

Registered No. 764797

# **Apple Corps Limited**

## **Report and Financial Statements**

31 January 2014

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COMPANIES HOUSE

## **Directors' report**

### **Directors**

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

### **Secretary**

J V Jones

### **Auditors**

Sopher + Co LLP  
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 2014.

### 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.

### Results and dividends

The consolidated profit for the year, after taxation, is £2,211,843 (2013 – profit of £2,900,320). Ordinary dividends of £5,000,000 (2013 – £8,150,000) 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.

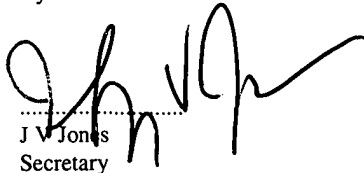
### Disclosure of information to the auditors

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 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.

By order of the Board



J V Jones  
Secretary

18 September 2014

## Group strategic report

The directors present their strategic report for the year ended 31 January 2014.

### Business review

The group continues to exploit audio, visual and ancillary activities relating to The Beatles. Group turnover decreased from £20 million to £16.5 million. Group profit for the year before taxation decreased from £3.9 million to £3.1 million. After the payment of dividends, group net assets have decreased from £14.4 million to £11.5 million.

### Principal risks and uncertainties

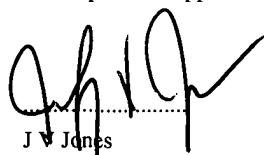
The directors consider that the principal risks and uncertainties faced by the group relate to the general state of the worldwide music industry and the protection of copyrights.

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 on 18 September 2014 and signed on its behalf.



J V Jones  
Secretary

## 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 2014, 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 2014 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 (Senior statutory auditor)

for and on behalf of

**Sopher + Co LLP**

Chartered Accountants

Statutory Auditors

5 Elstree Gate

Elstree Way

Borehamwood

Hertfordshire

WD6 1JD

18 September 2014

## Group profit and loss account

for the year ended 31 January 2014

	Notes	2014 £	2013 £
<b>Turnover</b>			
Turnover: group and share of joint ventures' turnover		34,962,700	43,504,697
Less: share of joint ventures' turnover		(18,502,801)	(23,500,586)
<b>Group turnover</b>	2	16,459,899	20,004,111
Administrative expenses		(16,278,501)	(18,795,135)
		181,398	1,208,976
Other operating income		1,025,000	994,120
<b>Group operating profit</b>	3	1,206,398	2,203,096
Share of operating profit in joint ventures		1,045,299	969,484
Share of operating profit in associates		808,904	679,068
		1,854,203	1,648,552
<b>Total operating profit: group and share of joint ventures and associates</b>		3,060,601	3,851,648
Interest receivable	6	27,961	37,810
Interest payable and similar charges	7	(2)	(4,469)
<b>Profit on ordinary activities before taxation</b>		3,088,560	3,884,989
Tax on profit on ordinary activities	8	(876,717)	(984,669)
<b>Profit for the financial year attributable to members of the parent company</b>		2,211,843	2,900,320

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 2014**

	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
Profit for the financial year excluding share of profits of joint ventures and associates	545,905	1,311,920
Share of joint ventures' profit for the year	1,045,299	1,075,765
Share of associates' profit for the year	620,639	512,635
Profit for the financial year attributable to members of the parent company	2,211,843	2,900,320
Exchange difference on retranslation of net assets of subsidiary undertakings	(77,950)	(19,219)
<b>Total recognised gains and losses relating to the year</b>	<b>2,133,893</b>	<b>2,881,101</b>


