

Abbreviated Accounts for the Year Ended 31 December 2003

for

Caspian Networks Ltd



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Caspian Networks Ltd

**Contents of the Abbreviated Accounts
for the Year Ended 31 December 2003**

	Page
Company Information	1
Report of the Director	2
Report of the Independent Auditors on the Abbreviated Accounts	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 Accounts	10

Caspian Networks Ltd
Company Information
for the Year Ended 31 December 2003

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 2003

The director presents his report with the accounts of the company for the year ended 31 December 2003.

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 £800 per share was paid on 30 April 2003. The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2003 will be £80,000.

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:

	31.12.03	1.1.03
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 2003**

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 'M. Denis Guerin', with a stylized flourish at the end.

Michael Denis Guerin - Director

10 September 2004

**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 sixteen, together with the full financial statements of the company for the year ended 31 December 2003 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 sixteen are properly prepared in accordance with that provision.



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

10 September 2004

Caspian Networks Ltd

**Abbreviated Profit and Loss Account
for the Year Ended 31 December 2003**

		31.12.03		31.12.02	
	Notes	£	£	£	£
GROSS PROFIT			4,494,233		5,000,568
Distribution costs		367,129		374,543	
Administrative expenses		3,885,982		4,400,874	
			4,253,111		4,775,417
OPERATING PROFIT	3		241,122		225,151
Interest receivable and similar income			423		12
			241,545		225,163
Interest payable and similar charges	4		3,152		12,418
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			238,393		212,745
Tax on profit on ordinary activities	5		54,315		61,677
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			184,078		151,068
Dividends	6		80,000		42,000
			104,078		109,068
Retained profit brought forward			979,132		870,064
RETAINED PROFIT CARRIED FORWARD			£1,083,210		£979,132

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

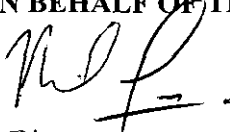
Caspian Networks Ltd

**Abbreviated Balance Sheet
31 December 2003**

		31.12.03		31.12.02	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	7		692,427		745,091
Tangible assets	8		469,325		535,970
Investments	9		6,250		6,250
			<u>1,168,002</u>		<u>1,287,311</u>
CURRENT ASSETS:					
Stocks	10	55,805		60,026	
Debtors	11	154,196		123,549	
Cash at bank and in hand		679,264		618,771	
		<u>889,265</u>		<u>802,346</u>	
CREDITORS: Amounts falling due within one year	12	901,700		989,155	
NET CURRENT LIABILITIES:			<u>(12,435)</u>		<u>(186,809)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,155,567		1,100,502
CREDITORS: Amounts falling due after more than one year	13		-		(46,428)
PROVISIONS FOR LIABILITIES AND CHARGES:	15		(72,257)		(74,842)
			<u>£1,083,310</u>		<u>£979,232</u>
CAPITAL AND RESERVES:					
Called up share capital	16		100		100
Profit and loss account			1,083,210		979,132
SHAREHOLDERS' FUNDS:	17		<u>£1,083,310</u>		<u>£979,232</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 10 September 2004

The notes form part of these abbreviated accounts

Caspian Networks Ltd

**Cash Flow Statement
for the Year Ended 31 December 2003**

		31.12.03	31.12.02
	Notes	£	£
Net cash inflow from operating activities	1	335,541	393,915
Returns on investments and servicing of finance	2	(2,729)	(12,406)
Taxation		(53,625)	(39,880)
Capital expenditure	2	(27,989)	(12,519)
Equity dividends paid		(80,000)	(42,000)
		<u>171,198</u>	<u>287,110</u>
Financing	2	(197,944)	(248,965)
(Decrease)/Increase in cash in the period		<u>£(26,746)</u>	<u>£38,145</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/Increase in cash in the period		<u>(26,746)</u>	<u>38,145</u>
Change in net funds resulting from cash flows		<u>(26,746)</u>	<u>38,145</u>
Movement in net funds in the period		<u>(26,746)</u>	<u>38,145</u>
Net funds at 1 January		<u>618,771</u>	<u>580,626</u>
Net funds at 31 December		<u>£592,025</u>	<u>£618,771</u>

