

REGISTERED NUMBER: 3283357 (England and Wales)

Abbreviated Accounts for the Year Ended 31 December 2004

for

Caspian Networks Ltd



Caspian Networks Ltd

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Caspian Networks Ltd

**Company Information
for the Year Ended 31 December 2004**

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 2004

The director presents his report with the accounts of the company for the year ended 31 December 2004.

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.

DIVIDENDS

An interim dividend of 90000 per share was paid on . The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2004 will be £90,000.

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:

	31.12.04	1.1.04
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 2004**

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 dark ink, appearing to read 'M. Guerin', with a horizontal line extending from the end of the signature.

Michael Denis Guerin - Director

19 September 2005

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

We have examined the abbreviated accounts on pages five to fifteen, together with the full financial statements of the company for the year ended 31 December 2004 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

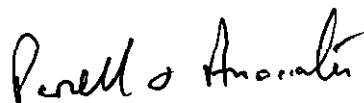
The director is responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the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

Basis of 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 accounts and that the abbreviated accounts 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 accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts 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

19 September 2005

Caspian Networks Ltd

**Abbreviated Profit and Loss Account
for the Year Ended 31 December 2004**

		31.12.04		31.12.03	
	Notes	£	£	£	£
GROSS PROFIT			4,396,477		4,494,233
Distribution costs		295,720		367,129	
Administrative expenses		3,944,200		3,885,982	
			4,239,920		4,253,111
OPERATING PROFIT	3		156,557		241,122
Interest receivable and similar income			3,075		423
			159,632		241,545
Interest payable and similar charges	4		1,190		3,152
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			158,442		238,393
Tax on profit on ordinary activities	5		30,466		54,315
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			127,976		184,078
Dividends	6		90,000		80,000
			37,976		104,078
Retained profit brought forward			1,083,210		979,132
RETAINED PROFIT CARRIED FORWARD			£1,121,186		£1,083,210

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 abbreviated accounts

Caspian Networks Ltd

**Abbreviated Balance Sheet
31 December 2004**

		31.12.04		31.12.03	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	7		639,763		692,427
Tangible assets	8		458,839		469,325
Investments	9		6,250		6,250
			<u>1,104,852</u>		<u>1,168,002</u>
CURRENT ASSETS:					
Stocks	10	62,486		55,805	
Debtors	11	107,075		154,196	
Cash at bank and in hand		644,605		679,264	
		<u>814,166</u>		<u>889,265</u>	
CREDITORS: Amounts falling due within one year	12	734,857		901,700	
		<u>734,857</u>		<u>901,700</u>	
NET CURRENT ASSETS/(LIABILITIES):			<u>79,309</u>		<u>(12,435)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>1,184,161</u>		<u>1,155,567</u>
PROVISIONS FOR LIABILITIES AND CHARGES:	14		62,875		72,257
			<u>£1,121,286</u>		<u>£1,083,310</u>
CAPITAL AND RESERVES:					
Called up share capital	15		100		100
Profit and loss account			<u>1,121,186</u>		<u>1,083,210</u>
SHAREHOLDERS' FUNDS:	16		<u>£1,121,286</u>		<u>£1,083,310</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.

ON BEHALF OF THE BOARD:


- Director

Approved by the Board on 19 September 2005

The notes form part of these abbreviated accounts

Caspian Networks Ltd

**Cash Flow Statement
for the Year Ended 31 December 2004**

		31.12.04	31.12.03
	Notes	£	£
Net cash inflow from operating activities	1	345,028	335,541
Returns on investments and servicing of finance	2	1,885	(2,729)
Taxation		(56,899)	(53,625)
Capital expenditure	2	(81,107)	(27,989)
Equity dividends paid		(90,000)	(80,000)
		<u>118,907</u>	<u>171,198</u>
Financing	2	(66,327)	(197,944)
Increase/(Decrease) in cash in the period		<u><u>£52,580</u></u>	<u><u>£(26,746)</u></u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase/(Decrease) in cash in the period		<u>52,580</u>	<u>(26,746)</u>
Change in net funds resulting from cash flows		<u>52,580</u>	<u>(26,746)</u>
Movement in net funds in the period		<u>52,580</u>	<u>(26,746)</u>
Net funds at 1 January		<u>592,025</u>	<u>618,771</u>
Net funds at 31 December		<u><u>£644,605</u></u>	<u><u>£592,025</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 2004**