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

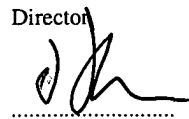
## Group balance sheet

at 31 January 2014

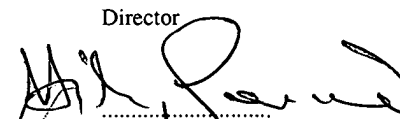
	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Intangible assets	10	–	–
Tangible assets	11	1,868,313	1,915,688
Investment in joint ventures:	12		
Share of gross assets		2,214,340	3,160,523
Share of gross liabilities		(1,871,647)	(2,472,398)
		342,693	688,125
Investment in associates	12	1,209,634	1,228,996
		1,552,327	1,917,121
		3,420,640	3,832,809
<b>Current assets</b>			
Debtors	13	4,372,889	5,476,504
Cash at bank and in hand		11,054,288	13,783,668
		15,427,177	19,260,172
<b>Creditors:</b> amounts falling due within one year	14	(7,298,754)	(8,677,811)
<b>Net current assets</b>		8,128,423	10,582,361
<b>Total assets less current liabilities</b>		11,549,063	14,415,170
<b>Net assets</b>		11,549,063	14,415,170
<b>Capital and reserves</b>			
Called up share capital	17	100	100
Profit and loss account	19	11,548,963	14,415,070
<b>Equity shareholders' funds</b>	19	11,549,063	14,415,170

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 September 2014.

  
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 2014

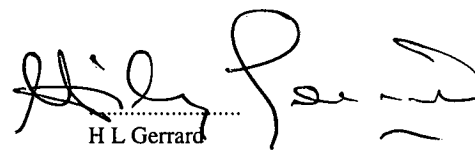
	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Intangible assets	10	—	—
Tangible assets	11	1,868,313	1,915,688
Investments	12	176,536	176,536
		<u>2,044,849</u>	<u>2,092,224</u>
<b>Current assets</b>			
Debtors	13	4,154,050	5,200,910
Cash at bank and in hand		9,927,081	11,850,232
		<u>14,081,131</u>	<u>17,051,142</u>
<b>Creditors:</b> amounts falling due within one year	14	(5,490,498)	(7,015,292)
<b>Net current assets</b>		<u>8,590,633</u>	<u>10,035,850</u>
<b>Total assets less current liabilities</b>		<u>10,635,482</u>	<u>12,128,074</u>
<b>Net assets</b>		<u>10,635,482</u>	<u>12,128,074</u>
<b>Capital and reserves</b>			
Called up share capital	17	100	100
Profit and loss account	19	10,635,382	12,127,974
<b>Equity shareholders' funds</b>	19	<u>10,635,482</u>	<u>12,128,074</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 September 2014.

  
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 2014

	Notes	2014 £	2013 £
<b>Net cash inflow from operating activities</b>	20(a)	1,017,805	1,266,854
<b>Dividends from joint ventures and associates</b>			
Dividends from joint ventures		1,368,577	1,726,690
Dividends from associates		640,000	160,000
		2,008,577	1,886,690
<b>Returns on investments and servicing of finance</b>	20(b)	27,959	33,341
<b>Taxation</b>	20(c)	(774,627)	(1,417,846)
<b>Capital expenditure and financial investment</b>	20(d)	(9,094)	(20,463)
<b>Equity dividends paid</b>	18	(5,000,000)	(8,150,000)
<b>Decrease in cash</b>		(2,729,380)	(6,401,424)

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

	Notes	2013 £	2012 £
Decrease in cash	20(e)	(2,729,380)	(6,401,424)
<b>Movement in net funds</b>		(2,729,380)	(6,401,424)
<b>Net funds at 1 February</b>	20(e)	13,783,668	20,185,092
<b>Net funds at 31 January</b>	20(e)	11,054,288	13,783,668

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

## Notes to the financial statements

at 31 January 2014

### 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 2014

### 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 2014

### 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:

	2014 £	2013 £
Auditor's remuneration – audit services	35,000	35,000
– taxation services*	56,952	56,952
Depreciation of owned fixed assets	56,469	63,654
Operating lease rentals – office equipment	3,507	3,810
	<u>151,928</u>	<u>160,416</u>

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

### 4. Directors' remuneration

	2014 £	2013 £
Fees	800,000	800,000
Other Emoluments	127,445	100,078
	<u>927,445</u>	<u>900,078</u>

The aggregate emoluments of the highest paid director amounted to £250,990 (2013 - £250,610)

### 5. Staff costs

	2014 £	2013 £
Wages and salaries	1,661,396	1,566,410
Social security costs	209,413	237,129
	<u>1,870,809</u>	<u>1,803,539</u>

## Notes to the financial statements

at 31 January 2014

### 5. Staff costs (continued)

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

	2014 No.	2013 No.
Administration	13	13

### 6. Interest receivable

	2014 £	2013 £
Bank interest receivable	27,346	28,541
Other interest	615	9,269
	<u>27,961</u>	<u>37,810</u>

