

Apostrophe Restaurants Limited

Report and Financial Statements

Year Ended

31 August 2012

Company Number 04054395

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Apostrophe Restaurants Limited

**Report and financial statements
for the year ended 31 August 2012**

Contents

Page.

1	Report of the directors
4	Independent auditor's report
6	Profit and loss account
7	Statement of total recognised gains and losses
8	Balance sheet
9	Cash flow statement
10	Notes forming part of the financial statements

Directors

A Chen
T Jones
D Peltz
A Tyler

Secretary and registered office

Maclay Murray & Spens LLP, 12 Devereux Court, London, WC2R 3JP

Company number

04054395

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Apostrophe Restaurants Limited

Report of the directors for the year ended 31 August 2012

The directors present their report together with the audited financial statements for the year ended 31 August 2012

Results

The profit and loss account is set out on page 6 and shows the loss for the year

Principal activities

Apostrophe operates cafes in central London and at London airports, selling freshly baked breads, pastries and savouries, freshly prepared gourmet sandwiches and salads, handmade soups and stews, tarts and cakes. A large drinks menu is also on offer, including coffees, loose-leaf teas, and freshly squeezed and farm-pressed juices. All products are presented in an attractive showcase display, where customers make their selection. Orders are paid for and then received at the counter in china crockery and stainless steel cutlery for consumption on site, or in attractive branded packaging to take away.

Business review

Turnover increased by 5.2% during the year based on underlying sales, an impressive performance given that only one store and a small kiosk were opened during this period. Most stores achieved positive like-for-like performance, with above-inflation rates of growth at many stores. There is a one off adjustment in respect of a VAT assessment for £251,858 reducing turnover in the current year.

Despite continued food and payroll inflation, gross margins increased by 0.4%, resulting in a rise of 5.8% in gross profit versus last year. This was achieved by efficient planning of work shifts and the implementation of longer term purchasing agreements.

Distribution costs increased by 8.6% primarily due to the effect of rent review increases and rates escalation.

Administrative expenses decreased by 1.1%. Lower depreciation charges offset higher wages and legal and professional fees, as well as leasing costs related to the installation of a new EPOS system.

During the year we invested £507,535 in fixed assets and repaid £449,573 of bank debt. The Company has no remaining bank debt outstanding.

In January 2012, CH&Co, a large private catering company, acquired a 50% stake in Apostrophe. CH&Co also acquired a master franchise agreement, allowing it to operate the Apostrophe brand inside its catering venues, such as large offices and visitor attractions. In October 2011, a store was opened at the Wharf by the entrance to the Tower of London under this franchise agreement.

A portion of the proceeds from the sale of shares to CH&Co was used to repay the Company's bank debt, with the remainder allocated to fund the Company's expansion.

During the year the Company opened a store at Gresham Street and a kiosk at Broadgate Circle. Our airport franchise partner, The Restaurant Group, opened a large store at Heathrow Terminal 4 in July 2012. The Restaurant Group also operates two Apostrophe stores at Gatwick Airport.

A major refurbishment programme begun during the year, involving a complete re-design of our food displays and in-store colour and materials, with four stores refurbished during the year.

Apostrophe Restaurants Limited

Report of the directors for the year ended 31 August 2012 (continued)

Business review (continued)

The Company completed the implementation of a state-of-the-art EPOS system. To date, the new system has enabled us to improve speed of service and substantially enhance our management information systems and controls.

The Company continued to invest in food development throughout the year, with the implementation of more frequent menu changes and a greater focus on hot food.

During the year a significant investment was made in improving Apostrophe's internal procedures and staff development programmes. This is part of an ongoing project in conjunction with CH&Co aimed at benefiting from CH&Co's best-in-class reputation in this area.

The Apostrophe brand continued to gain momentum in 2012, with a growing following on Facebook and Twitter, as well as collaborations with leading institutions such as The National Theatre, The Royal Academy and Donmar Warehouse.

Principal risks and uncertainties

The health of the UK economy continues to raise concerns due to its effect on consumer confidence and spending. However, central London has remained somewhat immune and business activity has been robust.

Rents for prime sites have continued to increase due to competition from some of the major chains as well as new operators. Apostrophe represents an attractive tenant for landlords, attracting a discerning clientele and positively contributing to fabric of its neighbourhood. As a result, the Company's ability to sign new leases at competitive terms has remained strong.

