limited

	£
At 1 February 2008	370,232
Share of profit retained by associate	49,609
At 31 January 2009	419,841

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

	2009 £	2008 £
Fixed assets	—	—
Current assets	512,341	973,210
Share of gross assets	512,341	973,210
Liabilities due within one year	84,015	594,493
Deferred taxation	8,485	8,485
Share of gross liabilities	92,500	602,978
Share of net assets	419,841	370,232

Notes to the financial statements

at 31 January 2009

12. Investments (continued)

(ii) Subafilms Limited (continued)

	2009 £	2008 £		
Turnover	129,807	327,473		
Profit before tax	71,650	360,078		
Taxation	(22,041)	(109,854)		
Profit after tax	49,609	250,224		
<i>Company</i>				
	<i>Subsidiary undertakings</i> £	<i>Associated undertakings</i> £	<i>Joint venture</i> £	<i>Total</i> £
Cost:				
At 1 February 2008	1,800,797	171,700	855,004	2,827,501
Capital repayments	(1,451,474)	–	(636,401)	(2,087,875)
At 31 January 2009	349,323	171,700	218,603	739,626
Amounts provided:				
At 1 February 2008 and 31 January 2009	(8,045)	–	–	(8,045)
Net book value:				
At 31 January 2009	341,278	171,700	218,603	731,581
At 31 January 2008	1,792,752	171,700	855,004	2,819,456

The capital repayments by subsidiary undertakings represent capital repaid in Apple Show Inc. The capital repayments by joint venture represents capital repaid by The Cirque Apple Creation Partnership.

Notes to the financial statements

at 31 January 2009

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>
<i>Subsidiary undertakings</i>			
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%*	Exploitation of musical copyrights
Apple Music Publishing Inc.	USA	100%*	Exploitation of musical copyrights
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.

All shareholdings are ordinary shares or common stock.

Notes to the financial statements

at 31 January 2009

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 musical copyrights
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 2008

* 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>2009</i>	<i>Group 2008</i>	<i>2009</i>	<i>Company 2008</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Amounts owed by subsidiary undertakings	–	–	1,307,853	2,917,602
Amounts owed by associated undertakings	942,044	925,031	942,044	1,931,999
Amounts owed by joint ventures	111,184	63,428	15,723	28,168
Amounts owed by affiliated undertakings	298,367	198,853	131,052	123,052
Corporation tax repayable	1,487,499	–	1,487,499	–
Other debtors	277,488	–	277,125	–
Prepayments and accrued income	3,245,660	2,292,670	3,226,338	2,275,433
	<u>6,362,242</u>	<u>3,479,982</u>	<u>7,387,634</u>	<u>7,276,254</u>

Notes to the financial statements

at 31 January 2009

14. Creditors: amounts falling due within one year

	2009	Group 2008	2009	Company 2008
	£	£	£	£
Amounts owed to associated undertakings	1,283,723	—	—	—
Current instalment due on loans (note 15)	—	1,330,430	—	1,330,430
Amounts owed to affiliated undertakings	345,260	211,045	264,711	—
Accruals and deferred income	13,266,157	6,345,092	13,101,868	6,242,829
Corporation tax	539,055	2,802,129	175,537	2,852,766
Other taxes and social security costs	—	22,820	—	22,822
	<u>15,434,195</u>	<u>10,711,516</u>	<u>13,542,116</u>	<u>10,448,847</u>

15. Loans

	Group and Company	
	2009	2008
	£	£
Not wholly repayable within five years:		
Variable rate bank loan at 1% over bank rate, repayable in annual instalments of £86,333	—	561,166
Variable rate loans from shareholders at 2% over JP Morgan Chase Prime Rate repayable in quarterly instalments of US\$600,000	—	4,828,488
Interest accrued on variable rate loans	—	36,974
	<u>—</u>	<u>5,426,628</u>
Less: included in creditors: amounts falling due within one year (note 14)	—	(1,330,430)
	<u>—</u>	<u>4,096,198</u>
	<u>2009</u>	<u>2008</u>
	£	£
Amounts repayable:		
In one year or less	—	1,330,430
In more than one year but not more than two years	—	1,293,455
In more than two years but not more than five years	—	2,673,244
	<u>—</u>	<u>5,297,129</u>
In more than five years	—	129,499
	<u>—</u>	<u>5,426,628</u>

The variable rate bank loan was secured by a fixed legal charge over the freehold land and buildings.

Notes to the financial statements

at 31 January 2009

16. Commitments under operating leases

At 31 January 2009 the group and company had annual commitments under non-cancellable operating leases as set out below:

	2009	Other 2008
	£	£
Operating leases which expire:		
In two to five years	6,300	5,400

17. Contingent liabilities

The group and company are involved in various legal disputes in the ordinary course of business and, as at 31 January 2009, 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.