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

	31.12.04 £	31.12.03 £
Operating profit	156,557	241,122
Depreciation charges	142,341	147,300
Loss on sale of fixed assets	1,915	-
(Increase)/Decrease in stocks	(6,681)	4,221
Decrease/(Increase) in debtors	47,121	(30,647)
Increase/(Decrease) in creditors	3,775	(26,455)
Net cash inflow from operating activities	<u><u>345,028</u></u>	<u><u>335,541</u></u>

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

	31.12.04 £	31.12.03 £
Returns on investments and servicing of finance		
Interest received	3,075	423
Interest paid	(1,190)	(3,152)
Net cash inflow/(outflow) for returns on investments and servicing of finance	<u><u>1,885</u></u>	<u><u>(2,729)</u></u>
Capital expenditure		
Purchase of tangible fixed assets	(81,507)	(27,989)
Sale of tangible fixed assets	400	-
Net cash outflow for capital expenditure	<u><u>(81,107)</u></u>	<u><u>(27,989)</u></u>
Financing		
Loan repayments in year	(46,427)	(185,712)
Amount withdrawn by directors	(19,900)	(12,232)
Net cash outflow from financing	<u><u>(66,327)</u></u>	<u><u>(197,944)</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 2004**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.04 £	Cash flow £	At 31.12.04 £
Net cash:			
Cash at bank and in hand	679,264	(34,659)	644,605
Bank overdraft	(87,239)	87,239	-
	<u>592,025</u>	<u>52,580</u>	<u>644,605</u>
 Total	 <u>592,025</u>	 <u>52,580</u>	 <u>644,605</u>
 Analysed in Balance Sheet			
 Cash at bank and in hand	 679,264		644,605
Bank overdraft	(87,239)		-
	<u>592,025</u>		<u>644,605</u>

The notes form part of these abbreviated accounts

Caspian Networks Ltd

Notes to the Abbreviated Accounts for the Year Ended 31 December 2004

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 tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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

	31.12.04	31.12.03
	£	£
Wages and salaries	1,630,238	1,625,845
Social security costs	105,569	103,057
Other pension costs	14,976	16,944
	<u>1,750,783</u>	<u>1,745,846</u>

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

	31.12.04	31.12.03
Production staff	230	234
Office and management	16	18
	<u>246</u>	<u>252</u>

Caspian Networks Ltd

Notes to the Abbreviated Accounts for the Year Ended 31 December 2004

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.04	31.12.03
	£	£
Depreciation - owned assets	89,677	94,636
Loss on disposal of fixed assets	1,915	-
Franchise rights written off	52,664	52,664
Auditors' remuneration	3,900	4,500
	<u>16,902</u>	<u>18,849</u>
Director's emoluments	<u>16,902</u>	<u>18,849</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.04	31.12.03
	£	£
Bank loan interest	1,190	1,902
Other interest	-	1,250
	<u>1,190</u>	<u>3,152</u>

5. TAXATION

Analysis of the tax charge

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

	31.12.04	31.12.03
	£	£
Current tax:		
UK corporation tax	39,848	56,899
Deferred taxation	(9,382)	(2,584)
Tax on profit on ordinary activities	<u>30,466</u>	<u>54,315</u>

UK corporation tax has been charged at 19% (2003 - 19%).

