

REGISTERED NUMBER: 3283357 (England and Wales)

Abbreviated Financial Statements for the Year Ended 31 December 2001

for

Caspian Networks Ltd



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Caspian Networks Ltd

**Contents of the Financial Statements
for the Year Ended 31 December 2001**

	Page
Company Information	1
Report of the Director	2
Report of the Auditors on the Abbreviated Financial Statements	4
Abbreviated Profit and Loss Account	5
Abbreviated Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Abbreviated Financial Statements	10

Caspian Networks Ltd

**Company Information
for the Year Ended 31 December 2001**

DIRECTOR: Michael Denis Guerin

SECRETARY: Alison Guerin

REGISTERED OFFICE: McDonalds Restaurant
101-105 Horsfair
Bristol
BS1 3JR

REGISTERED NUMBER: 3283357 (England and Wales)

AUDITORS: Parcell & Associates
Chartered Accountants
Registered Auditors
Aldreth
Pearcroft Road
Stonehouse
Gloucestershire GL10 2JY

Caspian Networks Ltd

Report of the Director for the Year Ended 31 December 2001

The director presents his report with the financial statements of the company for the year ended 31 December 2001.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the operation of McDonald's franchises.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

An interim dividend of 1040 per share was paid on 30 April 2001. The director recommends a final dividend of 240 per share, making a total of 1280 per share for the year ended 31 December 2001.

The total distribution of dividends for the year ended 31 December 2001 will be £50,000.

FUTURE DEVELOPMENTS

It is anticipated that the company will continue to be profitable.

DIRECTOR

Michael Denis Guerin was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	31.12.01	1.1.01
Ordinary £1 shares	100	100

STAFF

The company has an ongoing programme of career development for all staff including those with disabilities.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.


Caspian Networks Ltd

**Report of the Director
for the Year Ended 31 December 2001**

AUDITORS

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary Parcell & Associates will continue in office.

ON BEHALF OF THE BOARD:

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

Michael Denis Guerin - DIRECTOR

Dated: 31 August 2002

Caspian Networks Ltd

**Report of the Independent Auditors to
Caspian Networks Ltd
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements on pages five to fifteen, together with the full financial statements of the company for the year ended 31 December 2001 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of director and auditors

The director is responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to fifteen are properly prepared in accordance with that provision.



Parcell & Associates
Chartered Accountants
Registered Auditors
Aldreth
Pearcroft Road
Stonehouse
Gloucestershire GL10 2JY

Dated:  4 September 2002

Caspian Networks Ltd

**Abbreviated Profit and Loss Account
for the Year Ended 31 December 2001**

		31.12.01	31.12.00
	Notes	£	£
GROSS PROFIT		4,289,440	4,373,561
Administrative expenses		4,095,387	4,156,889
OPERATING PROFIT	3	194,053	216,672
Interest receivable and similar income		6	11
		194,059	216,683
Interest payable and similar charges	4	9,374	17,671
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		184,685	199,012
Tax on profit on ordinary activities	5	44,612	43,392
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		140,073	155,620
Dividends	6	50,000	30,000
		90,073	125,620
Retained profit brought forward		779,991	654,371
RETAINED PROFIT CARRIED FORWARD		£870,064	£779,991

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

Caspian Networks Ltd

**Abbreviated Balance Sheet
31 December 2001**

		31.12.01		31.12.00	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	7		797,755		731,893
Tangible assets	8		642,804		586,152
			<u>1,440,559</u>		<u>1,318,045</u>
CURRENT ASSETS:					
Stocks	9	59,121		89,512	
Debtors	10	144,733		96,932	
Cash at bank and in hand		580,626		831,261	
		<u>784,480</u>		<u>1,017,705</u>	
CREDITORS: Amounts falling due within one year	11	1,055,945		1,075,748	
NET CURRENT LIABILITIES:			<u>(271,465)</u>		<u>(58,043)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,169,094		1,260,002
CREDITORS: Amounts falling due after more than one year	12		(232,140)		(417,852)
PROVISIONS FOR LIABILITIES AND CHARGES:	14		(66,790)		(62,059)
			<u>£870,164</u>		<u>£780,091</u>
CAPITAL AND RESERVES:					
Called up share capital	15		100		100
Profit and loss account			870,064		779,991
SHAREHOLDERS' FUNDS:	16		<u>£870,164</u>		<u>£780,091</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:



