

Registered number: 00764797

**APPLE CORPS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2017**



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**APPLE CORPS LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	Y O Lennon O T Harrison J L Eastman B V Grakal
<b>Company secretary</b>	J V Jones
<b>Registered number</b>	00764797
<b>Registered office</b>	27 Ovington Square London SW3 1LJ
<b>Independent auditors</b>	Sopher + Co LLP Chartered Accountants & Statutory Auditors 5 Elstree Gate Elstree Way Borehamwood Hertfordshire WD6 1JD

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**APPLE CORPS LIMITED**

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**APPLE CORPS LIMITED**

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 JANUARY 2017**

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**Introduction**

The directors present their strategic report for the year ended 31 January 2017.

**Business review**

The group continues to exploit audio, visual and ancillary activities mainly relating to The Beatles. Group turnover has increased from £13.0 million to £24.4 million. Group profit for the year before taxation increased from £1.9 million to £5.7 million and group net assets have increased from £13.1 million to £17.8 million.

**Principal risks and uncertainties**

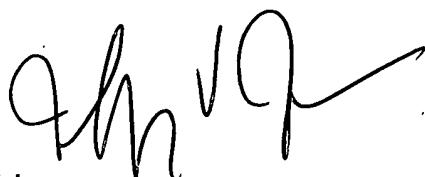
The directors consider that the principal risks and uncertainties faced by the group relate to the general state of the worldwide music industry and the protection of copyrights.

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.

**Financial key performance indicators**

The directors consider turnover, profit and net assets to be the key performance indicators for the group.

This report was approved by the board and signed on its behalf.



**J V Jones**  
Secretary

Date: 21/09/17

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**APPLE CORPS LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JANUARY 2017**

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The directors present their report and the financial statements for the year ended 31 January 2017.

**Directors**

The Directors who served during the year were as follows:

Y O Lennon  
O T Harrison  
J L Eastman  
B V Grakal

**Principal activity**

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

**Results and dividends**

The profit for the year, after taxation, amounted to £4,356,926 (2016 - £1,282,390).

Ordinary dividends of £Nil (2016 - £1,600,000) were declared and paid during the year. The directors do not recommend a final dividend.

**Future developments**

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

**Disclosure of information to 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 auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow directors and the group's auditors, 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 auditors are aware of that information.

**Auditors**

Under section 487(2) of the Companies Act 2006, Sopher + Co LLP 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.

This report was approved by the board and signed on its behalf.

  
J V Jones  
Secretary

Date: 21/09/17

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**APPLE CORPS LIMITED**

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 JANUARY 2017**

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The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## **APPLE CORPS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF APPLE CORPS LIMITED**

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We have audited the financial statements of Apple Corps Limited for the year ended 31 January 2017, set out on pages 6 to 25. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Directors' Responsibilities Statement on page 3, 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 Financial Reporting Council'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 Group Strategic Report and the Directors' 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 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 2017 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.

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**APPLE CORPS LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF APPLE CORPS LIMITED  
(CONTINUED)**

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**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and the Directors' Report.

**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 directors' 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 LLP**

Chartered Accountants  
Statutory Auditors

5 Elstree Gate  
Elstree Way  
Borehamwood  
Hertfordshire  
WD6 1JD

Date: 21/09/17



**APPLE CORPS LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JANUARY 2017**

	Note	2017 £	2016 £
<b>Turnover</b>			
Group and share of joint ventures' turnover		43,515,827	30,140,109
Less: share of joint ventures' turnover		(19,105,002)	(17,091,200)
<b>Group turnover</b>	4	<u>24,410,825</u>	13,048,909
Administrative expenses		(21,194,232)	(13,432,469)
Other operating income	5	<u>994,800</u>	868,600
<b>Group operating profit</b>	6	<u>4,211,393</u>	485,040
Share of profit of joint venture		772,703	629,319
Share of profit of associates		671,781	601,121
<b>Total operating profit: group and share of joint ventures and associates</b>		<u>5,655,877</u>	1,715,480
Interest receivable and similar income	9	55,186	135,899
Interest payable and expenses		<u>(1,103)</u>	(9)
<b>Profit before taxation</b>		<u>5,709,960</u>	1,851,370
Tax on profit	10	(1,353,034)	(568,980)
<b>Profit for the financial year attributable to the members of the parent company</b>		<u>4,356,926</u>	1,282,390
Currency translation differences		386,461	98,335
<b>Total comprehensive income for the year</b>		<u><u>4,743,387</u></u>	<u><u>1,380,725</u></u>

The notes on pages 12 to 25 form part of these financial statements.