Food prices have maintained their upward trend during the year. This is likely to be intensified with the decline in the value of the pound versus its main trading currencies. Apostrophe will continue to actively manage its supplier relationships and where possible make use of joint purchasing agreements with CH&Co.

Apostrophe's product range, large and loyal customer base, and its diversified portfolio of stores in prime London locations and airports will enable it to weather seasonal trends and reduce reliance on individual store performance.

Future developments

The first half of our current financial year has been strong, with sales increasing by 8.6%.

In April 2013 we opened an espresso & food bar at Canary Wharf with very encouraging results from early trading. New store openings are scheduled in the City and Soho before the end of the year. In addition, the refurbishment programme continues with five stores due to undergo refurbishment during the year.

Directors

The directors of the company during the year were

A Chen	
T Jones	(appointed 23 December 2011)
D Peltz	(appointed 23 December 2011)
A Tyler	(appointed 23 December 2011)

Apostrophe Restaurants Limited

Report of the directors for the year ended 31 August 2012 (*continued*)

Directors' responsibilities

The directors are responsible for preparing 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 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 UK 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.

Auditors

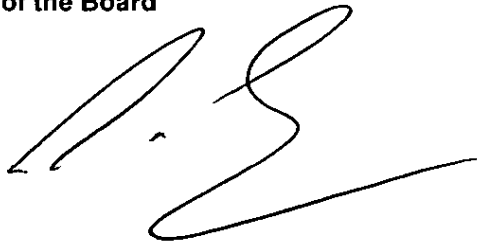
All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Sopher & Co resigned as auditors of the company during the year and BDO LLP were appointed as auditors of the company by the directors. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

On behalf of the Board

A Chen

Director



Date

29 May 2013

Apostrophe Restaurants Limited

Independent auditor's report

TO THE MEMBERS OF APOSTROPHE RESTAURANTS LIMITED

We have audited the financial statements of Apostrophe Restaurants Limited for the year ended 31 August 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. 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 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 auditors

As explained more fully in the statement of directors' responsibilities, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 August 2012 and of its 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Apostrophe Restaurants Limited

Independent auditor's report (*continued*)

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



Donald Williams (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

30 May 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Apostrophe Restaurants Limited

Profit and loss account for the year ended 31 August 2012

	Note	2012 £	2011 As restated £
Turnover	2	6,226,444	6,158,622
Cost of sales		(3,662,897)	(3,496,497)
Gross profit		2,563,547	2,662,125
Distribution costs		(2,419,205)	(2,197,819)
Administrative expenses		(835,947)	(730,428)
Operating loss	5	(691,605)	(266,122)
Loss on ordinary activities before interest		(691,605)	(266,122)
Interest receivable and similar income		4,065	287
Interest payable and similar charges	6	(46,550)	(19,681)
Loss on ordinary activities before taxation		(734,090)	(285,516)
Taxation on loss from ordinary activities	7	-	(19,729)
Loss for the financial year	15,16	(734,090)	(305,245)

All amounts relate to continuing activities

The notes on pages 10 to 19 form part of these financial statements

Apostrophe Restaurants Limited

Statement of total recognised gains and losses for the year ended 31 August 2012

	Note	2012	2011
		£	As restated
			£
Loss for the financial year		(734,090)	(305,245)
Prior year adjustment	16	(204,272)	<u></u>
Total gains and losses recognised since last financial statements		<u>(938,362)</u>	

The notes on pages 10 to 19 form part of these financial statements

Apostrophe Restaurants Limited

Balance sheet at 31 August 2012

Company number 04054395	Note	2012 £	2012 £	2011 As restated £	2011 As restated £
Fixed assets					
Tangible assets	8		2,094,097		2,083,634
Current assets					
Stocks	9	78,538		64,515	
Debtors	10	588,649		411,575	
Cash at bank and in hand		809,659		470,408	
		<u>1,476,846</u>		<u>946,498</u>	
Creditors: amounts falling due within one year	11	<u>1,273,060</u>		<u>925,361</u>	
Net current assets			<u>203,786</u>		<u>21,137</u>
Total assets less current liabilities			<u>2,297,883</u>		<u>2,104,771</u>
Creditors: amounts falling due after more than one year	12		<u>341,130</u>		<u>533,928</u>
			<u>1,956,753</u>		<u>1,570,843</u>
Capital and reserves					
Called up share capital	14		490,122		268,241
Share premium account	15		1,845,752		947,633
Capital redemption reserve	15		1,942,877		1,942,877
Profit and loss account	15		(2,321,998)		(1,587,908)
Shareholders' funds	16		<u>1,956,753</u>		<u>1,570,843</u>