- DIRECTOR

Approved by the Board on 31 August 2002

The notes form part of these financial statements

Caspian Networks Ltd

**Cash Flow Statement
for the Year Ended 31 December 2001**

		31.12.01	31.12.00
	Notes	£	£
Net cash inflow from operating activities	1	406,494	307,450
Returns on investments and servicing of finance	2	(9,368)	(17,660)
Taxation		(46,547)	(56,633)
Capital expenditure	2	(307,387)	(71,386)
Equity dividends paid		(50,000)	(30,000)
		<u>(6,808)</u>	<u>131,771</u>
Financing	2	(243,827)	(245,857)
Decrease in cash in the period		<u>£(250,635)</u>	<u>£(114,086)</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		<u>(250,635)</u>	<u>(114,086)</u>
Change in net funds resulting from cash flows		(250,635)	(114,086)
Movement in net funds in the period		<u>(250,635)</u>	<u>(114,086)</u>
Net funds at 1 January		<u>831,261</u>	<u>945,347</u>
Net funds at 31 December		<u>£580,626</u>	<u>£831,261</u>

The notes form part of these financial statements

Caspian Networks Ltd

Notes to the Cash Flow Statement for the Year Ended 31 December 2001

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

	31.12.01 £	31.12.00 £
Operating profit	194,053	216,672
Depreciation charges	184,871	164,752
Decrease/(Increase) in stocks	30,391	(28,388)
Increase in debtors	(47,801)	(6,027)
Increase/(Decrease) in creditors	44,980	(39,559)
Net cash inflow from operating activities	<u>406,494</u>	<u>307,450</u>

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

	31.12.01 £	31.12.00 £
Returns on investments and servicing of finance		
Interest received	6	11
Interest paid	(9,374)	(17,671)
Net cash outflow for returns on investments and servicing of finance	<u>(9,368)</u>	<u>(17,660)</u>
Capital expenditure		
Purchase of intangible fixed assets	(112,826)	-
Purchase of tangible fixed assets	(194,561)	(71,386)
Net cash outflow for capital expenditure	<u>(307,387)</u>	<u>(71,386)</u>
Financing		
Loan repayments in year	(185,712)	(185,712)
Amount withdrawn by directors	(58,115)	(60,145)
Net cash outflow from financing	<u>(243,827)</u>	<u>(245,857)</u>

The notes form part of these financial statements

Caspian Networks Ltd

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2001**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.01 £	Cash flow £	At 31.12.01 £
Net cash:			
Cash at bank and in hand	831,261	(250,635)	580,626
	<u>831,261</u>	<u>(250,635)</u>	<u>580,626</u>
 Total	 <u>831,261</u>	 <u>(250,635)</u>	 <u>580,626</u>
Analysed in Balance Sheet			
 Cash at bank and in hand	 831,261		 580,626
	<u>831,261</u>		<u>580,626</u>

The notes form part of these financial statements

Caspian Networks Ltd

Notes to the Abbreviated Financial Statements for the Year Ended 31 December 2001

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Intangible assets

The Franchise rights were acquired in 1996 and 2001 and are being written off over their estimated useful life of 20 years.

Tangible fixed assets

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

Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

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

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

Pensions

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. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	31.12.01	31.12.00
	£	£
Wages and salaries	1,152,474	1,117,912
Social security costs	276,504	283,939
Other pension costs	22,124	14,364
	<u>1,451,102</u>	<u>1,416,215</u>

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

	31.12.01	31.12.00
Production staff	290	230
Office and management	2	2
	<u>292</u>	<u>232</u>

Caspian Networks Ltd

Notes to the Abbreviated Financial Statements for the Year Ended 31 December 2001

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.01	31.12.00
	£	£
Depreciation - owned assets	137,907	118,928
Franchise rights written off	46,964	45,824
Auditors' remuneration	3,750	3,000
	<u>15,066</u>	<u>13,750</u>
Director's emoluments	<u>15,066</u>	<u>13,750</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	1	1
	<u>1</u>	<u>1</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.01	31.12.00
	£	£
Bank loan interest	9,374	17,671
	<u>9,374</u>	<u>17,671</u>

5. TAXATION

Analysis of the tax charge

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

	31.12.01	31.12.00
	£	£
Current tax:		
UK corporation tax	39,880	46,629
Deferred tax:		
Deferred taxation	4,732	(3,237)
	<u>44,612</u>	<u>43,392</u>
Tax on profit on ordinary activities	<u>44,612</u>	<u>43,392</u>

UK corporation tax has been charged at 20% (2000 - 20%).