18. Authorised and issued share capital

	2009	2008
	£	£
<i>Authorised</i>		
Ordinary shares of £1 each	100	100

	No.	2009 £	No.	2008 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	100	100	100	100

19. Dividends

	2009	2008
	£	£
<i>Declared and paid during the year</i>		
Equity dividends on ordinary shares:		
Interim	–	35,142,326

Notes to the financial statements

at 31 January 2009

20. 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 2007	100	7,243,730	7,243,830
Profit for the year	–	47,955,968	47,955,968
Exchange differences on retranslation of subsidiary undertakings	–	(6,420)	(6,420)
Dividends declared and paid	–	(35,142,326)	(35,142,326)
At 31 January 2008	100	20,050,952	20,051,052
Profit for the year	–	4,239,278	4,239,278
Exchange differences on retranslation of subsidiary undertakings	–	1,650,575	1,650,575
At 31 January 2009	100	25,940,805	25,940,905
<i>Company</i>			
	<i>Share capital £</i>	<i>Profit account £</i>	<i>Total share- funds £</i>
At 1 February 2007	100	6,903,527	6,903,627
Profit for the year	–	45,423,420	45,423,420
Dividends declared and paid	–	(35,142,326)	(35,142,326)
At 31 January 2008	100	17,184,621	17,184,721
Profit for the year	–	1,929,583	1,929,583
At 31 January 2009	100	19,114,204	19,114,304

21. Notes to the statement of cash flows

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

	<i>2009 £</i>	<i>2008 £</i>
Group operating profit	1,841,378	1,012,388
Depreciation	57,975	63,671
Unrealised exchange loss	2,166	31,844
(Increase)/decrease in debtors	(1,346,246)	6,275,046
Increase/(decrease) in creditors	8,267,667	(6,428,106)
Net cash inflow from operating activities	8,822,940	954,843

Notes to the financial statements

at 31 January 2009

21. Notes to the statement of cash flows (continued)

(b) Returns on investments and servicing of finance

	2009	2008
	£	£
Interest received	662,954	1,818,199
Interest paid	(215,443)	(1,460,105)
	<u>447,511</u>	<u>358,094</u>

(c) Taxation

	2009	2008
	£	£
Corporation tax recovered	112,500	285,411
Corporation tax paid	(4,500,000)	(4,237,500)
Overseas tax paid	(2,441,185)	(152,885)
	<u>(6,828,685)</u>	<u>(4,104,974)</u>

(d) Capital expenditure and financial investment

	2009	2008
	£	£
Payments to acquire tangible fixed assets	(24,500)	(28,000)
Investment in joint ventures	2,084,654	979,891
Receipts from sale of fixed assets	–	50,607,632
	<u>2,060,154</u>	<u>51,559,523</u>

(e) Financing

	2009	2008
	£	£
Repayment of bank loans	(561,166)	(86,333)
Repayment of unsecured loan	(4,828,488)	(1,204,705)
	<u>(5,389,654)</u>	<u>(1,291,038)</u>

Notes to the financial statements

at 31 January 2009

21. Notes to the statement of cash flows (continued)

(f) Analysis of changes in net funds

	<i>At</i> <i>31 January</i> <i>2008</i> <i>£</i>	<i>Cash</i> <i>flows</i> <i>£</i>	<i>At</i> <i>31 January</i> <i>2009</i> <i>£</i>
Cash at bank and in hand	23,537,681	2,960,634	26,498,315
Debt due within one year	(1,293,456)	1,293,456	–
Debt due after one year, excluding accrued interest	(4,096,198)	4,096,198	–
	<u>18,148,027</u>	<u>8,350,288</u>	<u>26,498,315</u>

22. 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 £1,152,000 each (2008 – £1,482,200 each) and name and likeness payments amounting to £1,338,125 each (2008 – £1,063,000 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 £1,038,120 was included as income in the profit and loss account in the year (2008 – £821,500). The amount due from Maclen Joint Limited at the year end amounted to £939,833 (2008 – £821,683).
- (c) At 31 January 2009, the company owed £264,711 (2008 – £1,108,135 due to the company) to Subafilms Limited, a company owned by one of more of the shareholders of Apple Corps Limited.
- (d) Loans by the shareholders to the company were:

	<i>Balance</i> <i>owed</i> <i>at 31 January</i> <i>2009</i> <i>£</i>	<i>Balance</i> <i>owed</i> <i>at 31 January</i> <i>2008</i> <i>£</i>
G H Estate Limited	–	1,207,122
Sir J P McCartney	–	1,207,122
Mrs Y O Lennon	–	1,207,122
Widgeon Investments Limited	–	1,207,122
	<u>–</u>	<u>4,828,488</u>

The company has no ultimate controlling party.