Caspian Networks Ltd

Notes to the Abbreviated Accounts for the Year Ended 31 December 2004

5. TAXATION - continued

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:

	31.12.04	31.12.03
	£	£
Profit on ordinary activities before tax	<u>158,442</u>	<u>238,393</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2003 - 19%)	30,104	45,295
Effects of:		
Depreciation	27,045	27,987
Capital allowances	(17,665)	(16,383)
Loss on sale of fixed asset	364	-
Current tax charge	<u>39,848</u>	<u>56,899</u>

6. DIVIDENDS

	31.12.04	31.12.03
	£	£
Equity shares:		
Interim	<u>90,000</u>	<u>80,000</u>

7. INTANGIBLE FIXED ASSETS

	Franchise rights
	£
COST:	
At 1 January 2004 and 31 December 2004	<u>1,029,310</u>
AMORTISATION:	
At 1 January 2004	336,883
Charge for year	52,664
At 31 December 2004	<u>389,547</u>
NET BOOK VALUE:	
At 31 December 2004	<u>639,763</u>
At 31 December 2003	<u>692,427</u>

Caspian Networks Ltd

**Notes to the Abbreviated Accounts
for the Year Ended 31 December 2004**

8. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 January 2004	1,077,079	221,355	5,990	1,304,424
Additions	80,503	1,004	-	81,507
Disposals	-	-	(5,990)	(5,990)
At 31 December 2004	1,157,582	222,359	-	1,379,941
DEPRECIATION:				
At 1 January 2004	683,066	148,359	3,675	835,100
Charge for year	71,177	18,500	-	89,677
Eliminated on disposals	-	-	(3,675)	(3,675)
At 31 December 2004	754,243	166,859	-	921,102
NET BOOK VALUE:				
At 31 December 2004	403,339	55,500	-	458,839
At 31 December 2003	394,014	72,996	2,315	469,325

9. FIXED ASSET INVESTMENTS

	£
COST:	
At 1 January 2004 and 31 December 2004	6,250
NET BOOK VALUE:	
At 31 December 2004	6,250
At 31 December 2003	6,250
	31.12.04 31.12.03
	£ £
Unlisted investments	6,250 6,250

Fixed asset investments consists of 6,250 ordinary shares of £1 each in Fries Holding Company Limited, a company registered in Guernsey. The investments are included in the accounts at cost.

Caspian Networks Ltd

**Notes to the Abbreviated Accounts
for the Year Ended 31 December 2004**

10. STOCKS

	31.12.04	31.12.03
	£	£
Food stock	35,409	33,816
Paper stock	11,786	11,105
Non product stock	15,291	10,884
	<u>62,486</u>	<u>55,805</u>

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

	31.12.04	31.12.03
	£	£
Trade debtors	1,880	4,372
Other debtors	33,855	28,051
Prepayments	71,340	71,773
Security deposit	-	50,000
	<u>107,075</u>	<u>154,196</u>

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

	31.12.04	31.12.03
	£	£
Bank loans and overdrafts (see note 13)	-	133,667
Trade creditors	176,215	208,774
Directors current accounts	8,777	28,677
Customs & Excise	201,262	191,551
Other creditors	36,224	41,125
Social security & other taxes	5,247	25,932
Taxation	39,848	56,899
Accrued expenses	267,284	215,075
	<u>734,857</u>	<u>901,700</u>

Caspian Networks Ltd

Notes to the Abbreviated Accounts for the Year Ended 31 December 2004

13. LOANS AND OVERDRAFTS

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

	31.12.04 £	31.12.03 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	87,239
Bank loans	-	46,428
	<u>-</u>	<u>133,667</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

	31.12.04 £	31.12.03 £
Deferred taxation	<u>62,875</u>	<u>72,257</u>
	Deferred tax	
	£	
Balance at 1 January 2004	72,257	
Profit & Loss	<u>(9,382)</u>	
Balance at 31 December 2004	<u>62,875</u>	

15. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:			31.12.04 £	31.12.03 £
Number:	Class:	Nominal value:		
100	Ordinary	£1	<u>100</u>	<u>100</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.04 £	31.12.03 £
Profit for the financial year	127,976	184,078
Dividends	<u>(90,000)</u>	<u>(80,000)</u>
Net addition to shareholders' funds	37,976	104,078
Opening shareholders' funds	<u>1,083,310</u>	<u>979,232</u>
Closing shareholders' funds	<u>1,121,286</u>	<u>1,083,310</u>
Equity interests	<u>1,121,286</u>	<u>1,083,310</u>