All amounts relate to continuing operations.

**APPLE CORPS LIMITED**  
**REGISTERED NUMBER:00764797**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	12	-	-
Tangible assets	13	1,754,115	1,804,218
Investments	14	3,559,345	2,574,027
		<u>5,313,460</u>	<u>4,378,245</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	5,913,246	6,627,010
Cash at bank and in hand		16,931,643	8,305,824
		<u>22,844,889</u>	<u>14,932,834</u>
Creditors: amounts falling due within one year	17	(9,957,799)	(6,238,521)
<b>Net current assets</b>		<u>12,887,090</u>	<u>8,694,313</u>
<b>Provisions for liabilities</b>			
Deferred tax	18	(384,605)	-
<b>Net assets</b>		<u><u>17,815,945</u></u>	<u><u>13,072,558</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	100	100
Profit and loss account		17,815,845	13,072,458
		<u><u>17,815,945</u></u>	<u><u>13,072,558</u></u>

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

Y O Lennon  
Director

*Yoko Ono Lennon*

O T Harrison  
Director

*O T Harrison*

J L Eastman  
Director

*J L Eastman*

Date: 21/09/17

B V Grakal  
Director

*B V Grakal*

The notes on pages 12 to 25 form part of these financial statements.

**APPLE CORPS LIMITED**  
**REGISTERED NUMBER:00764797**  
**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	12	-	-
Tangible assets	13	1,754,115	1,804,218
Investments	14	326,534	326,536
		<u>2,080,649</u>	<u>2,130,754</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	5,290,505	6,344,117
Cash at bank and in hand		15,217,181	6,924,943
		<u>20,507,686</u>	<u>13,269,060</u>
Creditors: amounts falling due within one year	17	(8,446,844)	(4,734,051)
<b>Net current assets</b>		<u>12,060,842</u>	<u>8,535,009</u>
<b>Net assets</b>		<u>14,141,491</u>	<u>10,665,763</u>
<b>Capital and reserves</b>			
Called up share capital	19	100	100
Profit and loss account		14,141,391	10,665,663
		<u>14,141,491</u>	<u>10,665,763</u>

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

**Y O Lennon**  
Director



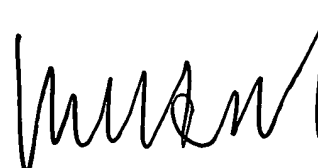
**O T Harrison**  
Director



**J L Eastman**  
Director

  
Date: 21/09/17

**B V Grakal**  
Director



The notes on pages 12 to 25 form part of these financial statements.

**APPLE CORPS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2017**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Equity attributable to owners of parent Company</b>	<b>Total equity</b>
	£	£	£	£
At 1 February 2016	100	13,072,458	13,072,558	13,072,558
Profit for the year	-	4,356,926	4,356,926	4,356,926
Currency translation differences	-	386,461	386,461	386,461
<b>At 31 January 2017</b>	<b>100</b>	<b>17,815,845</b>	<b>17,815,945</b>	<b>17,815,945</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2016**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Equity attributable to owners of parent Company</b>	<b>Total equity</b>
	£	£	£	£
At 1 February 2015	100	13,291,733	13,291,833	13,291,833
Profit for the year	-	1,282,390	1,282,390	1,282,390
Currency translation differences	-	98,335	98,335	98,335
Dividends: Equity capital	-	(1,600,000)	(1,600,000)	(1,600,000)
<b>At 31 January 2016</b>	<b>100</b>	<b>13,072,458</b>	<b>13,072,558</b>	<b>13,072,558</b>

The notes on pages 12 to 25 form part of these financial statements.

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**APPLE CORPS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2017**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 February 2016	100	10,665,663	10,665,763
Profit for the year	-	3,475,728	3,475,728
At 31 January 2017	<u>100</u>	<u>14,141,391</u>	<u>14,141,491</u>

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2016**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 February 2015	100	11,606,091	11,606,191
Profit for the year	-	659,572	659,572
Dividends: Equity capital	-	(1,600,000)	(1,600,000)
At 31 January 2016	<u>100</u>	<u>10,665,663</u>	<u>10,665,763</u>

The notes on pages 12 to 25 form part of these financial statements.

