

3  
1.

APPLE COMPUTER (UK) LIMITED

DIRECTORS' REPORT

The directors submit their report and accounts for the period ended September 24, 1982.

Results and dividends

The profit after taxation for the period ended September 24, 1982 amounts to £20,339 which is carried forward.

The directors do not recommend the payment of a dividend.

Incorporation and activities

The company was incorporated on October 14, 1981 and commenced trading on October 26, 1981. The company provides services to support the distribution of Apple Computer products in the United Kingdom and performs warranty and service work for Apple Computer products.

Share capital

The authorised capital of 1,000 ordinary shares of £1 each was issued at par on October 21, 1981.

Fixed assets

The company invested £559,562 on fixed assets during the period consisting principally of leasehold improvements and plant and equipment.

Directors and their interests

The directors who served during the period were as follows:

M. J. Brewer	(Resigned October 26, 1982)
S. J. Brewer	(Resigned October 26, 1982)
P. M. Cobb (Chairman)	(Resigned October 26, 1982)
D. A. J. Collis	(Chairman November 25, 1981 - September 6, 1982)
A. A. Eisenstat (USA)	(resigned September 6, 1982)
T. J. Lawrence (USA)	
K. R. Zerbe (USA)	

K. C. Hall was appointed a director on October 1, 1982.

No director had any disclosable interests in the share capital of the company or group companies incorporated in the United Kingdom at any time during the period.

Close company

The company is not a close company within the provisions of the Income and Corporation Taxes Act, 1970.



APPLE COMPUTER (UK) LIMITED

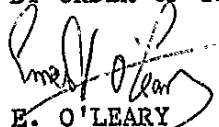
2.

DIRECTORS' REPORT  
(continued)

Auditors

A resolution to reappointment as auditors Arthur Young McClelland Moores & Co. will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD,

  
E. O'LEARY  
Secretary

July 25, 1983



# Arthur Young McClelland Moores & Co.

Chartered Accountants  
Rolls House, 7 Rolls Buildings,  
Fetter Lane, London EC4A 1NH

## REPORT OF THE AUDITORS TO THE MEMBERS OF APPLE COMPUTER (UK) LIMITED

We have audited the accounts on pages 4 to 9 in accordance with approved auditing standards.

In our opinion the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at September 24, 1982 and of its profit and source and application of funds for the period then ended and comply with the Companies Acts 1948 to 1981.

ARTHUR YOUNG McCLELLAND MOORES & CO.

July 25, 1983

APPLE COMPUTER (UK) LIMITED

4.

PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED SEPTEMBER 24, 1982

	<u>Notes</u>	£	£
Turnover			<u>£4,156,083</u>
Profit before taxation			76,423
after charging:			
Directors' remuneration	3	145,890	
Auditors' remuneration	4	-	
Depreciation		61,069	
Hire of cars and equipment		74,492	
Interest payable		1,748	
		<u>      </u>	
Taxation:			
Corporation tax			-
Deferred taxation at 52%			56,084
			<u>      </u>
Net profit carried forward			<u>£20,339</u>

The notes on pages 7 to 9 form part of these accounts


APPLE COMPUTER (UK) LIMITED

5.

BALANCE SHEET AT SEPTEMBER 24, 1982

	<u>Notes</u>	£	£
Fixed assets	5		484,251
Current assets:			
Inventories	6	273,289	
Accounts receivable and prepayments		154,920	
Due from group companies		89,441	
Bank and cash		22,883	
		<u>540,533</u>	
Current liabilities:			
Accounts payable and accruals		624,896	
Due to group companies		322,465	
		<u>947,361</u>	
Net current liabilities			(406,828)
			<u>77,423</u>
Deferred taxation	7		56,084
			<u>£ 21,339</u>
			<u>=====</u>
Representing			
Share capital and reserves:			
Share capital			
Authorised, issued and fully paid:			
1,000 shares of £1 each			1,000
Retained profit			20,339

P. M. COBB     )  
                   ) Directors  
 K. C. HALL     )



£ 21,339  
=====

The notes on pages 7 to 9 form part of these accounts

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE PERIOD ENDED SEPTEMBER 24, 1982

