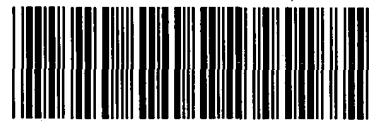


Registered number: 00764797

**APPLE CORPS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2016**

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**APPLE CORPS LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	Y O Lennon O T Harrison J L Eastman B V Grakal
<b>Company secretary</b>	J V Jones
<b>Registered number</b>	00764797
<b>Registered office</b>	27 Ovington Square London SW3 1LJ
<b>Independent auditors</b>	Sopher + Co LLP Chartered Accountants & Statutory Auditors 5 Elstree Gate Elstree Way Borehamwood Hertfordshire WD6 1JD

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**APPLE CORPS LIMITED**

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**APPLE CORPS LIMITED**

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 JANUARY 2016**

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**Introduction**

The directors present their strategic report for the year ended 31 January 2016.

**Business review**

The group continues to exploit audio, visual and ancillary activities mainly relating to The Beatles. Group turnover decreased from £15.9 million to £13 million. Group profit for the year before taxation decreased from £4.1 million to £1.8 million. After the payment of dividends, group net assets have decreased from £13.3 million to £13.1 million.

**Principal risks and uncertainties**

The directors consider that the principal risks and uncertainties faced by the group relate to the general state of the worldwide music industry and the protection of copyrights.

The directors confirm that, in accordance with the Companies Act 2006, they have considered and reviewed the provisions relating to the financial risk management and policies of the group. As a result of the review, the directors have concluded that the group will be able to continue funding its activities through its cash reserves, retained profits and cash flows from ongoing activities.

**Financial key performance indicators**

The directors consider turnover, profit and net assets to be the key performance indicators for the group.

This report was approved by the board on 14 September 2016 and signed on its behalf.

**J V Jones**  
Secretary



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**APPLE CORPS LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 JANUARY 2016**

---

The directors present their report and the financial statements for the year ended 31 January 2016.

**Directors**

The Directors who served during the year were as follows:

Y O Lennon  
O T Harrison  
J L Eastman  
H L Gerrard (until 24 August 2015)  
B V Grakal (from 24 August 2015)

**Principal activity**

The group's principal activities during the year continued to be the exploitation of the audio, visual and ancillary activities relating to The Beatles.

**Results and dividends**

The consolidated profit for the year, after taxation, amounted to £1,282,390 (2015 - profit of £3,056,522).

Ordinary dividends of £1,600,000 (2015 – £1,400,000) were declared and paid during the year. The directors do not recommend a final dividend.

**Future developments**

The group will continue to develop opportunities relating to its principal business activities.

**Disclosure of information to auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow directors and the group's auditors, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

**Auditors**

Under section 487(2) of the Companies Act 2006, Sopher + Co LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 14 September 2016 and signed on its behalf.

  
J V Jones  
Secretary

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**APPLE CORPS LIMITED**

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 JANUARY 2016**

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**APPLE CORPS LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF APPLE CORPS LIMITED**

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We have audited the financial statements of Apple Corps Limited for the year ended 31 January 2016, set out on pages 6 to 24. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 Auditors' 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 Auditors**

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 January 2016 and of the Group's profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with those accounts. In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors Report.

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APPLE CORPS LIMITED

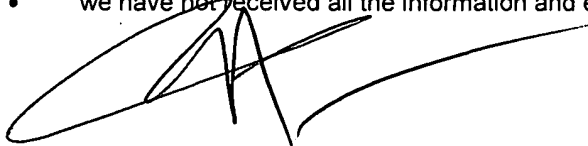
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF APPLE CORPS LIMITED  
(CONTINUED)