The notes form part of these abbreviated accounts

Caspian Networks Ltd

Notes to the Cash Flow Statement for the Year Ended 31 December 2003

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

	31.12.03 £	31.12.02 £
Operating profit	241,122	225,151
Depreciation charges	147,300	167,172
Loss on sale of fixed assets	-	4,845
Decrease/(Increase) in stocks	4,221	(905)
(Increase)/Decrease in debtors	(30,647)	14,934
Decrease in creditors	(26,455)	(17,282)
Net cash inflow from operating activities	<u>335,541</u>	<u>393,915</u>

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

	31.12.03 £	31.12.02 £
Returns on investments and servicing of finance		
Interest received	423	12
Interest paid	(3,152)	(12,418)
Net cash outflow for returns on investments and servicing of finance	<u>(2,729)</u>	<u>(12,406)</u>
Capital expenditure		
Purchase of tangible fixed assets	(27,989)	(30,519)
Sale of tangible fixed assets	-	18,000
Net cash outflow for capital expenditure	<u>(27,989)</u>	<u>(12,519)</u>
Financing		
Loan repayments in year	(185,712)	(185,712)
Amount withdrawn by directors	(12,232)	(63,253)
Net cash outflow from financing	<u>(197,944)</u>	<u>(248,965)</u>

The notes form part of these abbreviated accounts

Caspian Networks Ltd

Notes to the Cash Flow Statement for the Year Ended 31 December 2003

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.03 £	Cash flow £	At 31.12.03 £
Net cash:			
Cash at bank and in hand	618,771	60,493	679,264
Bank overdraft	-	(87,239)	(87,239)
	<u>618,771</u>	<u>(26,746)</u>	<u>592,025</u>
Total	<u>618,771</u>	<u>(26,746)</u>	<u>592,025</u>
Analysed in Balance Sheet			
Cash at bank and in hand	618,771		679,264
Bank overdraft	-		(87,239)
	<u>618,771</u>		<u>592,025</u>

The notes form part of these abbreviated accounts

Caspian Networks Ltd

Notes to the Abbreviated Accounts for the Year Ended 31 December 2003

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

	31.12.03	31.12.02
	£	£
Wages and salaries	1,625,845	1,709,823
Social security costs	103,057	102,621
Other pension costs	16,944	18,458
	<u>1,745,846</u>	<u>1,830,902</u>

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

	31.12.03	31.12.02
Production staff	234	240
Office and management	18	18
	<u>252</u>	<u>258</u>

Caspian Networks Ltd

Notes to the Abbreviated Accounts for the Year Ended 31 December 2003

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.03	31.12.02
	£	£
Depreciation - owned assets	94,636	114,508
Loss on disposal of fixed assets	-	4,845
Franchise rights written off	52,664	52,664
Auditors' remuneration	4,500	4,000
	<u>18,849</u>	<u>24,575</u>
Director's emoluments	<u>18,849</u>	<u>24,575</u>

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

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

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.03	31.12.02
	£	£
Bank loan interest	1,902	7,418
Other interest	1,250	5,000
	<u>3,152</u>	<u>12,418</u>

5. TAXATION

Analysis of the tax charge

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

	31.12.03	31.12.02
	£	£
Current tax:		
UK corporation tax	56,899	53,625
Deferred taxation	(2,584)	8,052
Tax on profit on ordinary activities	<u>54,315</u>	<u>61,677</u>

UK corporation tax has been charged at 19% (2002 - 19.25%).

