

# Apple Computer (UK) Limited

## Directors' report and financial statements

Year ended 29 September 2001

Registered number 1591116



" We hereby certify that the Profit and Loss Account, Balance Sheet, Report of the Auditors and Report of the Directors accompanying this Annual Return are true copies of the documents laid before the Annual General Meeting of the Company held on

the 14th day of June 2002

FA Director *[Signature]*

NE Secretary *[Signature]*



# Apple Computer (UK) Limited

## Directors report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes	7 - 14

# Apple Computer (UK) Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 29 September 2001.

### Principal activities and business review

The company's principal activity is to provide services to other group companies.

### Results

The profit for the year after taxation amounted to £10,481k (2000: £4,111k).

### Review of business

The results of the company for the year ended 29 September 2001 as set out on page 5 are considered satisfactory.

### Proposed dividend

The directors do not recommend the payment of a dividend (2000: £Nil).

### Directors and their interests

The directors who held office during the year were as follows:

N Heinen	
G Guyon de Chemilly	
F Anderson	Appointed 12 January 2001
G Wipfler	

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

### Political and charitable contributions

The company made no political contributions during the year (2000: £Nil). Donations to UK charities amounted to £488 (2000: £4,000).

### Post balance sheet events

No important events affecting the company have taken place since the end of the financial year.

# Apple Computer (UK) Limited

## Directors' report *(continued)*

### Auditors

KPMG in the UK resigned as auditors of the company during the period and were replaced by KPMG in Ireland.

By order of the board

A handwritten signature in cursive script, appearing to read 'B. Anderson', written over a horizontal line.

Director

14 June 2002

100 New Bridge Street  
London EC4V 6JA

# Apple Computer (UK) Limited

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements 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 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 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 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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



**Chartered Accountants**

Ninety South Mall  
Cork  
Ireland

**Independent auditors' report to the members of Apple Computer (UK) Limited**

We have audited the financial statements on pages 5 to 14.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, 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.

**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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 29 September 2001 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG*

*Chartered Accountants  
Registered Auditors*

26 June 2002



# Apple Computer (UK) Limited

## Profit and loss account

for the year ended 29 September 2001

	Notes	2001 £'000	2000 £'000
<b>Turnover</b>	1	22,601	19,416
<b>Cost of sales</b>		(1,044)	(910)
		<hr/>	<hr/>
<b>Gross profit</b>		21,557	18,506
Distribution costs		(1,016)	(539)
Administrative expenses		(18,816)	(16,448)
		<hr/>	<hr/>
<b>Operating profit</b>	2 - 4	1,725	1,519
Income from participating interests		12,579	4,451
Other interest receivable and similar income	5	341	32
Interest payable	6	(6)	(8)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		14,639	5,994
Tax on profit on ordinary activities	7	(4,158)	(1,883)
		<hr/>	<hr/>
<b>Retained profit for the year</b>		10,481	4,111
		<hr/>	<hr/>

All results relate to continuing operations. There were no other recognised gains or losses other than those shown above.

# Apple Computer (UK) Limited

Balance sheet  
at 29 September 2001

	Note	2001 £'000	2000 £'000
<b>Fixed assets</b>			
Tangible assets	8	837	858
Investments	9	3,716	3,716
		<hr/>	<hr/>
		4,553	4,574
<b>Current assets</b>			
Debtors	10	22,296	12,247
Cash at bank and in hand		88	123
		<hr/>	<hr/>
		22,384	12,370
<b>Creditors:</b> amounts falling due within one year	11	(6,325)	(6,813)
		<hr/>	<hr/>
Net current assets		16,059	5,557
		<hr/>	<hr/>
<b>Net assets</b>		20,612	10,131
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	13	1,000	1,000
Profit and loss account	14	19,612	9,131
		<hr/>	<hr/>
<b>Shareholders' funds – equity</b>	14	20,612	10,131
		<hr/>	<hr/>

These financial statements were approved by the board of directors on *June 14, 2002* and were signed on its behalf by:

Director





# Apple Computer (UK) Limited

## Notes

*forming part of the financial statements*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Apple Computer Inc. the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

The consolidated financial statements of Apple Computer Inc, within which the results of this company are included, can be obtained from the address given in the notes to the accounts.

#### *Investments*

Investments are valued at cost, less any charge for impairment.

#### *Depreciation*

Depreciation provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Office equipment	33% straight line
Leasehold improvements	period of lease
Apple own use	33% straight line

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

# Apple Computer (UK) Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### *Foreign currencies*

Transactions in foreign currencies are translated at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

#### *Pensions*

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

#### *Operating leases*

Rentals paid under operating lease are charged to the profit and loss account on a straight line basis over the term of the lease.

#### *Turnover*

Turnover represents the amounts derived from the provision of services during the year, all of which are continuing (net of value added tax).

The directors have elected not to disclose the analysis of turnover and profit before taxation by class of business and geographical market, on the grounds that it would be prejudicial to the interests of the company to do so.