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Stephen Iseman FCA (Senior Statutory Auditor)

for and on behalf of  
**Sopher + Co LLP**

Chartered Accountants  
Statutory Auditors

5 Elstree Gate  
Elstree Way  
Borehamwood  
Hertfordshire  
WD6 1JD

14 September 2016



**APPLE CORPS LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JANUARY 2016**

	Note	2016 £	2015 £
<b>Turnover</b>			
Turnover: group and share of joint ventures' turnover		30,140,109	34,645,665
Less: share of joint ventures' turnover		(17,091,200)	(18,733,425)
<b>Group turnover</b>	4	<b>13,048,909</b>	15,912,240
Administrative expenses		(13,432,469)	(14,343,208)
Other operating income	5	868,600	1,036,000
<b>Group operating profit</b>	6	<b>485,040</b>	2,605,032
Share of operating profit in joint ventures		629,319	843,004
Share of operating profit in associates		601,121	715,928
<b>Total operating profit: group and share of joint ventures and associates</b>		<b>1,715,480</b>	4,163,964
Interest receivable	9	135,899	21,285
Interest payable and similar charges		(9)	(2)
<b>Profit on ordinary activities before taxation</b>		<b>1,851,370</b>	4,185,247
Tax on profit on ordinary activities	10	(568,980)	(1,128,725)
<b>Profit for the financial year attributable to members of the parent company</b>		<b>1,282,390</b>	3,056,522
Currency translation differences		98,335	86,248
<b>Other comprehensive income for the year</b>		<b>98,335</b>	86,248
<b>Total comprehensive income for the year attributable to members of the parent company</b>		<b>1,380,725</b>	3,142,770

All amounts relate to continuing operations.

The notes on pages 12 to 24 form part of these financial statements.

**APPLE CORPS LIMITED**  
**REGISTERED NUMBER:00764797**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2016**

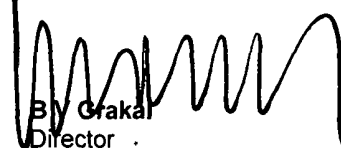
	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Intangible assets	12		-		-
Tangible assets	13		1,804,218		1,830,312
Investments	14		2,574,027		2,048,232
			4,378,245		3,878,544
<b>Current assets</b>					
Debtors: amounts falling due within one year	16	6,627,010		4,795,750	
Cash at bank and in hand		8,305,824		11,848,864	
		14,932,834		16,644,614	
Creditors: amounts falling due within one year	17	(6,238,521)		(7,231,325)	
<b>Net current assets</b>			<b>8,694,313</b>		<b>9,413,289</b>
<b>Total assets less current liabilities</b>			<b>13,072,558</b>		<b>13,291,833</b>
<b>Net assets</b>			<b>13,072,558</b>		<b>13,291,833</b>
<b>Capital and reserves</b>					
Called up share capital	18		100		100
Profit and loss account			13,072,458		13,291,733
			<b>13,072,558</b>		<b>13,291,833</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 September 2016.

  
G O Lennon  
Director

  
J L Eastman  
Director

  
O T Harrison  
Director

  
B J Crakal  
Director

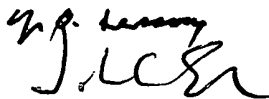
The notes on pages 12 to 24 form part of these financial statements.

**APPLE CORPS LIMITED**  
**REGISTERED NUMBER:00764797**  
**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2016**

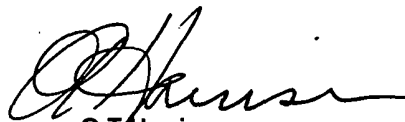
	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Intangible assets	12		-		-
Tangible assets	13		1,804,218		1,830,312
Investments	14		326,536		176,536
			2,130,754		2,006,848
<b>Current assets</b>					
Debtors: amounts falling due within one year	16	6,344,117		4,593,370	
Cash at bank and in hand		6,924,943		10,674,361	
		13,269,060		15,267,731	
Creditors: amounts falling due within one year	17	(4,734,051)		(5,668,388)	
<b>Net current assets</b>			<b>8,535,009</b>		<b>9,599,343</b>
<b>Total assets less current liabilities</b>			<b>10,665,763</b>		<b>11,606,191</b>
<b>Net assets</b>			<b>10,665,763</b>		<b>11,606,191</b>
<b>Capital and reserves</b>					
Called-up share capital	18		100		100
Profit and loss account	19		10,665,663		11,606,091
			10,665,763		11,606,191

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 September 2016.

