

**Abbreviated Accounts for the Year Ended 31 December 2012**  
**for**  
**Caspian Networks Ltd**

TUESDAY



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24/09/2013  
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for the Year Ended 31 December 2012**

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**Caspian Networks Ltd**  
**Company Information**  
**for the Year Ended 31 December 2012**

<b>DIRECTOR:</b>	Michael Denis Guerin
<b>SECRETARY:</b>	Alison Guerin
<b>REGISTERED OFFICE:</b>	McDonalds Restaurant 101-105 Horsefair Bristol BS1 3JR
<b>REGISTERED NUMBER:</b>	03283357 (England and Wales)
<b>AUDITORS:</b>	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 2012**

The director presents his report with the accounts of the company for the year ended 31 December 2012

#### **PRINCIPAL ACTIVITY**

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

#### **REVIEW OF BUSINESS**

The company has traded successfully in the year, The company acquired 3 new outlets in early 2013 and currently operates 12 restaurants and employs about 800 staff

#### **Key Performance Indicators**

Sales growth has continued to be strong, like for like sales being increased by over 6% The business cash-flow is healthy and the company is able to meet repayments

#### **Risks and Uncertainties**

Principle risks are increasing commodity prices, adding pressure to margins, and significant upward movements in interest rates might also increase costs The first mentioned risk is controlled by McDonald's collective purchasing initiatives The level of borrowing is such that interest rate increases are manageable

#### **DIVIDENDS**

Interim dividends per share were paid as follows

Ordinary A £1 shares	£1000	- 28 September 2012
Ordinary B £1 shares	£3000	- 28 September 2012

The director recommends that no final dividends be paid

The total distribution of dividends for the year ended 31 December 2012 will be £150,000

#### **DIRECTOR**

Michael Denis Guerin held office during the whole of the period from 1 January 2012 to the date of this report

#### **EMPLOYMENT OF DISABLED PERSONS**

The company operates a policy of giving full & fair consideration to employment applications from disabled persons

#### **PROVISION OF INFORMATION TO EMPLOYEES**

The company has a system for providing employees with information of concern to them It also consults employees on a regular basis so that their views can be taken into account in making decisions affecting them It regularly explains to employees the financial and economic factors affecting the performance of the company and makes them aware of the provision of training, career development and employment of disabled employees

**Caspian Networks Ltd**

**Report of the Director  
for the Year Ended 31 December 2012**

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Report of the Director and 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). Under company law the director must not approve the financial statements unless he is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 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 him to ensure that the financial statements comply with the Companies Act 2006. 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 418 of the Companies Act 2006) 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 auditors, Parcell & Associates, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



Michael Denis Guerin - Director

23 September 2013

**Report of the Independent Auditors to  
Caspian Networks Ltd  
Under Section 449 of the Companies Act 2006**

We have examined the abbreviated accounts set out on pages five to seventeen, together with the full financial statements of Caspian Networks Ltd for the year ended 31 December 2012 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. 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 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 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 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Nicholas Parcell (Senior Statutory Auditor)  
for and on behalf of Parcell & Associates  
Chartered Accountants  
Registered Auditors  
Aldreth  
Pearcroft Road  
Stonehouse  
Gloucestershire  
GL10 2JY

23 September 2013

**Caspian Networks Ltd**

**Abbreviated Profit and Loss Account  
for the Year Ended 31 December 2012**

	Notes	31 12 12 £	31 12 11 £
<b>TURNOVER</b>		18,375,115	16,174,825
Cost of sales and other operating income		(6,046,277)	(5,353,533)
		<hr/> 12,328,838	<hr/> 10,821,292
Administrative expenses		<hr/> 11,762,631	<hr/> 10,419,688
<b>OPERATING PROFIT</b>	3	<hr/> 566,207	<hr/> 401,604
Interest receivable and similar income		<hr/> 5,766	<hr/> 8,887
		<hr/> 571,973	<hr/> 410,491
Interest payable and similar charges	4	<hr/> 5,677	<hr/> 9,663
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<hr/> 566,296	<hr/> 400,828
Tax on profit on ordinary activities	5	<hr/> 155,588	<hr/> 102,324
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<hr/> 410,708	<hr/> 298,504
Retained profit brought forward		<hr/> 1,276,172	<hr/> 1,127,668
		<hr/> 1,686,880	<hr/> 1,426,172
Dividends	6	<hr/> (150,000)	<hr/> (150,000)
<b>RETAINED PROFIT CARRIED FORWARD</b>		<hr/> <hr/> 1,536,880	<hr/> <hr/> 1,276,172