The financial statements were approved by the Board of Directors and authorised for issue on

29 May 2013

A Chen
Director



The notes on pages 10 to 19 form part of these financial statements

Apostrophe Restaurants Limited

Cash flow statement for the year ended 31 August 2012

	Note	2012 £	2012 £	2011 £	2011 £
Net cash inflow from operating activities	18		300,074		292,536
Returns on investments and servicing of finance					
Interest received		4,065		287	
Interest paid		(6,550)		(19,681)	
Net cash outflow from returns on investments and servicing of finance			(2,485)		(19,394)
Taxation			(59)		(176)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(507,535)		(50,359)	
Sale of tangible fixed assets		3,058		-	
Loans issued		(120,000)		-	
			(624,477)		(50,359)
Cash (outflow)/inflow before use of financing			(326,947)		222,607
Financing					
Issue of ordinary shares		1,120,000		-	
Repayment of loans		(453,802)		(120,000)	
			666,198		(120,000)
Increase in cash	19,20		339,251		102,607

The notes on pages 10 to 19 form part of these financial statements

Apostrophe Restaurants Limited

Notes forming part of the financial statements for the year ended 31 August 2012

1 Accounting policies

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

The following principal accounting policies have been applied

Turnover and revenue recognition

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

Cash sales

Revenue is recognised once the goods have been paid for, which are then received by the customer at the counter for consumption on site or take away

Credit sales

Revenue is recognised when the goods are delivered and accepted by the customer and the amount is payable by the customer per the credit terms agreed

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis

Short term leasehold property	-	over the period of the lease
Plant and machinery	-	10% straight line
Motor vehicles	-	10% straight line
Fixtures, fittings and equipment	-	15% straight line

Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

Stocks

Stocks are valued at the lower of cost and net realisable value

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if 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

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

Apostrophe Restaurants Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (continued)

1 Accounting policies (continued)

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

Share-based payments

When share options are granted to directors and employees a charge is made to the profit and loss account and a reserve created in capital and reserves to record the fair value of the awards in accordance with FRS 20 "Share-based payment". No charge has been made to date as the director considers the fair value of the awards to be immaterial

2 Turnover

The whole of the turnover for the year has been derived from its principal activity

In the current year a figure of £251,898 has been offset against turnover representing a VAT assessment in respect of sales in previous periods

All turnover arose within the United Kingdom

3 Employees

	2012 £	2011 £
Staff costs consist of		
Wages and salaries	2,286,321	2,151,547
Social security costs	175,225	157,532
	<hr/>	<hr/>
	2,461,546	2,309,079
	<hr/>	<hr/>

The average number of employees, including directors, during the year was

	Number	Number
Management and administration	7	7
Restaurant staff	143	133
	<hr/>	<hr/>
	150	140
	<hr/>	<hr/>

Apostrophe Restaurants Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (*continued*)

4 Director

	2012 £	2011 £
Directors' remuneration consists of		
Emoluments	139,569	165,000

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 1 (2011 - 1)

5 Operating loss

	2012 £	2011 £
This has been arrived at after charging/(crediting)		
Depreciation - owned by the company	481,686	495,982
Auditors' remuneration	12,000	22,000
Operating lease rentals - other operating leases	1,065,414	929,346
Difference on foreign exchange	(1,422)	(1,491)
Loss on disposal of fixed assets	12,328	-

The figures in respect of auditor's remuneration relate to BDO LLP for the current year, and to Sopher & Co, the company's previous auditors, for the comparative period

6 Interest payable and similar charges

	2012 £	2011 £
Bank loans and overdrafts	7	68
Other loans	6,543	19,613
Other interest payable	40,000	-
	46,550	19,681

In the current year an interest charge of £40,000 has been made representing interest payable due to a VAT assessment made on sales in previous periods

Apostrophe Restaurants Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (*continued*)