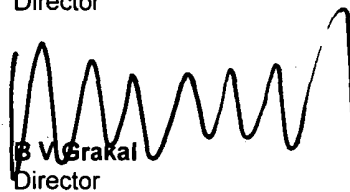
Y O Lennon  
Director



J L Eastman  
Director



O T Harrison  
Director



B V Grakal  
Director

The notes on pages 12 to 24 form part of these financial statements.

**APPLE CORPS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2016**

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 February 2015	100	13,291,733	13,291,833	13,291,833
Profit for the year	-	1,282,390	1,282,390	1,282,390
Currency translation differences	-	98,335	98,335	98,335
Dividends: Equity capital	-	(1,600,000)	(1,600,000)	(1,600,000)
<b>At 31 January 2016</b>	<b>100</b>	<b>13,072,458</b>	<b>13,072,558</b>	<b>13,072,558</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2015**

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 February 2014	100	11,548,963	11,549,063	11,549,063
Profit for the year	-	3,056,522	3,056,522	3,056,522
Currency translation differences	-	86,248	86,248	86,248
Dividends: Equity capital	-	(1,400,000)	(1,400,000)	(1,400,000)
<b>At 31 January 2015</b>	<b>100</b>	<b>13,291,733</b>	<b>13,291,833</b>	<b>13,291,833</b>

The notes on pages 12 to 24 form part of these financial statements.

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APPLE CORPS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2016

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 February 2015	100	11,606,091	11,606,191
Profit for the year	-	659,572	659,572
Dividends: Equity capital	-	(1,600,000)	(1,600,000)
<b>At 31 January 2016</b>	<b>100</b>	<b>10,665,663</b>	<b>10,665,763</b>

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COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2015

---

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 February 2014	100	10,635,382	10,635,482
Profit for the year	-	2,370,709	2,370,709
Dividends: Equity capital	-	(1,400,000)	(1,400,000)
<b>At 31 January 2015</b>	<b>100</b>	<b>11,606,091</b>	<b>11,606,191</b>

The notes on pages 12 to 24 form part of these financial statements.

**APPLE CORPS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JANUARY 2016**

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,282,390	3,056,522
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	51,247	49,665
Interest paid	9	2
Interest received	(135,899)	(21,285)
Taxation	568,980	1,128,725
Increase in debtors	(1,810,907)	(426,496)
Decrease in creditors	(509,900)	(330,239)
Share of operating profit in joint ventures	(629,319)	(843,004)
Share of operating profit in associates	(601,121)	(715,928)
Corporation tax	(956,331)	(728,062)
Foreign exchange	(56,261)	(12,658)
<b>Net cash (used in)/generated from operating activities</b>	<b>(2,797,112)</b>	<b>1,157,242</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(25,153)	(11,665)
Interest received	135,899	21,285
Dividends from joint venture	-	166,468
Dividends from associates	645,000	775,000
<b>Net cash from investing activities</b>	<b>755,746</b>	<b>951,088</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(1,600,000)	(1,400,000)
Interest paid	(9)	(2)
<b>Net cash used in financing activities</b>	<b>(1,600,009)</b>	<b>(1,400,002)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,641,375)</b>	<b>708,328</b>
Cash and cash equivalents at beginning of year	11,848,864	11,054,288
Foreign exchange movements	98,335	86,248
<b>Cash and cash equivalents at the end of year</b>	<b>8,305,824</b>	<b>11,848,864</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	8,305,824	11,848,864

The notes on pages 12 to 24 form part of these financial statements.

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**APPLE CORPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2016**

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**1. General information**

Apple Corps Limited is a limited liability company incorporated in England and Wales, with its registered office address at 27 Ovington Square, London, SW3 1LJ.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, and the Companies Act 2006

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The group financial statements consolidate the financial statements of Apple Corps Limited and its subsidiary undertakings, drawn up to 31 January each year. No company statement of comprehensive income is presented for Apple Corps Limited as permitted by section 408 of the Companies Act 2006.

Entities in which the group holds an interest on a long-term basis and are jointly controlled by the group and one or more other venturers under a contractual agreement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the gross equity method.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates. In the group financial statements, associates are accounted for using the equity method.

**2.3 Investments**

In the parent company financial statements investments in subsidiaries, joint ventures and associates are accounted for at cost.

