

Report and Accounts
The Beatles Limited

31 December 1997



The Beatles Limited

Registered No. 906978

DIRECTORS

Mrs Y O Lennon
H L Gerrard
J L Eastman
G Harrison

SECRETARY

Standby Films Limited

AUDITORS

Ernst & Young
Becket House
1 Lambeth Palace Road
London SE1 7EU

REGISTERED OFFICE

27 Ovington Square
London SW3 1LJ

The Beatles Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1997.

RESULTS AND DIVIDEND

The company did not trade during the year.

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

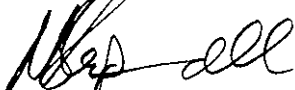
The directors who served during the year and their interests in the share capital of the company were as follows:

	<i>At 31 December 1997 £1 ordinary shares</i>	<i>At 1 January 1997 £1 ordinary shares</i>
Mrs Y O Lennon	25	25
G Harrison	25	25
H L Gerrard	—	—
J L Eastman	—	—

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 will be deemed to be reappointed as auditors.

By order of the board



For and on behalf of
Standby Films Limited

Secretary

7 October 1998

The Beatles Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS
to the members of The Beatles Limited

We have audited the accounts on pages 5 and 6, which have been prepared under the historical cost convention and on the basis of the accounting policy set out on page 6.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

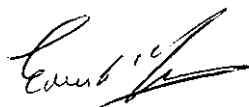
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1997 and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to be 'Ernst & Young'.

Ernst & Young
Registered Auditor
London

9 October 1998

The Beatles Limited

BALANCE SHEET at 31 December 1997

	Note	1997 £	1996 £
DEBTORS			
Other debtors		100	100
NET CURRENT ASSETS		<u>100</u>	<u>100</u>
CAPITAL AND RESERVES			
Called up share capital	3	100	100
Profit and loss account		-	-
Shareholders' funds		<u>100</u>	<u>100</u>

Directors

7 October 1998

The Beatles Limited

NOTES TO THE ACCOUNTS at 31 December 1997

1. ACCOUNTING POLICY

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

2. PROFIT AND LOSS ACCOUNT

The company has not traded during the year and has made neither a profit nor a loss. No profit and loss account has therefore been prepared.

3. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>1997</i>	<i>1996</i>	<i>1997</i>	<i>1996</i>
	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	100	100	100	100