

REGISTERED NUMBER: 03283357 (England and Wales)

Abbreviated Accounts for the Year Ended 31 December 2007

for

Caspian Networks Ltd



Caspian Networks Ltd

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Caspian Networks Ltd

Company Information
for the Year Ended 31 December 2007

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 2007

The director presents his report with the accounts of the company for the year ended 31 December 2007.

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

Interim dividends per share were paid as follows

Ordinary A £1 shares	£1,280	- 30 April 2007
Ordinary B £1 shares	£1,280	- 30 April 2007

The director recommends that no final dividends be paid

The total distribution of dividends for the year ended 31 December 2007 will be £128,000

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 2007 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 2007**

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.

ON BEHALF OF THE BOARD:



Michael Denis Guerin - Director

20 October 2008

**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 2007 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

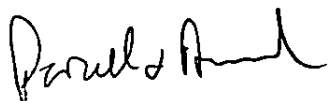
The director is responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the 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

20 October 2008

Caspian Networks Ltd

**Abbreviated Profit and Loss Account
for the Year Ended 31 December 2007**

	Notes	31 12 07 £	31 12 06 £
GROSS PROFIT		6,074,536	4,189,534
Administrative expenses		5,840,501	4,094,079
OPERATING PROFIT	3	234,035	95,455
Interest receivable and similar income		22,548	3,439
		256,583	98,894
Interest payable and similar charges	4	26,176	16,717
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		230,407	82,177
Tax on profit on ordinary activities	5	60,844	22,486
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		169,563	59,691
PROFIT FOR THE YEAR		169,563	59,691
Retained profit brought forward		954,841	1,053,150
		1,124,404	1,112,841
Dividends	6	(128,000)	(158,000)
RETAINED PROFIT CARRIED FORWARD		996,404	954,841

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 2007**

	Notes	31 12 07 £	£	31 12 06 £	£
FIXED ASSETS					
Intangible assets	7		720,353		790,224
Tangible assets	8		782,233		747,878
Investments	9		8,750		8,750
			<u>1,511,336</u>		<u>1,546,852</u>
CURRENT ASSETS					
Stocks	10	65,797		69,660	
Debtors	11	109,842		105,616	
Cash at bank and in hand		862,651		748,202	
		<u>1,038,290</u>		<u>923,478</u>	
CREDITORS					
Amounts falling due within one year	12	1,169,224		1,128,186	
			<u>(130,934)</u>		<u>(204,708)</u>
NET CURRENT LIABILITIES					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			1,380,402		1,342,144
CREDITORS					
Amounts falling due after more than one year	13		(304,811)		(318,265)
PROVISIONS FOR LIABILITIES					
	16		(79,087)		(68,938)
NET ASSETS					
			<u>996,504</u>		<u>954,941</u>
CAPITAL AND RESERVES					
Called up share capital	17		100		100
Profit and loss account			996,404		954,841
SHAREHOLDERS' FUNDS					
	18		<u>996,504</u>		<u>954,941</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 20 October 2008 and were signed by



Michael Denis Guerin - Director

The notes form part of these abbreviated accounts

Caspian Networks Ltd

**Cash Flow Statement
for the Year Ended 31 December 2007**

	Notes	31 12 07 £	£	31 12 06 £	£
Net cash inflow from operating activities	1		491,840		427,834
Returns on investments and servicing of finance	2		(3,628)		(13,278)
Taxation			(9,761)		(24,767)
Capital expenditure and financial investment	2		(253,426)		(612,921)
Equity dividends paid			(128,000)		(158,000)
			97,025		(381,132)
Financing	2		119,959		448,732
Increase in cash in the period			<u>216,984</u>		<u>67,600</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		216,984		67,600	
Cash inflow from increase in debt and lease financing		<u>(108,545)</u>		<u>(416,790)</u>	
Change in net funds resulting from cash flows			108,439		(349,190)
New finance leases			90,147		-
Movement in net funds in the period			<u>198,586</u>		<u>(349,190)</u>
Net funds at 1 January			<u>228,877</u>		<u>578,067</u>
Net funds at 31 December			<u><u>427,463</u></u>		<u><u>228,877</u></u>

The notes form part of these abbreviated accounts

Caspian Networks Ltd

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2007**

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

	31 12 07	31 12 06
	£	£
Operating profit	234,035	95,455
Depreciation charges	198,795	146,511
Rounding adjustment	-	1
Decrease/(Increase) in stocks	3,863	(8,526)
(Increase)/Decrease in debtors	(4,226)	39,595
Increase in creditors	59,373	154,798
	<u>491,840</u>	<u>427,834</u>
Net cash inflow from operating activities	<u><u>491,840</u></u>	<u><u>427,834</u></u>

