



**FINAL**

**Apple Xemplar Education Limited**

**Directors' report and  
financial statements**

**Year ended 25 September 2004**

*Registered number 3143694*





# Apple Xemplar Education Limited

## Directors report and financial statements

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# Apple Xemplar Education Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 25 September 2004.

### Principal activities and business review

The company's principal activity is the sale of information technology products, services and solutions into the UK educational sector.

### Review of business

The directors consider the results of the year to be satisfactory.

### Results and dividend

The profit for the year before taxation was £2,234k (2003: £197k). The directors do not recommend the payment of a dividend (2003: £nil).

### Directors and their interests

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

G Guyon de Chemilly  
N Heinen  
P Oppenheimer  
P Cagni  
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.

### Post balance sheet events

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

### Auditors

KPMG, Chartered Accountants, will continue in office.

By order of the board

  
Director.....

Dated 25/11/05

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100 New Bridge Street  
London EC4V 6JA



# Apple Xemplar Education 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.



KPMG  
Chartered Accountants  
90 South Mall  
Cork  
Ireland

## Independent auditors' report to the members of Apple Xemplar Limited

We have audited the financial statements on pages 5 to 12.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act, 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and independent auditors in relation to the financial statements**

The directors are responsible for preparing the directors' report and, as described on page 2, 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 1985. 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 audit 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 judgments 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.



**KPMG**  
**Chartered Accountants**  
90 South Mall  
Cork  
Ireland

**Independent auditors' report to the members of Apple Xemplar Limited**  
*(continued)*

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 25 September 2004 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'KPMG' with a stylized flourish at the end.

*Chartered Accountants*  
*Registered Auditors*

29 November 2005



# Apple Xemplar Education Limited

## Profit and loss account

for the year ended 25 September 2004

	<i>Note</i>	<b>2004</b> <b>£'000</b>	<b>2003</b> <b>£'000</b>
<b>Turnover</b>	<i>1</i>	<b>14,435</b>	13,004
<b>Cost of sales</b>		<b>(9,017)</b>	(8,817)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>5,418</b>	4,187
Administrative expenses		<b>(3,495)</b>	(4,246)
		<hr/>	<hr/>
<b>Operating profit/(loss)</b>	<i>2-4</i>	<b>1,923</b>	(59)
Interest receivable	<i>5</i>	<b>311</b>	257
Interest payable	<i>6</i>	<b>-</b>	(1)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>2,234</b>	197
Tax	<i>7</i>	<b>(600)</b>	(48)
		<hr/>	<hr/>
<b>Profit for the financial year</b>	<i>12</i>	<b>1,634</b>	149
		<hr/>	<hr/>

There are no other recognised gains and losses for the year. All gains and losses are from continuing activities.




# Apple Xemplar Education Limited

## Balance sheet at 25 September 2004

	<i>Note</i>	<b>2004 £'000</b>	<b>2003 £'000</b>
<b>Current assets</b>			
Debtors	8	57	326
Cash at bank and in hand		10,482	7,206
		<hr/>	<hr/>
		10,539	7,532
<b>Creditors:</b> amounts falling due within one year	9	(5,408)	(4,035)
		<hr/>	<hr/>
<b>Net assets</b>		<b>5,131</b>	<b>3,497</b>
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	11	5,000	5,000
Profit and loss account	12	131	(1,503)
		<hr/>	<hr/>
<b>Shareholders' funds – equity</b>	12	<b>5,131</b>	<b>3,497</b>
		<hr/>	<hr/>

These financial statements were approved by the board of directors on and were signed on its behalf by:

  
Director.....

Dated 25/11/05.....

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# Apple Xemplar Education 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.

#### ***Cashflow***

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.

#### ***Related Party Transactions***

As the company is a wholly owned subsidiary of Apple Computer Inc. Limited, 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.

#### ***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.

#### ***Leases***

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

#### ***Post-retirement benefits***

During 1999, a transfer to the Apple group pension scheme was offered to all employees as part of the transfer to Apple employment contracts. For those who remained employed by Apple Xemplar Education Ltd the company operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.



# Apple Xemplar Education Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### *Research and development expenditure*

Expenditure on research and development is written off against profits in the year in which it is incurred.

#### *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.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

### 2 Operating profit/(loss)

	2004 £'000	2003 £'000
<i>Operating profit is stated after charging:</i>		
Auditors' remuneration:		
Audit	16	16
	<hr/>	<hr/>

### 3 Remuneration of directors

	2004 £'000	2003 £'000
Emoluments (including pension contributions)	-	-
	<hr/>	<hr/>

Two director's exercised share options in Apple group companies during the year (2003: 2).

### 4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was nil (2003: Nil).



# Apple Xemplar Education Limited

Notes (*continued*)

## 5 Interest receivable

	2004 £'000	2003 £'000
Bank interest receivable	311	257

## 6 Interest payable

	2004 £'000	2003 £'000
Interest on tax payable	-	(1)

## 7 Tax on profit on ordinary activities

	2004 £'000	2003 £'000
Corporation tax at 30% (2003: 30%)	606	48
Adjustment in respect of prior years	(6)	-
Tax on profit on ordinary activities	600	48

The current tax charge for the period is 3% lower than the standard rate of corporation tax in the UK(30%). The differences are explained below.

### Current tax reconciliation

Profit on ordinary activities before tax	2,234	197
Current tax at 30%	670	59
Effects of:		
Capital allowances for period in excess of depreciation	(35)	(11)
Short term timing difference	(29)	-
Adjustment in respect of prior years	(6)	-
Total current tax charge (see above)	600	48



# Apple Xemplar Education Limited

Notes (continued)

## 8 Debtors

	2004 £'000	2003 £'000
Prepayments and accrued income	-	2
Corporation tax	57	324
	<u>57</u>	<u>326</u>

## 9 Creditors: amounts falling due within one year

	2004 £'000	2003 £'000
Trade creditors	4	19
Amounts owed to group undertakings	4,846	3,622
VAT	541	358
Accrued and deferred income	17	36
	<u>5,408</u>	<u>4,035</u>

## 10 Provisions for liabilities and charges

The amounts provided for deferred taxation and the amounts not provided are set out below:

	2004		2003	
	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
Difference between accumulated depreciation and amortisation and capital allowances	-	-	-	(35)

## 11 Called up share capital



# Apple Xemplar Education Limited

## Notes (continued)

	2004 £'000	2003 £'000
<i>Authorised, allotted up and fully paid</i>		
5,000,000 ordinary shares of £1 each	<b>5,000</b>	5,000

## 12 Reconciliation of shareholders' funds

	Share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
At beginning of year	<b>5,000</b>	<b>(1,503)</b>	<b>3,497</b>
Profit for the year	-	<b>1,634</b>	<b>1,634</b>
At end of year	<b>5,000</b>	<b>131</b>	<b>5,131</b>

## 13 Other financial commitments

### *Capital commitments*

There were no capital commitments at 25 September 2004 (2003: £Nil).

### *Lease commitments*

There were no non-cancellable operating lease commitments at 25 September 2004.

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

The company is a subsidiary undertaking of Apple Computer Inc. Limited, a company incorporated in Ireland. Apple Computer Inc., incorporated in the United States of America, is the ultimate parent undertaking and controlling party and is the largest undertaking into which the results of Apple Xemplar Education Limited are consolidated.

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

1 Infinite Loop  
Cupertino  
CA 95014  
USA



## Apple Xemplar Education Limited

### Notes *(continued)*

The smallest company into which the results of Apple Xemplar Education Limited are consolidated is Apple Computer Inc. Limited, incorporated in Ireland.