**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

**Abbreviated Balance Sheet**  
**31 December 2012**

	Notes	31 12 12	31 12 11
		£	£
<b>FIXED ASSETS</b>			
Intangible assets	7	415,599	490,239
Tangible assets	8	2,182,458	2,091,586
Investments	9	11,250	11,250
		<u>2,609,307</u>	<u>2,593,075</u>
<b>CURRENT ASSETS</b>			
Stocks	10	109,506	96,716
Debtors	11	184,856	183,530
Cash at bank and in hand		1,308,164	1,774,719
		<u>1,602,526</u>	<u>2,054,965</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	2,384,943	2,971,917
<b>NET CURRENT LIABILITIES</b>		<u>(782,417)</u>	<u>(916,952)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,826,890	1,676,123
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	(120,516)	(247,546)
<b>PROVISIONS FOR LIABILITIES</b>	16	(169,394)	(152,305)
<b>NET ASSETS</b>		<u>1,536,980</u>	<u>1,276,272</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	100	100
Profit and loss account		1,536,880	1,276,172
<b>SHAREHOLDERS' FUNDS</b>	19	<u>1,536,980</u>	<u>1,276,272</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

The financial statements were approved by the director on 23 September 2013 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 2012**

	Notes	31 12 12 £	£	31 12 11 £	£
<b>Net cash inflow from operating activities</b>	1		1,034,275		1,171,712
<b>Returns on investments and servicing of finance</b>	2		89		(776)
<b>Taxation</b>			(77,555)		(80,056)
<b>Capital expenditure and financial investment</b>	2		(434,318)		(458,968)
<b>Equity dividends paid</b>			(150,000)		(150,000)
			<u>372,491</u>		<u>481,912</u>
<b>Financing</b>	2		(193,214)		(292,584)
<b>Increase in cash in the period</b>			<u>179,277</u>		<u>189,328</u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net funds</b>	3				
Increase in cash in the period			179,277		189,328
Cash outflow from decrease in debt			<u>148,707</u>		<u>226,701</u>
Change in net funds resulting from cash flows			<u>327,984</u>		<u>416,029</u>
<b>Movement in net funds in the period</b>			327,984		416,029
<b>Net funds at 1 January</b>			<u>743,770</u>		<u>327,741</u>
<b>Net funds at 31 December</b>			<u>1,071,754</u>		<u>743,770</u>

The notes form part of these abbreviated accounts

**Caspian Networks Ltd**

**Notes to the Cash Flow Statement  
for the Year Ended 31 December 2012**

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

	31 12 12	31 12 11
	£	£
Operating profit	566,207	401,604
Depreciation charges	418,086	396,001
Increase in stocks	(12,790)	(4,109)
Increase in debtors	(1,326)	(32,535)
Increase in creditors	64,098	410,751
	<u>1,034,275</u>	<u>1,171,712</u>
<b>Net cash inflow from operating activities</b>	<u><u>1,034,275</u></u>	<u><u>1,171,712</u></u>

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

	31 12 12	31 12 11
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	5,766	8,887
Interest paid	(5,677)	(9,663)
	<u>89</u>	<u>(776)</u>
<b>Net cash inflow/(outflow) for returns on investments and servicing of finance</b>	<u><u>89</u></u>	<u><u>(776)</u></u>
 <b>Capital expenditure and financial investment</b>		
Purchase of intangible fixed assets	-	(30,000)
Purchase of tangible fixed assets	(434,318)	(427,718)
Purchase of fixed asset investments	-	(1,250)
	<u>(434,318)</u>	<u>(458,968)</u>
<b>Net cash outflow for capital expenditure and financial investment</b>	<u><u>(434,318)</u></u>	<u><u>(458,968)</u></u>
 <b>Financing</b>		
Loan repayments in year	(148,707)	(226,700)
Amount introduced by directors	150,000	150,000
Amount withdrawn by directors	(194,507)	(215,882)
Rounding	-	(2)
	<u>(193,214)</u>	<u>(292,584)</u>
<b>Net cash outflow from financing</b>	<u><u>(193,214)</u></u>	<u><u>(292,584)</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 2012**