7 Taxation on profit from ordinary activities

	2012 £	2011 £
<i>Analysis of tax charge in the year</i>		
<i>Current tax (see note below)</i>		
UK corporation tax on loss for the year	-	59
Adjustment in respect of previous years	-	176
	<hr/>	<hr/>
Total current tax	-	235
	<hr/>	<hr/>
<i>Deferred tax (see note 13)</i>		
Origination and reversal of timing differences	-	19,494
	<hr/>	<hr/>
Taxation on loss on ordinary activities	-	19,729
	<hr/>	<hr/>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the average standard rate of corporation tax in the UK of 25 16% (2011 - 20%) The differences are explained below

	2012 £	2011 £
Loss on ordinary activities before tax	(734,090)	(225,073)
	<hr/>	<hr/>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 25 16% (2011 - 20%)	(184,697)	(45,015)
Effects of		
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	10,066	1,862
Capital allowances for year in excess of depreciation	34,094	56,602
Carry forward/(utilisation) of tax losses	92,597	(13,390)
Adjustment to tax charge in respect of previous years	-	176
Other timing differences leading to an increase in taxation	47,940	-
	<hr/>	<hr/>
Current tax charge for year (see note above)	-	235
	<hr/>	<hr/>

Factors that may affect future tax charges

The company has estimated losses of £898,308 (2011 - £530,332) available for carry forward against future trading profits

Apostrophe Restaurants Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (continued)

8 Tangible assets

	Leasehold buildings and improvements £	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Total £
<i>Cost</i>					
At 1 September 2011					
- as restated	2,175,452	680,798	8,060	2,221,333	5,085,643
Additions	343,291	85,475	-	78,769	507,535
Disposals	-	-	(8,060)	(62,845)	(70,905)
	<u>2,518,743</u>	<u>766,273</u>	<u>-</u>	<u>2,237,257</u>	<u>5,522,273</u>
<i>Depreciation</i>					
At 1 September 2011	1,155,131	394,497	7,892	1,444,489	3,002,009
- as restated					
Charge for the year	190,625	46,060	168	244,833	481,686
On disposals	-	-	(8,060)	(47,459)	(55,519)
	<u>1,345,756</u>	<u>440,557</u>	<u>-</u>	<u>1,641,863</u>	<u>3,428,176</u>
<i>Net book value</i>					
At 31 August 2012	<u>1,172,987</u>	<u>325,716</u>	<u>-</u>	<u>595,394</u>	<u>2,094,097</u>
At 31 August 2011	<u>1,020,321</u>	<u>286,301</u>	<u>168</u>	<u>776,844</u>	<u>2,083,634</u>

During the year the Company reviewed its accounting policies for capitalisation of assets and associated depreciation. As a result brought forward leasehold buildings and improvements cost has decreased by £100,000 and accumulated depreciation has increased by £54,272.

9 Stocks

	2012 £	2011 £
Finished goods and goods for resale	<u>78,538</u>	<u>64,515</u>

There is no material difference between the replacement cost of stock and the amounts stated above

Apostrophe Restaurants Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (continued)

10 Debtors

	2012 £	2011 As restated £
<i>Due after more than one year</i>		
Other debtors	116,775	79,275
<i>Due within one year</i>		
Trade debtors	129,788	88,334
Other debtors	152,035	12,817
Prepayments and accrued income	146,925	188,023
Deferred tax asset (see note 13)	43,126	43,126
	588,649	411,575

Debtors include amounts of £116,775 (2011 - £79,275) for rent deposits falling due after more than one year

11 Creditors amounts falling due within one year

	2012 £	2011 As restated £
Bank loans and overdrafts (secured - see note 12)	-	120,000
Trade creditors	372,241	316,315
Corporation tax	30,000	59
Social security and other taxes	541,387	233,420
Other creditors	110,888	107,877
Accruals and deferred income	218,544	147,690
	1,273,060	925,361

The corporation tax creditor represents tax paid on a director's loan which is repayable when the loan is repaid

12 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Bank loans (secured)	-	329,573
Other loans	-	4,229
Other creditors	341,130	200,126
	341,130	533,928

Apostrophe Restaurants Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (*continued*)

12 Creditors amounts falling due after more than one year (*continued*)

Included in the above are amounts falling due as follows

	2012 £	2011 £
<i>Between one and two years</i>		
Bank loans		120,000
Other loans	-	4,229
	<hr/>	<hr/>
<i>Between two and five years</i>		
Bank loans	-	209,573
	<hr/>	<hr/>