**APPLE CORPS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JANUARY 2017**

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	4,356,926	1,282,390
<b>Adjustments for:</b>		
Depreciation of tangible assets	52,618	51,247
Interest paid	1,103	9
Interest received	(55,186)	(135,899)
Taxation charge	1,353,034	568,980
Decrease/(increase) in debtors	766,480	(1,810,907)
Increase/(decrease) in creditors	3,677,608	(509,900)
Share of operating loss in joint ventures	(772,703)	(629,319)
Share of operating loss in associates	(671,781)	(601,121)
Corporation tax paid	(844,886)	(956,331)
Foreign exchange	(221,423)	(56,261)
<b>Net cash generated from operating activities</b>	<u>7,641,790</u>	<u>(2,797,112)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(2,515)	(25,153)
Interest received	55,186	135,899
Dividends from associates	546,000	645,000
<b>Net cash from investing activities</b>	<u>598,671</u>	<u>755,746</u>
<b>Cash flows used in financing activities</b>		
Dividends paid	-	(1,600,000)
Interest paid	(1,103)	(9)
<b>Net cash used in financing activities</b>	<u>(1,103)</u>	<u>(1,600,009)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>8,239,358</u>	<u>(3,641,375)</u>
Cash and cash equivalents at beginning of year	8,305,824	11,848,864
Foreign exchange gains and losses	386,461	98,335
<b>Cash and cash equivalents at the end of year</b>	<u><u>16,931,643</u></u>	<u><u>8,305,824</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u><u>16,931,643</u></u>	<u><u>8,305,824</u></u>

The notes on pages 12 to 25 form part of these financial statements.

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## **APPLE CORPS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017**

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#### **1. General information**

Apple Corps Limited is a limited liability company incorporated in England and Wales with its registered office address at 27 Ovington Square, London, SW3 1LJ.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 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 statement of comprehensive income 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 ventures 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.

##### **2.3 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.

##### **2.4 Intangible 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 life.

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.

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**APPLE CORPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017**

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**2. Accounting policies (continued)**

**2.5 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.

**2.6 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.

**2.7 Returns**

No provision is made for any reduction in royalties 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.

**2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**2.9 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.10 Financial instruments**

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income



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## APPLE CORPS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

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#### 2. Accounting policies (continued)

##### 2.11 Creditors

Short term creditors are measured at the transaction price.

##### 2.12 Foreign currency translation

###### Functional and presentation currency

The Company's financial and presentational currency is £ Sterling.

###### Transactions and balances

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 Statement of Comprehensive Income.

The financial statements of overseas subsidiary undertakings and joint ventures 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 recognised in other comprehensive gain/ (losses). All other translation differences are taken to the Statement of Comprehensive Income.

##### 2.13 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.

##### 2.14 Obligations under operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

##### 2.15 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.

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**APPLE CORPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017**

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**2. Accounting policies (continued)**

**2.16 Pensions**

**Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

**2.17 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the directors have made judgement to determine whether there are indicators of impairment of the group's investments. This involved estimation of future cash flows expected to be generated by these investments and the selection of appropriate discount rates in order to calculate the net present value of those cash flows.

**4. 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.

**5. Other operating income**

	2017 £	2016 £
Administration fees receivable	<u>994,800</u>	<u>868,600</u>

**APPLE CORPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Group operating profit**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	52,618	51,247
Auditor's remuneration - audit services	35,000	35,000
Auditor's remuneration - taxation services*	56,952	56,952
Exchange differences	(579,435)	(61,423)
Operating lease rentals - office equipment	1,516	1,039
Defined contribution pension cost	3,983	-
	<u>3,983</u>	<u>-</u>

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

**7. Directors' remuneration**

	2017 £	2016 £
Fees	800,000	800,000
Other emoluments	115,978	106,845
	<u>915,978</u>	<u>906,845</u>

The aggregate emoluments of the highest paid director amounted to £228,994 (2016 - £226,711).

