

Apple Publishing Limited

Registered No. 916422

DIRECTORS

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

SECRETARY

Standby Films Limited

AUDITORS

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

BANKERS

National Westminster Bank PLC
1 New Bond Street
London W1A 2JH

REGISTERED OFFICE

27 Ovington Square
London SW3 1LJ



DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1993.

RESULTS AND DIVIDENDS

The trading profit for the year, after taxation, amounted to £49,968 (1992 – £55,954).

The directors recommend the payment of a dividend of £50,000 for the year.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activities are the acquisition and exploitation of the copyright of musical works. No changes in these activities are proposed.

DIRECTORS AND THEIR INTERESTS

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

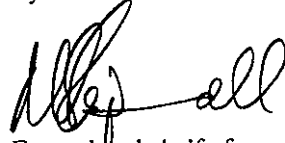
	<i>At 31 December 1993 Ordinary shares</i>	<i>At 1 January 1993 or subsequent date of appointment Ordinary shares</i>
J L Eastman	–	–
H L Gerrard	–	–
G Harrison	25	25
Mrs Y O Lennon	25	25

D J O'Brien ceased to be a director on 1 June 1993 and G Harrison was appointed to the board in his place.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board



For and on behalf of
Standby Films Limited

Secretary

23 March 1995

Apple Publishing 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 Apple Publishing Limited

We have audited the accounts on pages 5 to 9 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

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

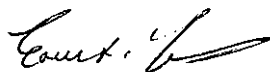
Basis of opinion

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 at 31 December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
London

23 March 1995

Apple Publishing Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1993

	Notes	1993 £	1992 £
TURNOVER	2	117,660	111,159
Direct costs		(46,285)	(43,824)
Gross profit		71,375	67,335
Administrative expenses		(7,816)	(5,866)
OPERATING PROFIT	3	63,559	61,469
Interest receivable		10,389	20,834
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		73,948	82,303
Tax on profit on ordinary activities	4	(23,980)	(26,349)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		49,968	55,954
Dividends		(50,000)	(55,000)
Retained profit brought forward		3,265	2,311
RETAINED PROFIT CARRIED FORWARD		3,233	3,265

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £49,968 in the year ended 31 December 1993 and of £55,954 in the year ended 31 December 1992.

Apple Publishing Limited

BALANCE SHEET

at 31 December 1993

	Notes	1993 £	1992 £
CURRENT ASSETS			
Debtors –			
Due from affiliated companies less provision of £300,063 (1992 – £299,044)		25	25
Tax recoverable	5	38,781	47,083
Prepayments and accrued income		505	122
Cash at bank		218,856	161,197
		<u>258,167</u>	<u>208,427</u>
CREDITORS: amounts falling due within one year	6	<u>(254,684)</u>	<u>(205,038)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,483</u>	<u>3,389</u>
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	7	(150)	(24)
		<u>3,333</u>	<u>3,365</u>
CAPITAL AND RESERVES			
Called up share capital	8	100	100
Profit and loss account		3,233	3,265
		<u>3,333</u>	<u>3,365</u>

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) Directors
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23 March 1995

Apple Publishing Limited

NOTES TO THE ACCOUNTS

at 31 December 1993

1. ACCOUNTING POLICIES

Accounting convention

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

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

All differences are taken to the profit and loss account.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Affiliated companies

In these accounts companies are described as affiliated to Apple Publishing Limited if:

- (a) they have the same shareholders or ultimate shareholders as Apple Publishing Limited; or
- (b) the company is owned by one or more of the shareholders of Apple Publishing Limited.

2. TURNOVER

Turnover comprises royalty income and licence fees, exclusive of VAT, which are accounted for in the year in which they are received or notified to either the company or Apple Music Publishing Co Inc.

It is the opinion of the directors that, in view of the nature of the company'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 accounts.

3. OPERATING PROFIT

This is stated after charging/(crediting):

	1993 £	1992 £
Auditors' remuneration	3,000	3,500
Increase in provision against amounts due from affiliated companies	1,019	47,584
Exchange gain	(7,247)	(56,785)

None of the directors received any remuneration from the company during the year. Consequently directors emoluments all fell within the range £Nil – £5,000 for both years.

There were no employees other than the directors during the year.

Apple Publishing Limited

NOTES TO THE ACCOUNTS at 31 December 1993

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

Based on the profit for the year:

	1993	1992
	£	£
Corporation tax at 33% (1992 – 33%)	23,664	26,850
Deferred taxation	126	(299)
	<u>23,790</u>	<u>26,551</u>
Corporation tax under/(overprovided) in previous years	190	(202)
	<u>23,980</u>	<u>26,349</u>

5. TAX RECOVERABLE

Included in the tax recoverable balance is an amount of £26,250 (1992 – £13,750) due for recovery more than twelve months after the balance sheet date.

6. CREDITORS: amounts falling due within one year

	1993	1992
	£	£
Trade creditors	70,691	51,622
Due to affiliated companies	19,645	19,645
Current corporation tax	56,152	76,276
Other taxes	47	458
Accruals	3,149	2,037
Proposed dividends	105,000	55,000
	<u>254,684</u>	<u>205,038</u>

7. DEFERRED TAXATION

	1993	1992
	£	£
Full provision has been made as follows:		
Interest receivable not taxed until received	150	24
	<u>150</u>	<u>24</u>

8. SHARE CAPITAL

	1993	Authorised	Allotted, called up and fully paid	1992
	No.	No.	£	£
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Apple Publishing Limited

NOTES TO THE ACCOUNTS

at 31 December 1993

9. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 January 1992	100	2,311	2,411
Profit for the year	-	55,954	55,954
Dividends	-	(55,000)	(55,000)
At 1 January 1993	100	3,265	3,365
Profit for the year	-	49,968	49,968
Dividends	-	(50,000)	(50,000)
At 31 December 1993	100	3,233	3,333