

REGISTERED NUMBER: 05812951 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012
FOR
APPT CORPORATION LIMITED**

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APPT CORPORATION LIMITED (REGISTERED NUMBER 05812951)

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FOR THE YEAR ENDED 31 DECEMBER 2012**

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APPT CORPORATION LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2012**

DIRECTORS

A Pathak
A Macrow
T Bull
T Pathak

SECRETARY

T Pathak

REGISTERED OFFICE

Iron Bridge
Uxbridge Road
Southall
Middlesex
UB1 3EG

REGISTERED NUMBER

05812951 (England and Wales)

AUDITORS

Glazers
Chartered Accountants and Statutory Auditor
843 Finchley Road
London
NW11 8NA

APPT CORPORATION LIMITED (REGISTERED NUMBER 05812951)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2012**

The directors present their report with the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of operating McDonald's franchised restaurants

REVIEW OF BUSINESS

The Company showed positive growth during 2012 with full year's trading results of 20 restaurants. The company's key performance indicators consist of turnover, gross profit and operating costs. Turnover for the year increased by 5 percent (£1.7m). Gross Profit also increased by 5 percent contributing an additional £1.1m for the year. Operating costs were well controlled. The Operating profit before taxation and interest was £855,502 (2011 - £755,446).

The directors envisage 2013 to be a year of further growth resulting from improved performance. The Company currently operates 20 restaurants with over 1,600 employees.

The vision of Appt Corporation Limited has always been to maintain the growth of the business through the adoption of sustained and long term strategy. One such strategy is the desire and commitment shown by the Company towards the reinvestment in the business.

Substantial investment has been made in the last five years to upgrade the experience our customers enjoy. Major refurbishment works have been carried out in a number of restaurants. As at the end of 2012, all the restaurants of the Company had been refurbished within the last three to four years. It is the strategy of the Company to refurbish / refresh restaurants periodically to keep them current, fresh and inviting to our customers. In addition, substantial investment has been made in new and improved equipment taking into account the current and potential business and providing additional capacity.

In 2012, as in the previous years, the company restaurants have contributed much to the community by community clean ups, donations, education business partnership activities and other similar projects. As a result, local relationships have grown stronger and respect in each community has grown for our restaurants. These activities shall continue in 2013 and beyond.

The company has raised from third parties amounts in excess of £40,000 during the year and donated to charities.

DIVIDENDS

An interim dividend of 0.7765 per share on the 'A' Ordinary shares £1 shares was paid on 23 August 2012. The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the 'B' Ordinary shares £1 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 31 December 2012 will be £200,000.

FUTURE DEVELOPMENTS

The level of business and the period end financial position remain satisfactory for the company and the directors are confident to be able to develop the business further in the future.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2012 to the date of this report.

A Pathak
T Bull
T Pathak

Other changes in directors holding office are as follows:

A Macrow - appointed 14 December 2012
P Pomroy - resigned 14 December 2012

APPT CORPORATION LIMITED (REGISTERED NUMBER 05812951)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2012**

COMPANY'S POLICY ON PAYMENT OF CREDITORS

The company policy on payment of creditors is 30 days on normal trading terms. Certain creditors are paid within 14 days in accordance with the terms agreed.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses various financial instruments including cash, trade debtors, bank overdraft and trade creditors that arise directly from its operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The company's policy throughout the year has been to achieve this through management's day to day involvement in business decisions rather than setting maximum or minimum liquidity ratios.

Interest rate risk

The company finances its operations through a mixture of retained profits and its bank overdraft facility. The interest rate risk on these borrowings is managed by the company directors.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable contributions of £18,814 (2011 - £15,297) to various charities.

PRINCIPAL RISK AND UNCERTAINTIES

The management of the business and the nature of the company's strategy are subject to a number of risks.

The directors have set out below the principal risks facing the business.

The directors are of the opinion that a thorough risk management process is adopted which involves a formal review of all the risks identified below. Where possible, processes are in place to monitor and mitigate such risks.

