

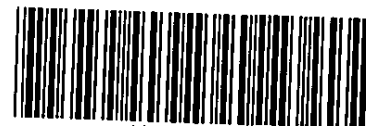
REGISTERED NUMBER: 03283357 (England and Wales)

Abbreviated Accounts for the Year Ended 31 December 2006

for

Caspian Networks Ltd

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Caspian Networks Ltd

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Caspian Networks Ltd
Company Information
for the Year Ended 31 December 2006

DIRECTOR: Michael Denis Guerin

SECRETARY: Alison Guerin

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

REGISTERED NUMBER: 03283357 (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 2006

The director presents his report with the accounts of the company for the year ended 31 December 2006

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 accounts

The Broadmeads area of Bristol, where two of the company's restaurants are located, has been the subject of major redevelopment in the year under review. This has severely impacted sales. However the director considers that the long term prospects for these stores is extremely good, as the redevelopment, when completed, is expected to attract many shoppers to the area.

DIVIDENDS

The following interim dividends were paid to holders of both A and B shares

- 30th January 2006 £300 per share
- 30th April 2006 £640 per share
- 30th November 2006 £640 per share

FUTURE DEVELOPMENTS

The company intends a program of refurbishment co-inciding with the completion of the Broadmeads shopping development

DIRECTOR

Michael Denis Guerin held office during the whole of the period from 1 January 2006 to the date of this report

STAFF

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

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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

Caspian Networks Ltd

**Report of the Director
for the Year Ended 31 December 2006**

STATEMENT OF DIRECTOR'S RESPONSIBILITIES - continued

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.

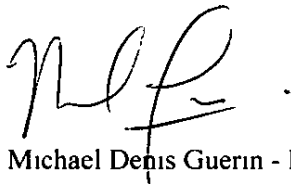
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:



Michael Denis Guerin - Director

21 November 2007

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

We have examined the abbreviated accounts set out on pages five to seventeen, together with the financial statements of Caspian Networks Ltd for the year ended 31 December 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

The director is responsible for preparing the abbreviated accounts 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 accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin 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 accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



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

Date  10 December 2007

Caspian Networks Ltd

**Abbreviated Profit and Loss Account
for the Year Ended 31 December 2006**

	Notes	31 12 06 £	31 12 05 £
GROSS PROFIT		4,189,534	4,267,957
Administrative expenses		4,094,079	4,180,287
OPERATING PROFIT	3	95,455	87,670
Interest receivable and similar income		3,439	4,703
		98,894	92,373
Interest payable and similar charges	4	16,717	2,411
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		82,177	89,962
Tax on profit on ordinary activities	5	22,486	17,998
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		59,691	71,964
PROFIT FOR THE YEAR		59,691	71,964
Retained profit brought forward		1,053,150	1,121,186
		1,112,841	1,193,150
Dividends	6	(158,000)	(140,000)
RETAINED PROFIT CARRIED FORWARD		954,841	1,053,150

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 abbreviated accounts


Caspian Networks Ltd

**Abbreviated Balance Sheet
31 December 2006**

	Notes	31 12 06 £	31 12 05 £
FIXED ASSETS			
Intangible assets	7	790,224	587,098
Tangible assets	8	747,878	487,093
Investments	9	8,750	6,250
		<u>1,546,852</u>	<u>1,080,441</u>
CURRENT ASSETS			
Stocks	10	69,660	61,134
Debtors	11	105,616	145,213
Cash at bank and in hand		748,202	578,067
		<u>923,478</u>	<u>784,414</u>
CREDITORS			
Amounts falling due within one year	12	<u>1,128,186</u>	<u>755,498</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(204,708)</u>	<u>28,916</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,342,144</u>	<u>1,109,357</u>
CREDITORS			
Amounts falling due after more than one year	13	(318,265)	-
PROVISIONS FOR LIABILITIES	16	<u>(68,938)</u>	<u>(56,107)</u>
NET ASSETS		<u><u>954,941</u></u>	<u><u>1,053,250</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	100	100
Profit and loss account		<u>954,841</u>	<u>1,053,150</u>
SHAREHOLDERS' FUNDS	19	<u><u>954,941</u></u>	<u><u>1,053,250</u></u>

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

The financial statements were approved by the director on 21 November 2007 and were signed by