### 2 Operating profit

	2001 £'000	2000 £'000
<i>Operating profit is stated after charging:</i>		
Auditors' remuneration		
- audit	25	32
- non audit services	94	86
Depreciation	271	214
Hire of plant and machinery		
- rentals under operating leases	425	437
Other operating lease rentals	1,270	1,270
Loss on disposal of tangible fixed assets	5	-
	<hr/>	<hr/>

# Apple Computer (UK) Limited

Notes *(continued)*

## 3 Remuneration of directors

	2001 £'000	2000 £'000
Emoluments (including pension contributions)	-	-
Retirement benefits are accruing to the following number of directors under:	Number of directors	
Money purchase scheme	-	1

One director exercised share options in Apple group companies during the year (2000: 3).

## 4 Staff costs

	2001 £'000	2000 £'000
Wages and salaries	9,346	9,511
Social security costs	1,108	826
Other pension costs	354	284
	<u>10,808</u>	<u>10,621</u>

The average weekly number of employees (including directors) during the year was 180 (2000: 155).

# Apple Computer (UK) Limited

## Notes (continued)

### 5 Interest receivable

	2001 £'000	2000 £'000
Bank interest receivable	28	32
Interest from group undertakings	313	-
	<u>341</u>	<u>32</u>

### 6 Interest payable

	2001 £'000	2000 £'000
On bank loans and overdrafts	6	8
	<u>6</u>	<u>8</u>

### 7 Tax on profit on ordinary activities

	2001 £'000	2000 £'000
Corporation tax at 30% (2000: 30%)	4,416	1,692
Group relief	(258)	-
Adjustment in respect of prior periods	-	191
	<u>4,158</u>	<u>1,883</u>

# Apple Computer (UK) Limited

Notes (continued)

## 8 Tangible fixed assets

	Leasehold improvement £'000	Office equipment £'000	Apple own use £'000	Total £'000
<b>Cost</b>				
At beginning of year	999	5,923	1,652	8,574
Additions	11	38	211	260
Disposals	(394)	(2,554)	(519)	(3,467)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	616	3,407	1,344	5,367
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At beginning of year	544	5,895	1,277	7,716
Charge for year	61	10	200	271
Disposals	(392)	(2,554)	(511)	(3,457)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	213	3,351	966	4,530
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 29 September 2001	403	56	378	837
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2000	455	28	375	858
	<hr/>	<hr/>	<hr/>	<hr/>

## 9 Investments

	Share in group undertakings £'000
At beginning and end of year	3,716
	<hr/>

# Apple Computer (UK) Limited

Notes (*continued*)

## 10 Debtors

	2001 £'000	2000 £'000
Amounts owed by group undertakings	6,576	2,767
Loans to group undertakings	5,614	-
ACT recoverable	9,067	8,832
Other debtors and prepayments	1,039	648
	<hr/>	<hr/>
	22,296	12,247
	<hr/>	<hr/>

The loans to group undertakings are interest bearing.

## 11 Creditors: amounts falling due within one year

	2001 £'000	2000 £'000
Trade creditors	1,200	671
Amounts owed to group undertakings	1,535	3,703
<i>Other creditors including taxation and social security costs:</i>		
corporation tax	2,514	1,406
other taxes and social security	364	313
Accruals	712	720
	<hr/>	<hr/>
	6,325	6,813
	<hr/>	<hr/>

## 12 Provisions for liabilities and charges

The company has an unrecognised deferred tax asset of £303,000 (2000: £275,000) arising from the excess of depreciation over capital allowances.

# Apple Computer (UK) Limited

Notes (continued)

## 13 Called up share capital

	2001 £'000	2000 £'000
<i>Authorised, allotted up and fully paid</i>		
1,000,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>

## 14 Reconciliation of shareholders' funds

	Share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
At beginning of year	1,000	9,131	10,131
Profit for the year	-	10,481	10,481
	<hr/>	<hr/>	<hr/>
At end of year	1,000	19,612	20,612
	<hr/>	<hr/>	<hr/>

## 15 Pension scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independent administered fund. The pension costs charged for the period represents contributions payable by the company to the scheme and amounted to £354,326 (2000: £307,000). The liability outstanding at the year end was £Nil (2000: £Nil).

## 16 Commitments

### *Capital commitments*

There were no capital commitments at 29 September 2001 (2000 £Nil).

# Apple Computer (UK) Limited

Notes (continued)

## 16 Commitments (continued)

### Lease commitments

The annual commitments under non-cancellable operating leases at 29 September 2001 are as follows:

	2001		2000	
	Buildings £'000	Other £'000	Buildings £'000	Other £'000
Operating leases which expire:				
- within one year	-	304	-	57
- in the second to fifth year	-	98	-	295
- over five years	1,270	-	1,270	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,270	402	1,270	352
	<hr/>	<hr/>	<hr/>	<hr/>

## 17 Ultimate parent company and parent undertaking of larger group of which the company is a member

Apple Computer Inc., incorporated in the United States of America, is the ultimate parent undertaking and controlling party and is both the smallest and largest undertaking into which the results of Apple Computer UK Limited are consolidated.

Copies of Apple Computer Inc., accounts may be obtained from:

1 Infinite Loop  
Cupertino  
CA 95014  
USA