**3 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 1 12 £	Cash flow £	At 31 12 12 £
Net cash			
Cash at bank and in hand	1,774,719	(466,555)	1,308,164
Bank overdraft	(645,832)	645,832	-
	<u>1,128,887</u>	<u>179,277</u>	<u>1,308,164</u>
 Debt			
Debts falling due within one year	(137,571)	21,677	(115,894)
Debts falling due after one year	(247,546)	127,030	(120,516)
	<u>(385,117)</u>	<u>148,707</u>	<u>(236,410)</u>
 Total	<u>743,770</u>	<u>327,984</u>	<u>1,071,754</u>

The notes form part of these abbreviated accounts

## Caspian Networks Ltd

### Notes to the Abbreviated Accounts for the Year Ended 31 December 2012

#### 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

Franchise rights & fees 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 and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads

##### 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

##### 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

#### 2 STAFF COSTS

	31 12 12	31 12 11
	£	£
Wages and salaries	4,993,848	4,266,508
Social security costs	259,593	247,851
Other pension costs	62,202	84,497
	<u>5,315,643</u>	<u>4,598,856</u>

**Caspian Networks Ltd**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2012**

**2 STAFF COSTS - continued**

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

	31 12 12	31 12 11
Production staff	499	435
Office and management	28	25
	<u>527</u>	<u>460</u>

**3 OPERATING PROFIT**

The operating profit is stated after charging

	31 12 12	31 12 11
	£	£
Hire of plant and machinery	3,045	9,666
Other operating leases	2,184,573	1,915,124
Depreciation - owned assets	343,446	322,610
Franchise rights & fees amortisation	74,640	73,390
Auditors' remuneration	7,550	10,590
Auditors' remuneration for non audit work	3,250	3,615
	<u>15,000</u>	<u>15,000</u>

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

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

	31 12 12	31 12 11
	£	£
Bank interest	<u>5,677</u>	<u>9,663</u>

**Caspian Networks Ltd**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2012**

**5 TAXATION**

**Analysis of the tax charge**

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

	31 12 12 £	31 12 11 £
Current tax		
UK corporation tax	138,499	79,959
Deferred tax	17,089	22,365
Tax on profit on ordinary activities	<u>155,588</u>	<u>102,324</u>

UK corporation tax has been charged at 22.84% (2011 - 21.57%)

**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 12 £	31 12 11 £
Profit on ordinary activities before tax	<u>566,296</u>	<u>400,828</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22.840% (2011 - 21.550%)	129,342	86,378
Effects of		
Expenses not deductible for tax purposes	429	567
Capital allowances in excess of depreciation	-	(9,391)
Depreciation in excess of capital allowances	8,728	-
Adjustments to tax charge in respect of previous periods	-	2,405
Current tax charge	<u>138,499</u>	<u>79,959</u>

**6 DIVIDENDS**

	31 12 12 £	31 12 11 £
Ordinary A shares of £1 each		
Interim	75,000	75,000
Ordinary B shares of £1 each		
Interim	75,000	75,000
	<u>150,000</u>	<u>150,000</u>

**Caspian Networks Ltd**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2012**

**7 INTANGIBLE FIXED ASSETS**

	Franchise rights & fees £
<b>COST</b>	
At 1 January 2012	
and 31 December 2012	1,347,976
<b>AMORTISATION</b>	
At 1 January 2012	857,737
Amortisation for year	74,640
	<u>932,377</u>
At 31 December 2012	
<b>NET BOOK VALUE</b>	
At 31 December 2012	415,599
	<u>490,239</u>
At 31 December 2011	<u>490,239</u>