Michael Dents Guerin - Director

The notes form part of these abbreviated accounts

Caspian Networks Ltd
Cash Flow Statement
for the Year Ended 31 December 2006

	Notes	31 12 06 £	£	31 12 05 £	£
Net cash inflow from operating activities	1		427,834		224,936
Returns on investments and servicing of finance	2		(13,278)		2,292
Taxation			(24,767)		(39,848)
Capital expenditure and financial investment	2		(612,921)		(120,739)
Equity dividends paid			(158,000)		(140,000)
			(381,132)		(73,359)
Financing	2		448,732		6,821
Increase/(Decrease) in cash in the period			67,600		(66,538)
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase/(Decrease) in cash in the period		67,600		(66,538)	
Cash inflow from increase in debt		(416,790)		-	
Change in net funds resulting from cash flows			(349,190)		(66,538)
Movement in net funds in the period			(349,190)		(66,538)
Net funds at 1 January			578,067		644,605
Net funds at 31 December			228,877		578,067

The notes form part of these abbreviated accounts

Caspian Networks Ltd

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2006**

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

	31 12 06	31 12 05
	£	£
Operating profit	95,455	87,670
Depreciation charges	146,511	145,149
Rounding adjustment	1	-
(Increase)/Decrease in stocks	(8,526)	1,352
Decrease/(Increase) in debtors	39,595	(38,136)
Increase in creditors	154,798	28,901
Net cash inflow from operating activities	<u>427,834</u>	<u>224,936</u>

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

	31 12 06	31 12 05
	£	£
Returns on investments and servicing of finance		
Interest received	3,439	4,703
Interest paid	(16,717)	(2,411)
Net cash (outflow)/inflow for returns on investments and servicing of finance	<u>(13,278)</u>	<u>2,292</u>
 Capital expenditure and financial investment		
Purchase of intangible fixed assets	(258,666)	-
Purchase of tangible fixed assets	(351,755)	(120,739)
Purchase of fixed asset investments	(2,500)	-
Net cash outflow for capital expenditure and financial investment	<u>(612,921)</u>	<u>(120,739)</u>
 Financing		
New loans in year	416,790	-
Amount introduced by directors	158,000	148,777
Amount withdrawn by directors	(126,058)	(141,956)
Net cash inflow from financing	<u>448,732</u>	<u>6,821</u>

The notes form part of these abbreviated accounts

Caspian Networks Ltd

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2006**

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 1 06 £	Cash flow £	At 31 12 06 £
Net cash			
Cash at bank and in hand	578,067	170,135	748,202
Bank overdraft	-	(102,535)	(102,535)
	<u>578,067</u>	<u>67,600</u>	<u>645,667</u>
 Debt			
Debts falling due within one year	-	(98,525)	(98,525)
Debts falling due after one year	-	(318,265)	(318,265)
	<u>-</u>	<u>(416,790)</u>	<u>(416,790)</u>
 Total	<u>578,067</u>	<u>(349,190)</u>	<u>228,877</u>

The notes form part of these abbreviated accounts

Caspian Networks Ltd

Notes to the Abbreviated Accounts for the Year Ended 31 December 2006

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 2001 and 2006 and are being written off over the respective franchise terms

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 and at varying rates on cost
Fixtures and fittings	- 25% on reducing balance

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

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

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 06	31 12 05
	£	£
Wages and salaries	1,726,258	1,704,372
Social security costs	108,610	106,474
Other pension costs	21,737	27,221
	<u>1,856,605</u>	<u>1,838,067</u>

Caspian Networks Ltd

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2006**

2 STAFF COSTS - continued

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

	31 12 06	31 12 05
Production staff	271	240
Office and management	22	16
	<u>293</u>	<u>256</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	31 12 06	31 12 05
	£	£
Hire of plant and machinery	3,998	6,921
Other operating leases	590,311	697,894
Depreciation - owned assets	90,971	92,485
Franchise rights & fees amortisation	55,540	52,664
Auditors' remuneration	6,175	4,056
	<u>6,185</u>	<u>8,520</u>
Director's emoluments	15,000	15,000
Director's pension contributions to money purchase schemes	10,000	10,000
	<u>25,000</u>	<u>25,000</u>

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

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

4 INTEREST PAYABLE AND SIMILAR CHARGES

	31 12 06	31 12 05
	£	£
Bank interest	16,717	2,411
	<u>16,717</u>	<u>2,411</u>

Caspian Networks Ltd

Notes to the Abbreviated Accounts - continued for the Year Ended 31 December 2006

5 TAXATION

Analysis of the tax charge

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

	31 12 06 £	31 12 05 £
Current tax		
UK corporation tax	9,655	24,767
Deferred tax	12,831	(6,769)
Tax on profit on ordinary activities	<u>22,486</u>	<u>17,998</u>

UK corporation tax has been charged at 19% (2005 - 19%)

Factors affecting the tax charge

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

	31 12 06 £	31 12 05 £
Profit on ordinary activities before tax	<u>82,177</u>	<u>89,962</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2005 - 19%)	15,614	17,093
Effects of Depreciation	27,836	27,578
Capital allowances	(37,146)	(20,101)
Non deductible expenses	<u>3,351</u>	<u>197</u>
Current tax charge	<u>9,655</u>	<u>24,767</u>

