

McDonalds annual report

[Business](#), [Company](#)



Annual Report Project

The letter to the shareholders emphasizes the growth of McDonald's Corporation and their deepening connection with customers on a global scale. In the letter it is stated that Europe now generates about 40% of overall revenue, and that Asia/Pacific, Middle East, and Africa have doubled their income contribution in the past six years. The letter also states that the core drivers of McDonald's Corporation's business are " People, Products, Place, Price, and Promotion," and that they are disciplined around building their brand holistically and enhancing the customer experience. 2.

The Management's Discussion & Analysis (MD&A)

Main topics are; Description of the business, strategic direction and financial performance, highlights from the year, and finally the outlook for 2012. Information of importance gathered within the MD&A includes McDonald's affirmation to continue to be customer-focused. The ability to adapt locally to specific countries and cities allows McDonald's to become " better, not just bigger" (10) giving the company the potential for increased revenue. In 2011 McDonald's remained focused on maximizing their core business as well as driving down administrative costs.

The company took in more in sales than the previous year while spending less, having an operating margin of 31. 6%. McDonald's strives to differentiate from its competitors by sheer growth. \$2. 7 billion dollars was invested primarily to open new stores and remodel existing stores. All dollar amounts expressed in millions.

Sales by Company-Operated Restaurants: 18, 292.

Foodand Paper: 6, 167.

Total Revenue: 12. 2% increase from previous year (24, 074. 6 in 2010 to 27, 006 in 2011)

Operating Income: 14. 1% increase from previous year (7, 473. 1 in 2010 to 8, 529. 7 in 2011)

Net Income: 11. % increase from previous year (4, 946. 3 in 2010 to 5, 503. 1 in 2011)

The amount of common stock cash dividends reported in the Consolidated Statement of Shareholders' Equity paid out was 2, 609.

No notes were provided for dividends, however there was a weighted-average assumption with expected dividend yields to be 3. 2%.

Largest current asset: Cash and Equivalents: 2, 335.

Largest long-term asset: Property and Equipment, at cost: 35, 737.

Trends

Cash and Equivalents decreased 2. 1% from previous year (2, 387 in 2010 to 2, 335 in 2011)

Property and Equipment, at cost increased 3. % (34, 482. 4 in 2010 to 35, 737. 6 in 2011)

Accounts Receivable increased 13. 2% (1, 179, 1 in 2010 to 1, 334. 7 in 2011)

Current Liabilities: 18. 9% of total liabilities: 3, 509.

Largest Liability: Long term debt: 12, 133.

Accounts Payable increased 1.8% (943.9 in 2010 to 961.3 in 2011)

Total liabilities: 56.4% of Total Liabilities and Stockholder's Equity: 18,599.

Kinds of stock reported: Preferred Stock, Common Stock, and Common Stock in Treasury, at cost Retained Earnings: 86% of Stockholder's Equity: 36,707.

Net change in cash for 2011 was (51.3) a decrease. Of the three major activities operating activities was the only to provide cash 7,150.1, while investing activities used cash for investing 2,570.9 as well as financing activities used cash for financing activities 4,533.

The notes are divided into 12 categories which include a total of 35 subcategories. No information about inventories was provided in the notes.

Burger King's most significant source of revenue is company restaurant revenue 1,638. The largest expense that Burger King declares is its selling, general and administrative expense totaling 417. Revenue trend for 2011 compared to 2010 is a loss of (68.7) or 2.9%, operating income trend is 185.1 or 104.3% while net income trend is 42.7 or 94.1%. Largest current asset is cash and cash equivalents listed at 459. Largest long-term asset is intangible assets listed at 2,823. Largest liability Burger King carries is term debt 3,010. 2011 retained earnings was listed as a deficit of (27.6) while total stockholder's equity is listed at 1,049 this is due to the fact the company received an additional 1190 paid-in capital.