### 7. Interest payable and similar charges

	2014 £	2013 £
Loan interest	-	3,384
Other interest	2	1,085
	<u>2</u>	<u>4,469</u>

### 8. Tax

(a) Tax on profit on ordinary activities

	2014 £	2013 £
<i>Current tax:</i>		
UK corporation tax on profit for the year	177,197	492,293
Adjustments in respect of prior periods	(1,072)	(29,481)
Double taxation relief	(38,179)	(99,469)
	<u>137,946</u>	<u>363,343</u>
Foreign tax	534,703	533,468
Share of associates' current tax	188,265	166,432
Current tax attributable to joint ventures	15,803	27,707
	<u>876,717</u>	<u>1,090,950</u>
<i>Deferred tax:</i>		
Share of joint ventures' deferred tax	-	(106,281)
	<u>876,717</u>	<u>984,669</u>



## Notes to the financial statements

at 31 January 2014

### 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 23.16% (2013 – 24.33 %). The differences are reconciled below:

	2014 £	2013 £
Profit on ordinary activities before tax	3,088,560	3,884,989
Profit on ordinary activities multiplied by composite rate of corporation tax in the UK of 23.16% (2013 – 24.33 %)	715,310	945,218
<i>Effects of:</i>		
Expenses not deductible for tax purposes	1,338	71,860
Difference in recognising depreciation and capital allowances	(12,006)	(54,110)
Other timing differences	16,493	1,338
Prior year (over)/ under provision	(4,254)	5,229
Overseas tax rate in excess of UK rate	159,836	121,415
Current tax for the year	876,717	1,090,950

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

The profit dealt with in the financial statements of the parent company was £3,507,408 (2013 – £4,626,784).

## Notes to the financial statements

at 31 January 2014

### 10. Intangible fixed assets

*Group and Company*

	<i>Trademarks</i>
	<i>£</i>
Cost:	
At 1 February 2013 and 31 January 2014	518,067
Amortisation:	
At 1 February 2013 and 31 January 2014	518,067
Net book value:	
At 1 February 2013 and 31 January 2014	–

### 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>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Cost:				
At 1 February 2013	2,385,367	575,548	30,518	2,991,433
Additions	–	9,094	–	9,094
At 31 January 2014	2,385,367	584,642	30,518	3,000,527
Depreciation:				
At 1 February 2013	506,026	539,201	30,518	1,075,745
Provided during the year	37,604	18,865	–	56,469
At 31 January 2014	543,630	558,066	30,518	1,132,214
Net book value:				
At 31 January 2014	1,841,737	26,576	–	1,868,313
At 31 January 2013	1,879,341	36,347	–	1,915,688

## Notes to the financial statements

at 31 January 2014

### 12. Investments

#### Group

	2014 £	2013 £
Joint ventures (a)		
The Cirque Apple Creation Partnership	260,689	421,027
Cirque Apple Las Vegas, L.L.C.	82,004	267,098
	<u>342,693</u>	<u>688,125</u>
Associates (b)		
Maclen (Music) Limited	797,829	896,013
Subafilms Limited	411,805	332,983
	<u>1,209,634</u>	<u>1,228,996</u>
	<u>1,552,327</u>	<u>1,917,121</u>

(a) Joint ventures

(i) The Cirque Apple Creation Partnership

	£
At 1 February 2013	421,027
Share of profit retained by joint venture	64,914
Distributions	(212,508)
Exchange rate differences	(12,744)
At 31 January 2014	<u>260,689</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:

	2014 £	2013 £
Fixed assets	-	941
Current assets	713,484	1,105,203
Share of gross assets	<u>713,484</u>	<u>1,106,144</u>
Liabilities due within one year	452,795	685,117
Share of gross liabilities	<u>452,795</u>	<u>685,117</u>
Share of net assets	<u>260,689</u>	<u>421,027</u>

## Notes to the financial statements

at 31 January 2014

### 12. Investments (continued)

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

	2014 £	2013 £
Turnover	4,233,356	5,947,974
Profit before tax	64,914	13,758
Taxation	—	—
Profit after tax	64,914	13,758