The carrying values of fixed asset investments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

**2.4 Intangible fixed assets**

Intangible fixed assets acquired separately from a business are capitalised at cost. They are amortised on a straight line basis over their estimated useful life.

The carrying value of intangible fixed assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

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APPLE CORPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2016

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**2. Accounting policies (continued)**

**2.5 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

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

Freehold buildings	–	over 50 years
Fixtures, fittings and equipment	–	over 4 years
Website costs	–	over 3 years

Freehold land is not depreciated. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

**2.6 Royalty Income**

Royalty income is accounted for on an accruals basis. Royalty audit claims are not booked as income until amounts arising from such claims are received by the group.

**2.7 Returns**

No provision is made for any reduction in royalties in subsequent periods as a result of the return of products sold in respect of which royalties would normally have been accounted for during the year. Any reductions are accounted for as a deduction from turnover in subsequent periods.

**2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.9 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on sufficient notice agreed in advance. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.10 Financial instruments**

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account



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**APPLE CORPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2016**

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**2. Accounting policies (continued)**

**2.11 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.12 Foreign currency translation**

**Functional and presentation currency**

The Company's financial and presentational currency is Pounds Sterling.

**Transactions and balances**

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

The financial statements of overseas subsidiary undertakings and joint ventures are translated at the rate of exchange ruling at the balance sheet date. The exchange differences arising on the retranslation of opening net assets are recognised in other comprehensive gain/ (losses). All other translation differences are taken to the profit and loss account.

**2.13 Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less, tax with the following exceptions:

- provision is made for deferred tax that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**2.14 Obligations under operating leases**

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

**2.15 Affiliated Undertakings**

In the financial statements, companies are described as affiliated to Apple Corps Limited if:

- (i) they have the same shareholders or ultimate shareholders as Apple Corps Limited; or
- (ii) the company is owned by one or more of the shareholders of Apple Corps Limited.

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APPLE CORPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2016

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the directors have made judgement to determine whether there are indicators of impairment of the group's investments. This involved estimation of future cash flows expected to be generated by these investments and the selection of appropriate discount rates in order to calculate the net present value of those cash flows.

**4. Turnover**

Turnover represents income derived from the group's continuing ordinary activities, stated net of value added tax, and is accounted for on an accruals bases.

It is the opinion of the directors that, in view of the nature of the group'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 financial statements.

**5. Other operating income**

	2016 £	2015 £
Administration fees receivable	<u>868,600</u>	<u>1,036,000</u>

**6. Group operating profit**

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	51,247	49,665
Auditor's remuneration - audit services	35,000	35,000
Auditor's remuneration - taxation services*	56,952	56,952
Exchange differences	(61,423)	(677,049)
Operating lease rentals - office equipment	<u>1,039</u>	<u>1,533</u>

\*The fees for taxation services all relate to the company and its UK subsidiaries.

**7. Directors' remuneration**

	2016 £	2015 £
Fees	800,000	800,000
Other emoluments	<u>106,845</u>	<u>97,570</u>
	<u>906,845</u>	<u>897,570</u>

The aggregate emoluments of the highest paid director amounted to £253,192 (2015 - £250,894)

**APPLE CORPS LIMITED**

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**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	2,477,188	2,477,014
Social security costs	241,419	238,124
	2,718,607	2,715,138

The average monthly number of employees, excluding directors, during the year was as follows:

	2016 No.	2015 No.
Administration	11	12
	11	12

**9. Interest receivable**

	2016 £	2015 £
Bank interest receivable	14,808	21,285
Other interest	121,091	-
	135,899	21,285

**10. Taxation**

	2016 £	2015 £
<b>Corporation tax</b>		
UK corporation tax on profit for the year	144,241	673,894
Adjustments in respect of prior periods	(3,757)	(3,845)
Double taxation relief	(4,059)	(7,250)
Foreign tax on income for the year	432,555	465,926
<b>Total current tax</b>	<b>568,980</b>	<b>1,128,725</b>

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APPLE CORPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2016