Economic downturn

The success of the business is reliant on consumer spending. During the year the economic downturn resulted in a reduction of consumer confidence. This has impacted the income achieved by the company within specific geographical areas, however the business as a whole has not been adversely affected.

In response to this continuous risk, senior management aim to keep abreast of economic conditions. In cases of severe economic downturn, marketing and pricing strategies will be modified to reflect the new market conditions.

Food cost inflation

During the year the company has been exposed to periods of high food cost inflation. The company is continually assessing all the risks that this may bring with an aim to mitigate any future threats this may have on the business.

Wages cost inflation

The company is continually affected by wage cost inflation and pressures within the labour market. The company monitors the market to ensure complete compliance with labour market regulations, and maintains employment policies, remuneration and benefits packages that are designed to be competitive with other companies, as well as providing employees with fulfilling career opportunities.

Competition

The market in which the company operates is highly competitive. As a result, the company is subject to a high level of price sensitivities in its consumer-led market. Policies of constantly assessing our pricing strategy and ongoing market research are in place to mitigate such risks.

APPT CORPORATION LIMITED (REGISTERED NUMBER: 05812951)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2012**

EMPLOYEE INVOLVEMENT AND DISABLED EMPLOYEES

It is the policy of the company to give full and fair consideration to applicants for employment made by disabled persons, to continue where possible the employment of those who become disabled and to provide equal opportunities for the training and career development of disabled employees

The company communicates regularly with all employees on matters relating to its performance. Employees are encouraged to contribute to the decision making process through regular staff meetings. In addition, there is a bulletin board in each restaurant where memoranda relation to company policy are displayed

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Glazers, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD.



T Pathak - Secretary

Date 24 September 2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF APPT CORPORATION LIMITED

We have audited the financial statements of Appt Corporation Limited for the year ended 31 December 2012 on pages six to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page four, 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 Auditing Practices Board'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 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 Report of the Directors to identify material inconsistencies with the audited financial statements. 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 company's affairs as at 31 December 2012 and of its profit 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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.

JESSIE KHO FCCA (Senior Statutory Auditor)
for and on behalf of Glazers
Chartered Accountants and Statutory Auditor
843 Finchley Road
London
NW11 8NA

Date 24 September 2013

APPT CORPORATION LIMITED (REGISTERED NUMBER 05812951)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	£	2011 £	£
TURNOVER			34,783,039		33,111,148
Cost of sales			11,461,881		10,866,567
GROSS PROFIT			23,321,158		22,244,581
Distribution costs		9,900,473		9,617,371	
Administrative expenses		12,575,642		11,871,764	
			22,476,115		21,489,135
			845,043		755,446
Other operating income			10,459		-
OPERATING PROFIT	4		855,502		755,446
Interest payable and similar charges	6		67,709		8,306
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			787,793		747,140
Tax on profit on ordinary activities	7		234,810		300,120
PROFIT FOR THE FINANCIAL YEAR			552,983		447,020

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements


APPT CORPORATION LIMITED (REGISTERED NUMBER: 05812951)

BALANCE SHEET
31 DECEMBER 2012

	Notes	2012		2011	
		£	£	£	£
FIXED ASSETS					
Intangible assets	10		1,000,861		1,110,579
Tangible assets	11		4,565,915		4,467,758
			<u>5,566,776</u>		<u>5,578,337</u>
CURRENT ASSETS					
Stocks	12	219,670		212,208	
Debtors	13	457,637		499,385	
Cash at bank and in hand		2,308,790		1,255,414	
		<u>2,986,097</u>		<u>1,967,007</u>	
CREDITORS					
Amounts falling due within one year	14	4,077,383		4,129,317	
NET CURRENT LIABILITIES					
			<u>(1,091,286)</u>		<u>(2,162,310)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			4,475,490		3,416,027
CREDITORS					
Amounts falling due after more than one year	15		(3,419,199)		(2,586,811)
PROVISIONS FOR LIABILITIES					
	17		<u>(66,193)</u>		<u>(192,101)</u>
NET ASSETS					
			<u>990,098</u>		<u>637,115</u>
CAPITAL AND RESERVES					
Called up share capital	18		515,150		515,150
Profit and loss account	19		474,948		121,965
SHAREHOLDERS' FUNDS					
	23		<u>990,098</u>		<u>637,115</u>