Interest payable on the bank loan at 2.5% above base rate The bank loan is secured by a fixed and floating charge over the assets of the company

13 Deferred tax asset

	2012 £	2011 £
At beginning of year	43,126	62,620
Charged for year	-	(19,494)
	<hr/>	<hr/>
At end of year	43,126	43,126
	<hr/>	<hr/>
The deferred tax asset is made up as follows		
Accelerated capital allowances	(51,138)	(89,457)
Tax losses carried forward	94,264	132,583
	<hr/>	<hr/>
	43,126	43,126
	<hr/>	<hr/>

The company has an unrecognised gross deferred tax asset of £488,465 (2011 - £Nil) in respect of trading losses carried forward

Apostrophe Restaurants Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (*continued*)

14 Share capital

	2012 Number	Allotted, called up and fully paid 2011 Number	2012 £	2011 £
Ordinary shares of £0.01 each	49,012,197	26,824,100	490,122	268,241
			Number	£
In issue at 1 September 2011			26,824,100	268,241
Issued by the exercise of share options			6,741,141	67,411
Issued in year			15,446,956	154,470
			49,012,197	490,122
In issue at 31 August 2012				

During the current year A Chen exercised share options as follows: 5,397,000 at £0.015, 544,141 at £0.035 and 800,000 at £0.025. The company issued Mr Chen a loan of £120,000 to complete this transaction which is held in other debtors.

In January 2012, the company issued 15,446,956 new shares to C H & Co Catering Limited for total proceeds of £1,000,000.

15 Reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 September 2011 - as previously stated	947,633	1,942,877	(1,383,636)
Prior year adjustment	-	-	(204,272)
At 1 September 2011 - as restated	947,633	1,942,877	(1,587,908)
Loss for the year	-	-	(734,090)
Issue of share capital	898,119	-	-
At 31 August 2012	1,845,752	1,942,877	(2,321,998)

Apostrophe Restaurants Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (continued)

16 Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds - as previously stated	1,775,115	2,019,917
Prior year adjustment	(204,272)	(143,829)
Opening shareholders' funds - as restated	1,570,843	1,876,088
Loss for the year	(734,090)	(305,245)
Shares issued during the year	1,120,000	-
Closing shareholders' funds	1,956,753	1,570,843

During the current year, the Company reviewed its previous accounting policies regarding capitalisation of assets and recognition of some prepaid balances, and as a result has written off £60,443 in the prior year, and £143,829 in previous years. This has impacted on the profit and loss account for 2011 by £60,443 and brought forward reserves by £204,272.

17 Commitments under operating leases

As at 31 August 2012, the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2012 £	Other 2012 £	Land and buildings 2011 £	Other 2011 £
Operating leases which expire				
Within one year	65,175	2,142	-	1,711
In two to five years	247,268	30,583	157,852	1,240
Over five years	724,600	-	735,000	-
	1,037,043	32,275	892,852	2,951

Apostrophe Restaurants Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (*continued*)

18 Reconciliation of operating loss to net cash inflow from operating activities

	2012 £	2011 As restated £
Operating loss	(691,605)	(266,122)
Depreciation of tangible fixed assets	481,686	495,982
(Increase)/decrease in stocks	(14,023)	6,540
Decrease/(increase) in debtors	2,926	(5,567)
Increase in creditors	568,762	61,703
Loss on disposal of fixed assets	12,328	-
Net cash inflow from operating activities	<u>300,074</u>	<u>292,536</u>

19 Reconciliation of net cash inflow to movement in net funds

	2012 £	2011 £
Increase in cash in the year	339,251	102,607
Cash outflow from decrease in debt and lease financing	453,802	120,000
Movement in net funds in the year	<u>793,053</u>	<u>222,607</u>
Opening net funds/(debt)	16,606	(206,001)
Closing net funds	<u>809,659</u>	<u>16,606</u>

20 Analysis of net debt

	At 1 September 2011 £	Cash flow £	At 31 August 2012 £
Cash in hand and at bank	470,408	339,251	809,659
Debt due within one year	(120,000)	120,000	-
Debts falling due after more than one year	(333,802)	333,802	-
Total	<u>16,606</u>	<u>793,053</u>	<u>809,659</u>