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10. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2015 - higher than) the composite rate of corporation tax in the UK of 20.16% (2015 - 21.32%). The differences are reconciled below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>1,851,370</u>	<u>4,185,247</u>
Profit on ordinary activities multiplied by composite rate of corporation tax in the UK of 20.16% (2015 - 21.32%)	373,267	892,432
<b>Effects of:</b>		
Expenses not deductible for tax purposes	13,502	63,418
Difference in recognising depreciation and capital allowance	3,667	8,275
Overseas tax rate in excess of UK rate	174,589	171,905
Prior year (over)/under provision	(4,261)	159
Other timing differences	8,216	(7,464)
<b>Total tax charge for the year</b>	<u><u>568,980</u></u>	<u><u>1,128,725</u></u>

11. Parent company profit for the year

The profit after tax of the parent Company for the year was £659,572 (2015 - £2,370,709).

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APPLE CORPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2016

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12. Intangible fixed assets

Group and Company

	Trademarks £
<b>Cost</b>	
At 1 February 2015	518,067
At 31 January 2016	<u>518,067</u>
<b>Amortisation</b>	
At 1 February 2015	518,067
At 31 January 2016	<u>518,067</u>
<b>Net book value</b>	
At 31 January 2016	<u>-</u>
At 31 January 2015	<u>-</u>

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APPLE CORPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2016

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13. Tangible fixed assets

Group and Company

	Freehold land and building £	Fixtures, fittings and equipment £	Website costs £	Total £
<b>Cost</b>				
At 1 February 2015	2,385,367	155,222	30,518	2,571,107
Additions	-	25,153	-	25,153
At 31 January 2016	<u>2,385,367</u>	<u>180,375</u>	<u>30,518</u>	<u>2,596,260</u>
<b>Depreciation</b>				
At 1 February 2015	581,234	129,043	30,518	740,795
Charge for the period	37,604	13,643	-	51,247
At 31 January 2016	<u>618,838</u>	<u>142,686</u>	<u>30,518</u>	<u>792,042</u>
<b>Net book value</b>				
At 31 January 2016	<u>1,766,529</u>	<u>37,689</u>	<u>-</u>	<u>1,804,218</u>
At 31 January 2015	<u>1,804,133</u>	<u>26,179</u>	<u>-</u>	<u>1,830,312</u>

APPLE CORPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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14. Fixed asset investments

Group

	Investments in associates £	Investment in joint ventures £	Total £
<b>Cost</b>			
At 1 February 2015	996,668	1,051,564	2,048,232
Foreign exchange movement	-	61,595	61,595
Share of profit/(loss)	(165,119)	629,319	464,200
At 31 January 2016	<u>831,549</u>	<u>1,742,478</u>	<u>2,574,027</u>

Net book value

At 31 January 2016	<u>831,549</u>	<u>1,742,478</u>	<u>2,574,027</u>
At 31 January 2015	<u>996,668</u>	<u>1,051,564</u>	<u>2,048,232</u>

Company

	Investments in subsidiary companies £	Investments in associates £	Total £
<b>Cost</b>			
At 1 February 2015	12,881	171,700	184,581
Additions	150,000	-	150,000
At 31 January 2016	<u>162,881</u>	<u>171,700</u>	<u>334,581</u>

Impairment

At 1 February 2015	<u>8,045</u>	-	<u>8,045</u>
At 31 January 2016	<u>8,045</u>	-	<u>8,045</u>

Net book value

At 31 January 2016	<u>154,836</u>	<u>171,700</u>	<u>326,536</u>
At 31 January 2015	<u>4,836</u>	<u>171,700</u>	<u>176,536</u>

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**APPLE CORPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2016**

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**15. Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Holding</b>	<b>Principal activity</b>
Apple Corps S.A +	Switzerland	100 %	Intermediate holding company
Apple Corps Inc.	USA	100 %	Intermediate holding company
Apple Records Inc. (California)	USA	100 %	*Exploitation of musical copyrights
Apple Records Inc. (New York)	USA	100 %	*Dormant
Apple Music Publishing Inc.	USA	100 %	*Dormant
Apple Films Inc.	USA	100 %	*Exploitation of film copyrights
Apple Washington	USA	100 %	Dormant
Apple Electronics Limited		100 %	Dormant
Python Music Limited		100 %	Dormant
Apple Show Inc	USA	100 %	Intermediate holding company

\* Held by a subsidiary undertaking.