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	2,519,852	2,477,188
Social security costs	244,760	241,419
Cost of defined contribution scheme	3,983	-
	<u>2,768,595</u>	<u>2,718,607</u>

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

	2017 No.	2016 No.
Administration	<u>11</u>	<u>11</u>

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APPLE CORPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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9. Interest receivable

	2017 £	2016 £
Bank interest receivable	24,505	14,808
Other interest	30,681	121,091
	<u>55,186</u>	<u>135,899</u>

10. Taxation

	2017 £	2016 £
<b>Corporation tax</b>		
UK corporation tax on profit for the year	879,350	144,241
Adjustments in respect of prior periods	(224)	(3,757)
Double taxation relief	(35,714)	(4,059)
<b>Foreign tax</b>		
Foreign tax on income for the year	125,017	432,555
<b>Total current tax</b>	<u>968,429</u>	<u>568,980</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	384,605	-
<b>Taxation on profit on ordinary activities</b>	<u>1,353,034</u>	<u>568,980</u>

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APPLE CORPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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10. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016 - higher than) the composite rate of corporation tax in the UK of 20% (2016 - 20.16%). The differences are reconciled below:

	2017 £	2016 £
Profit on ordinary activities before tax	<b>5,709,960</b>	1,851,370
Profit on ordinary activities multiplied by composite rate of corporation tax in the UK of 20% (2016 - 20.16%)	<b>1,141,992</b>	373,267
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>6,977</b>	13,502
Timing differences between capital allowance and depreciation	<b>9,201</b>	3,667
Overseas tax rate in excess of UK rate	<b>195,139</b>	174,589
Prior year over provision	<b>(275)</b>	(4,261)
Other timing differences	-	8,216
<b>Total tax charge for the year</b>	<b>1,353,034</b>	568,980

11. Parent company profit for the year

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Profit and Loss Account in these financial statements. The parent company's profit for the year was £3,475,728 (2016 - £659,572).

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APPLE CORPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017

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12. Intangible assets

Group and Company

	Trademarks £
<b>Cost</b>	
At 1 February 2016	518,067
At 31 January 2017	518,067
<b>Amortisation</b>	
At 1 February 2016	518,067
At 31 January 2017	518,067
<b>Net book value</b>	
At 31 January 2017	-
At 31 January 2016	-

APPLE CORPS LIMITED

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13. Tangible fixed assets

Group and Company

	Freehold land and building £	Fixtures, fittings and equipment £	Website costs £	Total £
<b>Cost</b>				
At 1 February 2016	2,385,367	180,375	30,518	2,596,260
Additions	-	2,515	-	2,515
At 31 January 2017	<u>2,385,367</u>	<u>182,890</u>	<u>30,518</u>	<u>2,598,775</u>
<b>Depreciation</b>				
At 1 February 2016	618,838	142,686	30,518	792,042
Charge for the year on owned assets	37,707	14,911	-	52,618
At 31 January 2017	<u>656,545</u>	<u>157,597</u>	<u>30,518</u>	<u>844,660</u>
<b>Net book value</b>				
At 31 January 2017	<u>1,728,822</u>	<u>25,293</u>	<u>-</u>	<u>1,754,115</u>
At 31 January 2016	<u>1,766,529</u>	<u>37,689</u>	<u>-</u>	<u>1,804,218</u>

14. Fixed asset investments

Group

	Investments in associates £	Investment in joint ventures £	Total £
<b>Cost</b>			
At 1 February 2016	831,549	1,742,478	2,574,027
Foreign exchange movement	-	221,184	221,184
Dividend received	(546,000)	-	(546,000)
Share of profit/(loss)	<u>537,431</u>	<u>772,703</u>	<u>1,310,134</u>
At 31 January 2017	<u>822,980</u>	<u>2,736,365</u>	<u>3,559,345</u>

APPLE CORPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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14. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £	Investments in associates £	Total £
<b>Cost</b>			
At 1 February 2016	162,881	171,700	334,581
Disposals	(8,045)	-	(8,045)
At 31 January 2017	<u>154,836</u>	<u>171,700</u>	<u>326,536</u>
<b>Impairment</b>			
At 1 February 2016	8,045	-	8,045
Impairment on disposals	(8,043)	-	(8,043)
At 31 January 2017	<u>2</u>	<u>-</u>	<u>2</u>
<b>Net book value</b>			
At 31 January 2017	<u>154,834</u>	<u>171,700</u>	<u>326,534</u>
At 31 January 2016	<u>154,836</u>	<u>171,700</u>	<u>326,536</u>