The financial statements were approved by the Board of Directors on 24 September 2013 and were signed on its behalf by


A Pathak - Director


T Bull - Director

The notes form part of these financial statements

APPT CORPORATION LIMITED (REGISTERED NUMBER. 05812951)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012		2011	
		£	£	£	£
Net cash inflow from operating activities	1		2,007,108		2,732,969
Returns on investments and servicing of finance	2		(67,709)		(8,306)
Taxation			(268,489)		(434,292)
Capital expenditure	2		(1,580,461)		(1,423,913)
Acquisitions and disposals	2		-		25,000
Equity dividends paid			(200,000)		(450,000)
			(109,551)		441,458
Financing	2		1,162,927		(224,552)
Increase in cash in the period			<u>1,053,376</u>		<u>216,906</u>
Reconciliation of net cash flow to movement in net debt					
	3				
Increase in cash in the period		1,053,376		216,906	
Cash inflow from decrease in liquid resources		-		(25,000)	
Cash (inflow)/outflow from (increase)/decrease in debt		<u>(1,162,928)</u>		<u>224,551</u>	
Change in net debt resulting from cash flows			<u>(109,552)</u>		<u>416,457</u>
Movement in net debt in the period			<u>(109,552)</u>		<u>416,457</u>
Net debt at 1 January			<u>(2,155,745)</u>		<u>(2,572,202)</u>
Net debt at 31 December			<u><u>(2,265,297)</u></u>		<u><u>(2,155,745)</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012	2011
	£	£
Operating profit	855,502	755,446
Depreciation charges	1,592,023	1,245,452
Increase in stocks	(7,462)	(21,948)
Decrease/(increase) in debtors	41,748	(33,726)
(Decrease)/increase in creditors	(474,703)	787,745
Net cash inflow from operating activities	<u>2,007,108</u>	<u>2,732,969</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest paid	(67,709)	(8,306)
Net cash outflow for returns on investments and servicing of finance	<u>(67,709)</u>	<u>(8,306)</u>
Capital expenditure		
Purchase of tangible fixed assets	(1,580,461)	(1,423,913)
Net cash outflow for capital expenditure	<u>(1,580,461)</u>	<u>(1,423,913)</u>
Acquisitions and disposals		
Disposal of short term investments	-	25,000
Net cash inflow for acquisitions and disposals	<u>-</u>	<u>25,000</u>
Financing		
New loans in year	1,988,900	500,000
Loan repayments in year	(825,973)	(724,552)
Net cash inflow/(outflow) from financing	<u>1,162,927</u>	<u>(224,552)</u>

APPT CORPORATION LIMITED (REGISTERED NUMBER 05812951)

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 1 12 £	Cash flow £	At 31 12 12 £
Net cash			
Cash at bank and in hand	1,255,414	1,053,376	2,308,790
	<u>1,255,414</u>	<u>1,053,376</u>	<u>2,308,790</u>
Debt			
Debts falling due within one year	(824,348)	(330,540)	(1,154,888)
Debts falling due after one year	<u>(2,586,811)</u>	<u>(832,388)</u>	<u>(3,419,199)</u>
	<u>(3,411,159)</u>	<u>(1,162,928)</u>	<u>(4,574,087)</u>
Total	<u>(2,155,745)</u>	<u>(109,552)</u>	<u>(2,265,297)</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1 ACCOUNTING POLICIES

Basis of preparation

Going Concern

The company is in a net current liabilities position at the balance sheet date. The directors consider that the strength of business performance is sufficient to consider it reasonable that the company will continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

Accounting convention and compliance with accounting standards

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

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which has been applied consistently (except as otherwise stated).