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

	31 12 07	31 12 06
	£	£
Returns on investments and servicing of finance		
Interest received	22,548	3,439
Interest paid	(24,765)	(16,717)
Interest element of hire purchase payments	(1,411)	-
	<u>(3,628)</u>	<u>(13,278)</u>
Net cash outflow for returns on investments and servicing of finance	<u><u>(3,628)</u></u>	<u><u>(13,278)</u></u>
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(258,666)
Purchase of tangible fixed assets	(253,426)	(351,755)
Purchase of fixed asset investments	-	(2,500)
	<u>(253,426)</u>	<u>(612,921)</u>
Net cash outflow for capital expenditure and financial investment	<u><u>(253,426)</u></u>	<u><u>(612,921)</u></u>
Financing		
New loans in year	-	416,790
Loan repayments in year	(71,749)	-
Capital repayments in year	180,294	-
Amount introduced by directors	1	158,000
Amount withdrawn by directors	11,413	(126,058)
	<u>119,959</u>	<u>448,732</u>
Net cash inflow from financing	<u><u>119,959</u></u>	<u><u>448,732</u></u>

The notes form part of these abbreviated accounts

Caspian Networks Ltd

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2007**

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 1 07 £	Cash flow £	Other non-cash changes £	At 31 12 07 £
Net cash				
Cash at bank and in hand	748,202	114,449		862,651
Bank overdraft	(102,535)	102,535		-
	<u>645,667</u>	<u>216,984</u>		<u>862,651</u>
Debt				
Hire purchase	-	(180,294)	90,147	(90,147)
Debts falling due within one year	(98,525)	-	-	(98,525)
Debts falling due after one year	(318,265)	71,749	-	(246,516)
	<u>(416,790)</u>	<u>(108,545)</u>	<u>90,147</u>	<u>(435,188)</u>
Total	<u>228,877</u>	<u>108,439</u>	<u>90,147</u>	<u>427,463</u>

The notes form part of these abbreviated accounts

Caspian Networks Ltd

Notes to the Abbreviated Accounts for the Year Ended 31 December 2007

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 or, if held under a finance lease, over the lease term, whichever is the shorter

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

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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.

Caspian Networks Ltd

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2007**

2 STAFF COSTS

	31 12 07	31 12 06
	£	£
Wages and salaries	2,467,682	1,726,258
Social security costs	162,298	108,610
Other pension costs	18,434	21,737
	<u>2,648,414</u>	<u>1,856,605</u>

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

	31 12 07	31 12 06
Production staff	299	271
Office and management	23	22
	<u>322</u>	<u>293</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	31 12 07	31 12 06
	£	£
Hire of plant and machinery	5,941	3,998
Other operating leases	952,817	590,311
Depreciation - owned assets	116,725	90,971
Depreciation - assets on hire purchase contracts	12,199	-
Franchise rights & fees amortisation	69,871	55,540
Auditors' remuneration	6,480	6,175
	<u>15,002</u>	<u>15,000</u>
Director's emoluments	-	10,000
Director's pension contributions to money purchase schemes	<u>-</u>	<u>10,000</u>

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

Money purchase schemes	<u>-</u>	<u>1</u>
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4 INTEREST PAYABLE AND SIMILAR CHARGES

	31 12 07	31 12 06
	£	£
Bank interest	24,765	16,717
Hire purchase	1,411	-
	<u>26,176</u>	<u>16,717</u>

Caspian Networks Ltd

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2007**

5 TAXATION

Analysis of the tax charge

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

	31 12 07 £	31 12 06 £
Current tax		
UK corporation tax	50,695	9,655
Deferred tax	10,149	12,831
Tax on profit on ordinary activities	<u>60,844</u>	<u>22,486</u>

UK corporation tax has been charged at 19.75% (2006 - 19%)

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

	31 12 07 £	31 12 06 £
Profit on ordinary activities before tax	<u>230,407</u>	<u>82,177</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.750% (2006 - 19%)	45,505	15,614
Effects of		
Depreciation	35,874	27,836
Capital allowances	(31,920)	(37,146)
Non deductible expenses	1,236	3,351
Current tax charge	<u>50,695</u>	<u>9,655</u>