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

	£
At 1 February 2013	267,098
Share of profit retained by joint venture	980,385
Dividends received	(1,156,069)
Exchange differences	(9,410)
At 31 January 2014	82,004

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:

	2014 £	2013 £
Fixed assets	46,310	103,859
Current assets	1,454,546	1,950,520
Share of gross assets	1,500,856	2,054,379
Liabilities due within one year	1,418,852	1,787,281
Share of gross liabilities	1,418,852	1,787,281
Share of net assets	82,004	267,098

## Notes to the financial statements

at 31 January 2014

### 12. Investments (continued)

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

	2014	2013
	£	£
Turnover	14,269,445	17,552,613
Profit before tax	980,385	955,726
Taxation	-	106,281
Profit after tax	980,385	1,062,007

#### (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 2013	896,013
Share of profit retained by associate	541,816
Dividends received	(640,000)
At 31 January 2014	797,829

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

	2014	2013
	£	£
Fixed assets	59	59
Current assets	1,427,894	1,405,897
Share of gross assets	1,427,953	1,405,956
Liabilities due within one year	630,124	509,943
Share of gross liabilities	630,124	509,943
Share of net assets	797,829	896,013

## Notes to the financial statements

at 31 January 2014

### 12. Investments (continued)

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

	2014 £	2013 £
Turnover	1,708,452	1,656,896
Profit before tax	705,979	592,879
Taxation	(164,163)	(144,962)
Profit after tax	541,816	447,917

#### (ii) Subafilms Limited

	£
At 1 February 2013	332,983
Share of profit retained by associate	78,822
Dividends received	-
At 31 January 2014	411,805

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

	2014 £	2013 £
Fixed assets	-	-
Current assets	573,895	487,556
Share of gross assets	573,895	487,556
Liabilities due within one year	153,605	146,088
Deferred taxation	8,485	8,485
Share of gross liabilities	162,090	154,573
Share of net assets	411,805	332,983

## Notes to the financial statements

at 31 January 2014

### 12. Investments (continued)

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

	2014 £	2013 £		
Turnover	214,285	249,443		
Profit before tax	102,924	86,188		
Taxation	(24,102)	(21,470)		
Profit after tax	78,822	64,718		
<i>Company</i>				
	<i>Subsidiary undertakings £</i>	<i>Associated undertakings £</i>	<i>Joint venture £</i>	<i>Total £</i>
Cost:				
At 1 February 2013 and 31 January 2014	12,881	171,700	–	184,581
Amounts provided:				
At 1 February 2013 and 31 January 2014	(8,045)	–	–	(8,045)
Net book value:				
At 31 January 2014	4,836	171,700	–	176,536
At 31 January 2013	4,836	171,700	–	176,536

## Notes to the financial statements

at 31 January 2014

### 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%	Dormant
Apple Publicity Limited		100%	Dormant
Apple Management Limited		100%	Dormant
Apple Electronics Limited		100%	Dormant
Apple Charity (UK) Limited		100%*	Dormant
Python Music Limited		100%	Dormant
Apple Show Inc.	USA	100%	Intermediate holding company

\* Held by a subsidiary undertaking.

+ Year ended 31 December 2013

All shareholdings are ordinary shares or common stock.



## Notes to the financial statements

at 31 January 2014

### 12. Investments (continued)

		<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
<b>Associated undertakings</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.

		<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
<b>Joint ventures</b>			
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 29 December 2013

\* 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>2014</i>	<i>Group 2013</i>	<i>2014</i>	<i>Company 2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Amounts owed by subsidiary undertakings	-	-	115	120
Amounts owed by associated undertakings	551,984	521,984	551,984	521,984
Amounts owed by joint ventures	45,669	90,588	-	-
Amounts owed by affiliated undertakings	179,075	176,434	32,315	24,315
Corporation tax repayable	254,781	154,480	240,720	154,480
Other debtors	16,945	1,018	16,944	-
Prepayments and accrued income	3,324,435	4,532,000	3,311,972	4,500,011
	<u>4,372,889</u>	<u>5,476,504</u>	<u>4,154,050</u>	<u>5,200,910</u>