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**APPLE CORPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017**

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**15. Subsidiary undertakings and participating interests**

The following were subsidiary undertakings of the Company:

**Direct subsidiary undertakings**

<b>Name</b>	<b>Country of incorporation</b>	<b>Holding</b>	<b>Principal activity</b>
Apple Corps S.A +	Switzerland	100 %	Intermediate holding company
Apple Corps Inc.	USA	100 %	Intermediate holding company
Apple Show Inc	USA	100 %	Intermediate holding company
Apple Washington	USA	100 %	Dormant
Python Music Limited		100 %	Dormant

+ Year ended 31 December 2016

All shareholdings are ordinary shares or common stock.

**Indirect Subsidiary undertakings**

<b>Name</b>	<b>Country of incorporation</b>	<b>Holding</b>	<b>Principal activity</b>
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 CORPS LIMITED**

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**Subsidiary undertakings and participating interests (continued)**

**Joint ventures**

<b>Name</b>	<b>Country of incorporation</b>	<b>Holding</b>	<b>Principal activity</b>
The Cirque Apple Creation Partnership+		50 %	Creation of musical performance
Cirque Apple Las Vegas, L.L.C.*+	USA	50 %	Producing and presenting a live show

+ Year ended 1 January 2017

\* Held by a subsidiary undertaking.

The 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.

**Associates**

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
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

Maclen Joint Limited is held by an associated undertaking.

+ Year ended 31 December 2016

**16. Debtors**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Amounts owed by group undertakings	-	-	518	460
Amounts owed by joint ventures, associated and affiliated undertakings	794,834	652,101	497,370	381,620
Other debtors	557,052	716,841	238,785	712,454
Prepayments and accrued income	4,561,360	5,258,068	4,553,832	5,249,583
	<b>5,913,246</b>	<b>6,627,010</b>	<b>5,290,505</b>	<b>6,344,117</b>

**APPLE CORPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017**

**17. Creditors: Amounts falling due within one year**

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Amounts owed to group undertakings	-	-	767	685
Amounts owed to associated undertakings	1,032,639	1,050,224	-	17,585
Amounts owed to affiliated undertakings	412,267	350,468	20,184	-
Corporation tax	38,226	2,504	38,226	-
Other taxation and social security	196,493	38,206	196,493	38,206
Accruals and deferred income	8,278,174	4,797,119	8,191,174	4,677,575
	<u>9,957,799</u>	<u>6,238,521</u>	<u>8,446,844</u>	<u>4,734,051</u>

**18. Deferred taxation**

**Group**

	2017 £
Charged to profit or loss	384,605
<b>At end of year</b>	<u><u>384,605</u></u>

The deferred taxation balance is made up as follows:

	Group 2017 £
Accelerated capital allowances	<u><u>384,605</u></u>

**19. Share capital**

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<u><u>100</u></u>	<u><u>100</u></u>

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**APPLE CORPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2017**

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**20. Dividends**

	2017 £	2016 £
Equity dividends on ordinary shares	-	1,600,000

**21. Contingent liabilities**

The group and company are involved in various legal disputes in the ordinary course of business and, as at 31 January 2017, 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 or company.

**22. Pension commitments**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £3,983 (2016 - £Nil).

**23. Related party transactions**

(a) Amounts charged to the profit and loss account include aggregate fees for the promotional services and name and likeness of the beneficial shareholders (Sir J P McCartney, Mr R Starkey, Mrs Y O Lennon and Mrs O T Harrison) amounting to £2,978,750 each (2016 – £2,027,525 each). At the balance sheet date, the company owed £6,710,600 (2016 - £3,995,600) to the shareholders.

(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 £994,800 was included as income in the profit and loss account in the year (2016 – £868,600).

(c) At 31 January 2017, the company had net receivables of £477,185 (2016 - £364,035) with companies in which one or more of the shareholders of Apple Corps Limited has a beneficial interest.

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the group.

**24. Key management compensation**

During the year, the company paid compensation of £2,250,018 (2016 - £2,231,594) to its key management personnel.