6 DIVIDENDS

	31 12 07 £	31 12 06 £
Ordinary A shares of £1 each		
Interim	96,000	118,500
Ordinary B shares of £1 each		
Interim	32,000	39,500
	<u>128,000</u>	<u>158,000</u>

Caspian Networks Ltd

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2007**

7 INTANGIBLE FIXED ASSETS

	Franchise rights & fees £
COST	
At 1 January 2007	
and 31 December 2007	1,287,976
AMORTISATION	
At 1 January 2007	497,752
Amortisation for year	69,871
At 31 December 2007	567,623
NET BOOK VALUE	
At 31 December 2007	720,353
At 31 December 2006	790,224

8 TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2007	16,091	1,611,610	224,735	1,852,436
Additions	-	163,279	-	163,279
At 31 December 2007	16,091	1,774,889	224,735	2,015,715
DEPRECIATION				
At 1 January 2007	67	913,604	190,887	1,104,558
Charge for year	798	119,664	8,462	128,924
At 31 December 2007	865	1,033,268	199,349	1,233,482
NET BOOK VALUE				
At 31 December 2007	15,226	741,621	25,386	782,233
At 31 December 2006	16,024	698,006	33,848	747,878

Caspian Networks Ltd

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2007**

8 TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Plant and machinery £
COST	
Additions	81,324
At 31 December 2007	<u>81,324</u>
DEPRECIATION	
Charge for year	12,199
At 31 December 2007	<u>12,199</u>
NET BOOK VALUE	
At 31 December 2007	<u><u>69,125</u></u>

9 FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 January 2007 and 31 December 2007	8,750
NET BOOK VALUE	
At 31 December 2007	<u>8,750</u>
At 31 December 2006	<u><u>8,750</u></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 07 £	31 12 06 £
Food stock	39,191	48,275
Paper stock	14,246	14,816
Non product stock	12,360	6,569
	<u>65,797</u>	<u><u>69,660</u></u>

Caspian Networks Ltd

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2007**

11 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 07	31 12 06
	£	£
Trade debtors	8,522	6,051
Other debtors	16,158	11,136
Prepayments	85,162	88,429
	<u>109,842</u>	<u>105,616</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 07	31 12 06
	£	£
Bank loans and overdrafts (see note 14)	98,525	201,060
Hire purchase contracts (see note 15)	31,852	-
Trade creditors	235,586	280,515
Tax	50,589	9,655
Social security and other taxes	32,082	284
VAT	248,612	191,942
Other creditors	141,916	130,003
Directors' current accounts	58,954	47,540
Accrued expenses	271,108	267,187
	<u>1,169,224</u>	<u>1,128,186</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 12 07	31 12 06
	£	£
Bank loans (see note 14)	246,516	318,265
Hire purchase contracts (see note 15)	58,295	-
	<u>304,811</u>	<u>318,265</u>

14 LOANS

An analysis of the maturity of loans is given below

	31 12 07	31 12 06
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	-	102,535
Bank loans	98,525	98,525
	<u>98,525</u>	<u>201,060</u>

Caspian Networks Ltd

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2007**

14 LOANS - continued	31 12 07 £	31 12 06 £
Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>98,525</u>	<u>98,525</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>147,991</u>	<u>219,740</u>

15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	31 12 07	31 12 06
	£	£
Net obligations repayable		
Within one year	31,852	-
Between one and five years	<u>58,295</u>	<u>-</u>
	<u>90,147</u>	<u>-</u>

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

	Land and buildings	
	31 12 07	31 12 06
	£	£
Expiring		
In more than five years	<u>547,716</u>	<u>602,160</u>

16 PROVISIONS FOR LIABILITIES

	31 12 07	31 12 06
	£	£
Deferred tax	<u>79,087</u>	<u>68,938</u>
		Deferred tax
		£
Balance at 1 January 2007		68,938
Profit & Loss		<u>10,149</u>
Balance at 31 December 2007		<u>79,087</u>

Caspian Networks Ltd

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2007**

17 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid		Nominal value	31 12 07	31 12 06
Number	Class		£	£
75	Ordinary A	£1	75	75
25	Ordinary B	£1	25	25
			<u>100</u>	<u>100</u>

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 12 07	31 12 06
	£	£
Profit for the financial year	169,563	59,691
Dividends	(128,000)	(158,000)
Net addition/(reduction) to shareholders' funds	<u>41,563</u>	<u>(98,309)</u>
Opening shareholders' funds	954,941	1,053,250
Closing shareholders' funds	<u>996,504</u>	<u>954,941</u>