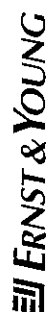


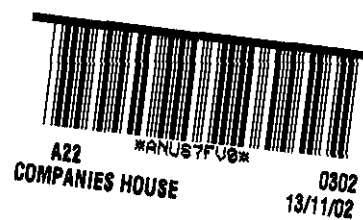
929898

APPLE MANAGEMENT LIMITED

Report and Accounts

31 January 2002

 ERNST & YOUNG



Apple Management Limited

Registered No. 929898

DIRECTORS

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

SECRETARY

Standby Films Limited

AUDITORS

Ernst & Young LLP
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

REGISTERED OFFICE

27 Ovington Square
London SW3 1LJ

Apple Management Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 January 2002.

RESULTS AND DIVIDENDS

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

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

J L Eastman
H L Gerrard
Mrs Y O Lennon

In addition, G Harrison served as a director until his death on 29 November 2001.

Subsequent to the year end, Mrs O T Harrison was appointed a director on 28 March 2002.

Mrs Y O Lennon has an interest in the share capital of the parent undertaking, Apple Corps Limited and her interests are disclosed in the accounts of that company.

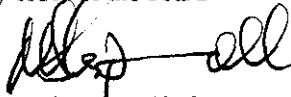
There are no other directors' interests requiring disclosure under the Companies Act 1985.

AUDITORS

On 28 June 2001, Ernst & Young, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001.

In accordance with section 386 of the Companies Act 1985, a resolution to dispense with the obligation to appoint auditors annually was passed on 18 December 1997. Accordingly, Ernst & Young LLP will be deemed to be reappointed as auditors.

By order of the board



For and on behalf of
Standby Films Limited

Secretary

11 October 2002

Apple Management 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 INDEPENDENT AUDITORS
to the members of Apple Management Limited

We have audited the company's accounts for the year ended 31 January 2002 which comprise the balance sheet and the related notes 1 to 4. These accounts have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

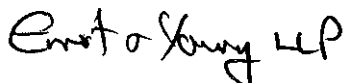
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 January 2002 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
London

11 October 2002

Apple Management Limited

BALANCE SHEET

at 31 January 2002

	Note	2002 £	2001 £
CURRENT ASSETS			
DEBTORS: amount due from parent undertaking		2	2
NET CURRENT ASSETS		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	3	2	2
Profit and loss account		-	-
Equity shareholders' funds		<u>2</u>	<u>2</u>

ERNST & YOUNG

[Handwritten signatures]

)
)
)
) Directors

11 October 2002

Apple Management Limited

NOTES TO THE ACCOUNTS at 31 January 2002

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>2002</i>	<i>2001</i>	<i>2002</i>	<i>2001</i>
	<i>No.</i>	<i>No.</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	100	100	2	2

4. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Apple Corps Limited. Copies of Apple Corps Limited's accounts can be obtained from the Registrar of Companies in Cardiff.