**8 TANGIBLE FIXED ASSETS**

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1 January 2012	21,063	3,865,661	224,735	4,111,459
Additions	5,804	419,852	8,662	434,318
	<u>26,867</u>	<u>4,285,513</u>	<u>233,397</u>	<u>4,545,777</u>
At 31 December 2012				
<b>DEPRECIATION</b>				
At 1 January 2012	5,166	1,799,563	215,144	2,019,873
Charge for year	1,372	340,067	2,007	343,446
	<u>6,538</u>	<u>2,139,630</u>	<u>217,151</u>	<u>2,363,319</u>
At 31 December 2012				
<b>NET BOOK VALUE</b>				
At 31 December 2012	20,329	2,145,883	16,246	2,182,458
	<u>15,897</u>	<u>2,066,098</u>	<u>9,591</u>	<u>2,091,586</u>
At 31 December 2011				

**Caspian Networks Ltd**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2012**

**9 FIXED ASSET INVESTMENTS**

	Unlisted investments £
<b>COST</b>	
At 1 January 2012	
and 31 December 2012	11,250
<b>NET BOOK VALUE</b>	
At 31 December 2012	11,250
At 31 December 2011	11,250

Fixed asset investments consists of 11,250 (2011-11,250) 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 12 £	31 12 11 £
Food stock	74,396	64,217
Paper stock	18,373	17,090
Non product stock	12,788	10,284
Other stock	3,949	5,125
	<u>109,506</u>	<u>96,716</u>

**11 DEBTORS' AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 12 12 £	31 12 11 £
Trade debtors	9,726	5,013
Other debtors	18,520	36,838
Prepayments	156,610	141,679
	<u>184,856</u>	<u>183,530</u>



**Caspian Networks Ltd**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2012**

**12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 12 12	31 12 11
	£	£
Bank loans and overdrafts (see note 14)	115,894	783,403
Trade creditors	845,068	852,983
Tax	138,498	77,554
Social security and other taxes	67,456	69,767
VAT	587,235	543,733
Other creditors	180,028	145,605
Directors' current accounts	205,643	250,150
Accrued expenses	245,121	248,722
	<u>2,384,943</u>	<u>2,971,917</u>

**13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31 12 12	31 12 11
	£	£
Bank loans (see note 14)	<u>120,516</u>	<u>247,546</u>

**14 LOANS**

An analysis of the maturity of loans is given below

	31 12 12	31 12 11
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	-	645,832
Bank loans	115,894	137,571
	<u>115,894</u>	<u>783,403</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>68,815</u>	<u>104,428</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>51,701</u>	<u>143,118</u>

**Caspian Networks Ltd**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2012**

**15 OPERATING LEASE COMMITMENTS**

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

	Land and buildings		Other operating leases	
	31 12 12 £	31 12 11 £	31 12 12 £	31 12 11 £
Expiring				
Between one and five years	380,568	-	-	5,605
In more than five years	332,532	713,100	-	-
	<u>713,100</u>	<u>713,100</u>	<u>-</u>	<u>5,605</u>

**16 PROVISIONS FOR LIABILITIES**

	31 12 12 £	31 12 11 £
Deferred tax	<u>169,394</u>	<u>152,305</u>
		Deferred tax £
Balance at 1 January 2012		152,305
Provided during year		<u>17,089</u>
Balance at 31 December 2012		<u>169,394</u>

**17 CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid		Nominal value	31 12 12	31 12 11
Number	Class		£	£
75	Ordinary A	£1	75	75
25	Ordinary B	£1	<u>25</u>	<u>25</u>
			<u>100</u>	<u>100</u>

**18 ULTIMATE CONTROLLING PARTY**

The controlling party is Michael Denis Guerin

**Caspian Networks Ltd**

**Notes to the Abbreviated Accounts - continued  
for the Year Ended 31 December 2012**

**19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 12 12	31 12 11
	£	£
Profit for the financial year	410,708	298,504
Dividends	(150,000)	(150,000)
	<hr/>	<hr/>
<b>Net addition to shareholders' funds</b>	260,708	148,504
Opening shareholders' funds	1,276,272	1,127,768
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<u>1,536,980</u>	<u>1,276,272</u>