Caspian Networks Ltd

Notes to the Abbreviated Accounts for the Year Ended 31 December 2003

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:

	31.12.03 £	31.12.02 £
Profit on ordinary activities before tax	<u>238,393</u>	<u>212,745</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2002 - 19.250%)	45,295	40,953
Effects of:		
Depreciation	27,987	33,101
Capital allowances	<u>(16,383)</u>	<u>(20,429)</u>
Current tax charge	<u>56,899</u>	<u>53,625</u>

6. DIVIDENDS

	31.12.03 £	31.12.02 £
Equity shares:		
Interim	<u>80,000</u>	<u>42,000</u>

7. INTANGIBLE FIXED ASSETS

	Franchise rights £
COST:	
At 1 January 2003 and 31 December 2003	<u>1,029,310</u>
AMORTISATION:	
At 1 January 2003	284,219
Charge for year	<u>52,664</u>
At 31 December 2003	<u>336,883</u>
NET BOOK VALUE:	
At 31 December 2003	<u>692,427</u>
At 31 December 2002	<u>745,091</u>

Caspian Networks Ltd

Notes to the Abbreviated Accounts for the Year Ended 31 December 2003

8. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 January 2003	1,049,091	221,355	5,990	1,276,436
Additions	27,989	-	-	27,989
At 31 December 2003	1,077,080	221,355	5,990	1,304,425
DEPRECIATION:				
At 1 January 2003	613,537	124,024	2,903	740,464
Charge for year	69,529	24,335	772	94,636
At 31 December 2003	683,066	148,359	3,675	835,100
NET BOOK VALUE:				
At 31 December 2003	394,014	72,996	2,315	469,325
At 31 December 2002	435,552	97,331	3,087	535,970

9. FIXED ASSET INVESTMENTS

	£	
COST:		
At 1 January 2003 and 31 December 2003	<u>6,250</u>	
NET BOOK VALUE:		
At 31 December 2003	<u><u>6,250</u></u>	
At 31 December 2002	<u><u>6,250</u></u>	
	31.12.03	31.12.02
	£	£
Unlisted investments	<u>6,250</u>	<u>6,250</u>

10. STOCKS

	31.12.03	31.12.02
	£	£
Food stock	33,816	35,594
Paper stock	11,105	10,169
Non product stock	10,884	14,263
	55,805	60,026

Caspian Networks Ltd

**Notes to the Abbreviated Accounts
for the Year Ended 31 December 2003**

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

	31.12.03 £	31.12.02 £
Trade debtors	4,372	2,699
Other debtors	28,051	428
Prepayments	71,773	70,422
Security deposit	50,000	50,000
	<u>154,196</u>	<u>123,549</u>

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

	31.12.03 £	31.12.02 £
Bank loans and overdrafts (see note 14)	133,667	185,712
Trade creditors	208,774	192,553
Directors current accounts	28,677	40,906
Customs & Excise	191,551	209,037
Other creditors	41,125	36,032
Social security & other taxes	25,932	28,097
Taxation	56,899	53,625
Accrued expenses	215,075	243,193
	<u>901,700</u>	<u>989,155</u>

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

	31.12.03 £	31.12.02 £
Bank loans (see note 14)	<u>-</u>	<u>46,428</u>

Caspian Networks Ltd

Notes to the Abbreviated Accounts for the Year Ended 31 December 2003

14. LOANS AND OVERDRAFTS

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

	31.12.03 £	31.12.02 £
Amounts falling due within one year or on demand:		
Bank overdrafts	87,239	-
Bank loans	46,428	185,712
	<u>133,667</u>	<u>185,712</u>
Amounts falling due between one and two years:		
Bank loans	-	46,428
	<u>-</u>	<u>46,428</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	31.12.03 £	31.12.02 £
Deferred taxation	<u>72,257</u>	<u>74,842</u>
	Deferred tax £	
Balance at 1 January 2003	74,842	
Profit & Loss	(2,585)	
Balance at 31 December 2003	<u>72,257</u>	

16. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.03 £	31.12.02 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

Caspian Networks Ltd

Notes to the Abbreviated Accounts for the Year Ended 31 December 2003

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.03	31.12.02
	£	£
Profit for the financial year	184,078	151,068
Dividends	(80,000)	(42,000)
Net addition to shareholders' funds	<u>104,078</u>	<u>109,068</u>
Opening shareholders' funds	<u>979,232</u>	<u>870,164</u>
Closing shareholders' funds	<u><u>1,083,310</u></u>	<u><u>979,232</u></u>
Equity interests	<u><u>1,083,310</u></u>	<u><u>979,232</u></u>