## Notes to the financial statements

at 31 January 2014

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

	2014	Group 2013	2014	Company 2013
	£	£	£	£
Amounts owed to associated undertakings	1,049,734	1,032,639	17,095	-
Amounts owed to affiliated undertakings	305,625	315,959	-	-
Amounts owed to joint ventures	152,114	-	-	-
Accruals and deferred income	5,301,475	6,911,537	5,206,196	6,766,507
Corporation tax	222,599	214,422	-	45,531
Other taxes and social security costs	267,207	203,254	267,207	203,254
	<u>7,298,754</u>	<u>8,677,811</u>	<u>5,490,498</u>	<u>7,015,292</u>

### 15. Commitments under operating leases

At 31 January 2014 the group and company had annual commitments under non-cancellable operating leases as set out below:

	2014	Other 2013
	£	£
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 2014, 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

	No.	2014 £	No.	2013 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	100	100	100	100

### 18. Dividends

	2014 £	2013 £
<i>Declared and paid during the year</i>		
Equity dividends on ordinary shares:		
Interim	5,000,000	8,150,000

## Notes to the financial statements

at 31 January 2014

### 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 2012	100	19,683,969	19,684,069
Profit for the year	–	2,900,320	2,900,320
Exchange differences on retranslation of subsidiary undertakings	–	(19,219)	(19,219)
Dividends declared and paid	–	(8,150,000)	(8,150,000)
At 1 February 2013	100	14,415,070	14,415,170
Profit for the year	–	2,211,843	2,211,843
Exchange differences on retranslation of subsidiary undertakings	–	(77,950)	(77,950)
Dividends declared and paid	–	(5,000,000)	(5,000,000)
At 31 January 2014	100	11,548,963	11,549,063
<i>Company</i>			
	<i>Share capital £</i>	<i>Profit account £</i>	<i>Total share- funds £</i>
At 1 February 2012	100	15,651,190	15,651,290
Profit for the year	–	4,626,784	4,626,784
Dividends declared and paid	–	(8,150,000)	(8,150,000)
At 1 February 2013	100	12,127,974	12,128,074
Profit for the year	–	3,507,408	3,507,408
Dividends declared and paid	–	–	–
	(5,000,000)	(5,000,000)	
At 31 January 2014	100	10,635,382	10,635,482

### 20. Notes to the statement of cash flows

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

	<i>2014 £</i>	<i>2013 £</i>
Group operating profit	1,206,398	2,203,096
Depreciation	56,469	63,654
Unrealised exchange differences	(61,744)	(13,710)
Decrease/(increase) in debtors	1,203,916	(260,859)
Decrease in creditors	(1,387,234)	(725,327)
Net cash inflow from operating activities	1,017,805	1,266,854

## Notes to the financial statements

at 31 January 2014

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

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

	2014 £	2013 £
Interest received	27,961	37,810
Interest paid	(2)	(4,469)
	<u>27,959</u>	<u>33,341</u>

#### (c) Taxation

	2014 £	2013 £
Corporation tax recovered	154,480	17,017
Corporation tax paid	(440,000)	(875,000)
Overseas tax paid	(489,107)	(559,863)
	<u>(774,627)</u>	<u>(1,417,846)</u>

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

	2014 £	2013 £
Payments to acquire tangible fixed assets	(9,094)	(20,463)
	<u>(9,094)</u>	<u>(20,463)</u>

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

	At 31 January 2013 £	Cash flows £	At 31 January 2014 £
Cash at bank and in hand	13,783,668	(2,729,380)	11,054,288

## Notes to the financial statements

at 31 January 2014

### 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 £1,277,650 each (2013 – £1,936,500 each) and name and likeness payments amounting to £1,349,525 each (2013 – £1,175,375 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 £1,025,000 was included as income in the profit and loss account in the year (2013 – £994,120).
- (c) During the year, the company paid a dividend of £1,250,000 (2013 - £2,037,500) to Mrs Y O Lennon, a director and shareholder of the company.
- (d) At 31 January 2014, the company had the following receivables/(payables) with companies in which one or more of the shareholders of Apple Corps Limited has a beneficial interest:-

	2014	2013
	£	£
Maclen (Music) Limited	2,311	2,311
Maclen Joint Limited	549,673	504,673
Subafilms Limited	(17,095)	15,000
Apple Publishing Limited	20,000	15,000
Apple Films Limited	12,315	9,315

### 22. Controlling party

The company has no ultimate controlling party.