	£
Source of funds:	
Net profit	20,339
Adjustment for items not involving the movement of working capital:	
Depreciation	61,069
Loss on disposal of fixed assets	9,167
Deferred taxation	56,084
	-----
Total generated from operations	146,659
Funds from other sources:	
Issue of shares	1,000
Proceeds of sale of fixed assets	5,075
	-----
	152,734
Application of funds:	
Purchase of fixed assets	559,562
	-----
Decrease in working capital	£(406,828)
	=====
Components of decrease in working capital:	
Inventories	273,289
Accounts receivable	154,920
Due from group companies	89,441
Accounts payable and accruals	(624,896)
Due to group companies	(322,465)
	-----
	(429,711)
Movement in net liquid funds:	
Bank and cash	22,883
	-----
	£(406,828)
	=====

The notes on pages 7 to 9 form part of these accounts

APPLE COMPUTER (UK) LIMITED

7.

NOTES TO THE ACCOUNTS AT SEPTEMBER 24, 1982

These accounts have been prepared in compliance with Section 149A of and Schedule 8A to the Companies Act 1948.

Events relating to the period ended September 24, 1982, which occurred before July 25, 1983, the date of approval of the accounts by the board of directors, have been included in the accounts to the extent that it is required by Statement of Standard Accounting Practice No. 17.

1. Accounting policies

Fixed assets and depreciation

The company capitalises assets costing a minimum of £500. The annual rates used to provide depreciation over the expected useful lives are as follows:

Leasehold improvements	- 10% straight line
Office equipment	- 25% to 50% using the double declining balance method
Motor vehicles	- 33% straight line

Inventories

Inventories are stated at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided on the deferral method on all timing differences as the directors do not consider it reasonable at present to assume that timing differences will not reverse in the foreseeable future.

Foreign currencies

Transactions in foreign currencies are converted at the rate ruling at the dates of the transactions. Assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Differences on translation are taken to the profit and loss account.

2. Turnover

Turnover represents commissions receivable and the invoiced amount of goods and services provided during the period, stated net of value added tax.

APPLE COMPUTER (UK) LIMITED

8.

NOTES TO THE ACCOUNTS AT SEPTEMBER 24, 1982  
(continued)

3. Directors' remuneration

	£
Fees	-
Other emoluments including pension contributions	146,662
	-----
	£146,662
	=====
Emoluments (excluding pension contributions) of the Chairmen	Nil and £21,390
	=====
Emoluments (excluding pension contributions) of the highest paid director	£ 42,477
	=====

The emoluments (excluding pension contributions) of the other directors fell within the following ranges:

£ Nil to £ 5,000	2
£35,001 to £40,000	2

Directors' interests

M. J. Brewer, S. J. Brewer and D. A. Collis through their interests in Data Efficiency Limited were interested in contracts for the purchase of goods for resale by the company.

4. Auditors' remuneration

The auditors' remuneration of £5,000 is paid directly by Apple Computer, Inc.



NOTES TO THE ACCOUNTS AT SEPTEMBER 24, 1982  
(continued)5. Fixed assets

	<u>Leasehold improvements</u>	<u>Office equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	£	£	£	£
Cost:				
Additions	337,205	175,168	47,189	559,562
Disposals	(10,000)	-	(6,730)	(16,730)
	-----	-----	-----	-----
At September 24, 1982	327,205	175,168	40,459	542,832
	-----	-----	-----	-----
Depreciation:				
Provided during the year	16,414	24,448	20,207	61,069
Disposals	-	-	(2,488)	(2,488)
	-----	-----	-----	-----
At September 24, 1982	16,414	24,448	17,719	58,581
	-----	-----	-----	-----
Net book amounts:				
At September 24, 1982	£310,791	£150,720	£ 22,740	£484,251
	=====	=====	=====	=====

6. Inventories

	£
Inventories consist of:	
Software for resale	4,965
Spare parts	192,833
Goods in transit	75,491
	-----
	£273,289
	=====

7. Deferred taxation

	£
Amounts provided for timing differences arising from:	
Capital allowances in advance of depreciation	73,130
Short term timing differences	(884)
Tax losses	(16,162)
	-----
	£ 56,084
	=====

8. Ultimate holding company

Apple Computer, Inc., incorporated in the State of California, United States of America, is regarded by the directors as the ultimate holding company.