Turnover and revenue recognition

Turnover represents sales of products to customers in the United Kingdom, excluding value added tax.

Revenue is recognised when food and beverage products are sold to customers in our restaurants.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of franchises, is being amortised evenly over its useful life of up to twenty years. Goodwill is revalued for impairment if events or changes in circumstances indicate that the carrying values may not be recoverable.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Short leasehold	- 10% on cost
Plant and machinery	- 15% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have accrued at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

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 at the underlying timing difference can be deducted.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES - continued

Investments

Investments are stated at cost less any provision for permanent diminution in value

Segmental reporting

The company's activities consist solely of operating McDonalds franchised restaurants in the United Kingdom

2 STAFF COSTS

	2012	2011
	£	£
Wages and salaries	9,063,671	8,761,324
Social security costs	446,713	452,080
Other pension costs	214,808	470,225
	<u>9,725,192</u>	<u>9,683,629</u>

The average monthly number of employees during the year was as follows

	2012	2011
Management	50	45
Other restaurant staff	<u>1,614</u>	<u>1,445</u>
	<u>1,664</u>	<u>1,490</u>

3 DIRECTORS' EMOLUMENTS

	2012	2011
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

The directors received no remuneration from the company during the year (2011 - Nil)

The company has paid an amount of £200,000 (2011 - £450,000) in to a directors E-furb trust in respect of Mr A Pathak

4 OPERATING PROFIT

The operating profit is stated after charging

	2012	2011
	£	£
Other operating leases	3,358,899	3,086,906
Depreciation - owned assets	1,482,304	1,135,733
Goodwill amortisation	<u>109,718</u>	<u>109,718</u>

5 AUDITORS' REMUNERATION

	2012	2011
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>9,500</u>	<u>9,500</u>

APPT CORPORATION LIMITED (REGISTERED NUMBER 05812951)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Bank and loan interest	<u>67,709</u>	<u>8,306</u>

7 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

	2012	2011
	£	£
Current tax		
UK corporation tax	360,718	353,569
Deferred tax	(125,908)	(53,449)
Tax on profit on ordinary activities	<u>234,810</u>	<u>300,120</u>

UK corporation tax has been charged at 24.50% (2011 - 26.50%)

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2012	2011
	£	£
Profit on ordinary activities before tax	<u>787,793</u>	<u>747,140</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.500% (2011 - 26.500%)	193,009	197,992
Effects of		
Expenses not deductible for tax purposes	49,747	32,826
Depreciation in excess of capital allowances	117,731	122,670
Adjustments to tax charge in respect of previous periods	551	81
Effect of marginal relief	(320)	-
Current tax charge	<u>360,718</u>	<u>353,569</u>

8 DIVIDENDS

	2012	2011
	£	£
'A' Ordinary shares shares of £1 each		
Final	-	250,000
Interim	200,000	200,000
	<u>200,000</u>	<u>450,000</u>

9 PENSION AND OTHER POST-RETIREMENT BENEFIT COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. At the balance sheet date the amount owing was £3,049 (2011: £NIL).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

10 INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2012	
and 31 December 2012	1,362,519
AMORTISATION	
At 1 January 2012	251,940
Amortisation for year	109,718
At 31 December 2012	361,658
NET BOOK VALUE	
At 31 December 2012	1,000,861
At 31 December 2011	1,110,579

11 TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Totals £
COST			
At 1 January 2012	155,722	8,197,755	8,353,477
Additions	-	1,580,461	1,580,461
At 31 December 2012	155,722	9,778,216	9,933,938
DEPRECIATION			
At 1 January 2012	76,147	3,809,572	3,885,719
Charge for year	15,572	1,466,732	1,482,304
At 31 December 2012	91,719	5,276,304	5,368,023
NET BOOK VALUE			
At 31 December 2012	64,003	4,501,912	4,565,915
At 31 December 2011	79,575	4,388,183	4,467,758