6. DIVIDENDS

	31.12.01	31.12.00
	£	£
Equity shares:		
Interim - share type 1	26,000	30,000
Final - share type 1	24,000	-
	<u>50,000</u>	<u>30,000</u>
	<u>50,000</u>	<u>30,000</u>

Caspian Networks Ltd

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2001**

7. INTANGIBLE FIXED ASSETS

	Franchise rights
	£
COST:	
At 1 January 2001	916,484
Additions	112,826
	<hr/>
At 31 December 2001	1,029,310
	<hr/>
AMORTISATION:	
At 1 January 2001	184,591
Charge for year	46,964
	<hr/>
At 31 December 2001	231,555
	<hr/>
NET BOOK VALUE:	
At 31 December 2001	797,755
	<hr/>
At 31 December 2000	731,893
	<hr/>

8. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 January 2001	907,178	138,186	51,419	1,096,783
Additions	113,495	81,066	-	194,561
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2001	1,020,673	219,252	51,419	1,291,344
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION:				
At 1 January 2001	451,262	47,303	12,068	510,633
Charge for year	85,412	42,655	9,840	137,907
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2001	536,674	89,958	21,908	648,540
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE:				
At 31 December 2001	483,999	129,294	29,511	642,804
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At 31 December 2000	455,916	90,885	39,351	586,152
	<hr/>	<hr/>	<hr/>	<hr/>

Caspian Networks Ltd

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2001**

9. STOCKS

	31.12.01	31.12.00
	£	£
Food stock	38,006	52,845
Paper stock	12,138	17,271
Non product stock	8,977	19,396
	<u>59,121</u>	<u>89,512</u>

**10. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.01	31.12.00
	£	£
Trade debtors	625	522
Other debtors	381	646
Prepayments	87,477	55,764
Security deposit	56,250	40,000
	<u>144,733</u>	<u>96,932</u>

**11. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.01	31.12.00
	£	£
Bank loans and overdrafts (see note 13)	185,712	185,712
Trade creditors	213,032	222,893
Directors current accounts	104,159	162,275
Customs & Excise	195,664	175,552
Other creditors	31,027	27,107
Social security & other taxes	27,586	23,972
Taxation	39,880	46,547
Accrued expenses	258,885	231,690
	<u>1,055,945</u>	<u>1,075,748</u>

**12. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31.12.01	31.12.00
	£	£
Bank loans (see note 13)	<u>232,140</u>	<u>417,852</u>

Caspian Networks Ltd

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2001**

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.12.01 £	31.12.00 £
Amounts falling due within one year or on demand:		
Bank loans	<u>185,712</u>	<u>185,712</u>
Amounts falling due between one and two years:		
Bank loans	<u>185,712</u>	<u>185,712</u>
Amounts falling due between two and five years:		
Bank loans	<u>46,428</u>	<u>232,140</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

	31.12.01 £	31.12.00 £
Deferred taxation	<u>66,790</u>	<u>62,059</u>
	Deferred tax £	
Balance at 1 January 2001	62,059	
Increase in provision	<u>4,731</u>	
Balance at 31 December 2001	<u>66,790</u>	

15. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.01 £	31.12.00 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

Caspian Networks Ltd

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2001**

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.01	31.12.00
	£	£
Profit for the financial year	140,073	155,620
Dividends	(50,000)	(30,000)
	<u>90,073</u>	<u>125,620</u>
Net addition to shareholders' funds		
Opening shareholders' funds	780,091	654,471
	<u>870,164</u>	<u>780,091</u>
Closing shareholders' funds		
	<u>870,164</u>	<u>780,091</u>
Equity interests	<u>870,164</u>	<u>780,091</u>