6 DIVIDENDS

	31 12 06 £	31 12 05 £
Ordinary A shares of £1 each		
Interim	118,500	105,000
Ordinary B shares of £1 each		
Interim	<u>39,500</u>	<u>35,000</u>
	<u>158,000</u>	<u>140,000</u>

Caspian Networks Ltd

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2006**

7 INTANGIBLE FIXED ASSETS

	Franchise rights & fees £
COST	
At 1 January 2006	1,029,310
Additions	258,666
	<hr/>
At 31 December 2006	1,287,976
	<hr/>
AMORTISATION	
At 1 January 2006	442,212
Amortisation for year	55,540
	<hr/>
At 31 December 2006	497,752
	<hr/>
NET BOOK VALUE	
At 31 December 2006	790,224
	<hr/>
At 31 December 2005	587,098
	<hr/>

8 TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2006	-	1,278,321	222,360	1,500,681
Additions	16,091	333,289	2,375	351,755
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	16,091	1,611,610	224,735	1,852,436
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 January 2006	-	832,853	180,734	1,013,587
Charge for year	67	80,751	10,153	90,971
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2006	67	913,604	190,887	1,104,558
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 December 2006	16,024	698,006	33,848	747,878
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2005	-	445,468	41,626	487,094
	<hr/>	<hr/>	<hr/>	<hr/>

Caspian Networks Ltd

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2006**

9 FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 January 2006	6,250
Additions	<u>2,500</u>
At 31 December 2006	<u>8,750</u>
NET BOOK VALUE	
At 31 December 2006	<u>8,750</u>
At 31 December 2005	<u>6,250</u>

Fixed asset investments consists of 8,750 ordinary shares of £1 each in Fries Holding Company Limited, a company registered in Guernsey The investments are included in the accounts at cost

10 STOCKS

	31 12 06 £	31 12 05 £
Food stock	48,275	41,730
Paper stock	14,816	13,233
Non product stock	<u>6,569</u>	<u>6,171</u>
	<u>69,660</u>	<u>61,134</u>

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 06 £	31 12 05 £
Trade debtors	6,051	13,609
Other debtors	11,136	62,065
Prepayments	<u>88,429</u>	<u>69,539</u>
	<u>105,616</u>	<u>145,213</u>

Caspian Networks Ltd

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2006**

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 06	31 12 05
	£	£
Bank loans and overdrafts (see note 14)	201,060	-
Trade creditors	280,515	211,269
Tax	9,655	24,767
Social security and other taxes	284	-
VAT	191,942	171,935
Other creditors	130,003	87,707
Directors' current accounts	47,540	15,598
Accrued expenses	267,187	244,222
	<u>1,128,186</u>	<u>755,498</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 12 06	31 12 05
	£	£
Bank loans (see note 14)	<u>318,265</u>	<u>-</u>

14 LOANS

An analysis of the maturity of loans is given below

	31 12 06	31 12 05
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	102,535	-
Bank loans	98,525	-
	<u>201,060</u>	<u>-</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>98,525</u>	<u>-</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>219,740</u>	<u>-</u>

Caspian Networks Ltd

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2006**

15 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings	
	31 12 06	31 12 05
	£	£
Expiring In more than five years	602,160	386,568
	<u>602,160</u>	<u>386,568</u>

16 PROVISIONS FOR LIABILITIES

	31 12 06	31 12 05
	£	£
Deferred tax	68,938	56,107
	<u>68,938</u>	<u>56,107</u>
		Deferred tax
		£
Balance at 1 January 2006		56,107
Profit & Loss		12,831
		<u>68,938</u>
Balance at 31 December 2006		<u>68,938</u>

17 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	31 12 06	31 12 05
			£	£
75	Ordinary A	£1	75	75
25	Ordinary B	£1	25	25
			<u>100</u>	<u>100</u>
Allotted, issued and fully paid Number	Class	Nominal value	31.12 06	31 12 05
			£	£
75	Ordinary A	£1	100	100
25	Ordinary B	£1	-	-
			<u>100</u>	<u>100</u>

Caspian Networks Ltd

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2006**

18 CAPITAL COMMITMENTS

	31 12 06	31 12 05
	£	£
Contracted but not provided for in the financial statements	-	525,000
	<u> </u>	<u> </u>

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 12 06	31 12 05
	£	£
Profit for the financial year	59,691	71,964
Dividends	(158,000)	(140,000)
	<u> </u>	<u> </u>
Net reduction of shareholders' funds	(98,309)	(68,036)
Opening shareholders' funds	1,053,250	1,121,286
	<u> </u>	<u> </u>
Closing shareholders' funds	954,941	1,053,250
	<u> </u>	<u> </u>