12 STOCKS

	2012 £	2011 £
Food products and consumables	219,670	212,208

13 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade debtors	6,765	5,230
Other debtors and prepayments	450,872	494,155
	457,637	499,385

APPT CORPORATION LIMITED (REGISTERED NUMBER. 05812951)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

14 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Bank loans and overdrafts (see note 16)	1,154,888	824,348
Trade creditors	1,143,078	1,424,543
Tax	304,271	212,042
Social security and other taxes	719,332	687,547
Other creditors	295,147	270,516
Accrued expenses	460,667	710,321
	<u>4,077,383</u>	<u>4,129,317</u>

15 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012	2011
	£	£
Bank loans (see note 16)	<u>3,419,199</u>	<u>2,586,811</u>

16 LOANS

An analysis of the maturity of loans is given below

	2012	2011
	£	£
Amounts falling due within one year or on demand		
Bank loans	<u>1,154,888</u>	<u>824,348</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>3,419,199</u>	<u>2,586,811</u>

The bank loans are repayable between seven and ten years from draw down and carry interest rates of 0.5 percent above bank base rate and 1.35 percent over LIBOR. The loans are unsecured.

17 PROVISIONS FOR LIABILITIES

	2012	2011
	£	£
Deferred tax	<u>66,193</u>	<u>192,101</u>
		Deferred tax
		£
Balance at 1 January 2012		192,101
Current year movement		
Timing differences		(125,908)
Balance at 31 December 2012		<u>66,193</u>

Current year movement on deferred tax represent a reduction of the provision. The provision has been restated to reflect the lower rate of corporation tax as per the current Finance Act.

APPT CORPORATION LIMITED (REGISTERED NUMBER 05812951)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012**

18 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2012 £	2011 £
257,575	'A' Ordinary shares	£1	257,575	257,575
257,575	'B' Ordinary shares	£1	257,575	257,575
			<u>515,150</u>	<u>515,150</u>

The 'A' Ordinary and 'B' ordinary shares rank pari passu with each other in every respect

19 RESERVES

	Profit and loss account £
At 1 January 2012	121,965
Profit for the year	552,983
Dividends	(200,000)
At 31 December 2012	<u>474,948</u>

20 OTHER FINANCIAL COMMITMENTS

As at 31 December 2012 the company had annual commitments under non-cancellable operating leases with expiry term in more than five years. It is not possible to quantify such commitments due to the variable basis of rental payments, substantially based on annual sales income generated.

However, for the financial period to 31 December 2012, the company had made payments of £3,358,899 (2011 £3,086,906)

21 RELATED PARTY DISCLOSURES

The company has paid management fees to APPT Management Services Limited of £688,830 (2011 £650,000) on normal commercial terms. A Pathak and T Pathak are directors of APPT Management Services Limited. The balance outstanding due from APPT Management Services Limited as at 31 December 2012 was £25,000 (2011 £25,000) with no fixed terms of repayment. The company has paid £200,000 (2011 - £450,000) to an Employee Benefit Trust for Mr A Pathak.

The company has paid to McDonald's Restaurants Limited amounts totalling £6,764,257 (2011 £6,285,695) in respect of direct and indirect costs relating to rent, service charges, advertising and marketing contributions, in accordance with the terms of the franchise agreement with the company. The amount outstanding due to McDonald's Restaurants Limited as at 31 December 2012 amounted to £587,423 (2011 £588,009).

During the year, the company has made charitable donations totalling £13,627 (2011 - £12,947) to the Ronald McDonald Foundation.

McDonald's Restaurants Limited holds fifty percent of the company's equity.

22 ULTIMATE CONTROLLING PARTY

In the opinion of the directors there is no one ultimate controlling party.

APPT CORPORATION LIMITED (REGISTERED NUMBER 05812951)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2012

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Profit for the financial year	552,983	447,020
Dividends	(200,000)	(450,000)
Net addition/(reduction) to shareholders' funds	352,983	(2,980)
Opening shareholders' funds	637,115	640,095
Closing shareholders' funds	990,098	637,115