+ Year ended 31 December 2015

All shareholdings are ordinary shares or common stock.

**Participating interests**

**Joint ventures**

<b>Name</b>	<b>Country of incorporation</b>	<b>Holding</b>	<b>Principal activity</b>
The Cirque Apple Creation Partnership+		50%	Creation of musical performance
Cirque Apple Las Vegas, L.L.C.*+	USA	50%	Producing and presenting a live show

+ Year ended 27 December 2015

\* Held by a subsidiary undertaking.

The address of The Cirque Apple Creation Partnership is 27 Ovington Square, London SW3 1LJ.

The principal place of business of Cirque Apple Las Vegas L.L.C is 980 Kelly Johnson Drive, Las Vegas, Nevada, 89119, USA.



**APPLE CORPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2016**

**15. Subsidiary undertakings (continued)**

**Associates**

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Maclen (Music) Limited+	'C' ordinary shares	20%	Holding company
Maclen Joint Limited+	Ordinary shares	20%	Exploitation of music rights
Subafilms Limited+	Ordinary shares	23.9%	Marketing, production and distribution of films

Maclen Joint Limited is held by an associated undertaking.

+ Year ended 31 December 2015

**16. Debtors**

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2016 £</b>	<b>Company 2015 £</b>
Amounts owed by subsidiary undertakings	-	-	460	433
Amounts owed by joint ventures, associated and affiliated undertakings	652,101	656,684	381,620	473,033
Other debtors	650,579	251,146	646,192	244,565
Prepayments and accrued income	5,324,330	3,887,920	5,315,845	3,875,339
	<b>6,627,010</b>	<b>4,795,750</b>	<b>6,344,117</b>	<b>4,593,370</b>

**17. Creditors: Amounts falling due within one year**

	<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>Company 2016 £</b>	<b>Company 2015 £</b>
Amounts owed to subsidiary undertakings	-	-	685	647
Amounts owed to associated undertakings	1,050,224	1,132,150	17,585	99,511
Amounts owed to affiliated undertakings	350,468	332,327	-	-
Corporation tax	2,504	485,409	-	387,750
Taxation and social security	38,206	168,023	38,206	168,023
Accruals and deferred income	4,797,119	5,113,416	4,677,575	5,012,457
	<b>6,238,521</b>	<b>7,231,325</b>	<b>4,734,051</b>	<b>5,668,388</b>

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APPLE CORPS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2016

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18. Share capital

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	100	100

19. Reserves

**Profit and loss account**

At the balance sheet date, the company had distributable reserves of £10,665,663 (2015 - £11,606,091).

20. Dividends

	2016 £	2015 £
Equity dividends on ordinary shares	1,600,000	1,400,000

21. Contingent liabilities

The group and company are involved in various legal disputes in the ordinary course of business and, as at 31 January 2016, the directors are of the opinion that none of the claims or disputes of which they are aware will result in a material loss to the group or company.

22. Related party transactions

(a) Amounts charged to the profit and loss account include aggregate fees for the promotional services and name and likeness of the beneficial shareholders (Sir J P McCartney, Mr R Starkey, Mrs Y O Lennon and Mrs O T Harrison) amounting to £2,027,525 each (2015 – £2,468,000 each).

(b) The company is party to an agreement with Maclen (Music) Limited and its wholly owned subsidiary undertaking, Maclen Joint Limited, in which Mrs Y O Lennon and Sir J P McCartney each has a direct interest of 40% in the share capital. Apple Corps Limited provides administration services to Maclen Joint Limited for which £868,600 was included as income in the profit and loss account in the year (2015 – £1,036,000).

(c) During the year, the company paid a dividend of £400,000 (2015 - £350,000) to Mrs Y O Lennon, a director and shareholder of the company.

(d) At 31 January 2016, the company had net receivables of £364,035 (2015 - £373,522) with companies in which one or more of the shareholders of Apple Corps Limited has a beneficial interest.

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the group.

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**APPLE CORPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**23. Key management compensation**

During the year, the company paid compensation of £2,231,594 (2015 - £2,147,660) to its key management personnel.