

Abbreviated Accounts for the Year Ended 31 December 2010

for

Caspian Networks Ltd

TUESDAY



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for the Year Ended 31 December 2010**

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Caspian Networks Ltd
Company Information
for the Year Ended 31 December 2010

DIRECTOR: Michael Denis Guerin

SECRETARY: Alison Guerin

REGISTERED OFFICE: McDonalds Restaurant
101-105 Horsefair
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 2010

The director presents his report with the accounts of the company for the year ended 31 December 2010

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 completed the program of refurbishment of its restaurants. This has contributed to a growth in turnover of 7.5% in the year.

DIVIDENDS

Interim dividends per share were paid as follows

Ordinary A £1 shares	£3,000	-
Ordinary B £1 shares	£5,000	-

The director recommends that no final dividends be paid

The total distribution of dividends for the year ended 31 December 2010 will be £350,000

The following interim dividends were paid in the year

A Ordinary shares

March 30th 2010 - £2,000.00 per share
Sept 28th 2010 - £1,000.00 per share

B Ordinary shares

March 30th 2010 - £2,000.00 per share
Sept 28th 2010 - £3,000.00 per share

FUTURE DEVELOPMENTS

The company is to acquire another restaurant in November 2011

DIRECTOR

Michael Denis Guerin held office during the whole of the period from 1 January 2010 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.

**Report of the Director
for the Year Ended 31 December 2010**

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

26 September 2011

**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 2010 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.



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

26 September 2011

Caspian Networks Ltd

**Abbreviated Profit and Loss Account
for the Year Ended 31 December 2010**

	Notes	31 12 10 £	31 12 09 £
TURNOVER		14,417,121	13,411,413
Cost of sales and other operating income		(4,653,982)	(4,334,730)
		<hr/> 9,763,139	<hr/> 9,076,683
Administrative expenses		<hr/> 9,331,140	<hr/> 8,732,517
OPERATING PROFIT	3	431,999	344,166
Interest receivable and similar income		<hr/> 9,597	<hr/> 10,064
		441,596	354,230
Interest payable and similar charges	4	<hr/> 15,969	<hr/> 18,930
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		425,627	335,300
Tax on profit on ordinary activities	5	<hr/> 110,649	<hr/> 84,599
PROFIT FOR THE FINANCIAL YEAR		314,978	250,701
Retained profit brought forward		<hr/> 1,162,692	<hr/> 1,039,991
		1,477,670	1,290,692
Dividends	6	<hr/> (350,000)	<hr/> (128,000)
RETAINED PROFIT CARRIED FORWARD		<hr/> <hr/> 1,127,670	<hr/> <hr/> 1,162,692

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

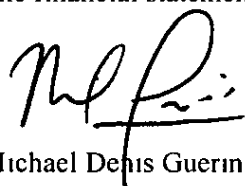
Caspian Networks Ltd

**Abbreviated Balance Sheet
31 December 2010**

	Notes	31 12 10 £	31 12 09 £
FIXED ASSETS			
Intangible assets	7	533,630	606,612
Tangible assets	8	1,986,479	1,506,412
Investments	9	10,000	10,000
		<u>2,530,109</u>	<u>2,123,024</u>
CURRENT ASSETS			
Stocks	10	92,607	93,282
Debtors	11	150,995	185,328
Cash at bank and in hand		939,559	1,303,184
		<u>1,183,161</u>	<u>1,581,794</u>
CREDITORS			
Amounts falling due within one year	12	2,076,853	1,858,288
NET CURRENT LIABILITIES		<u>(893,692)</u>	<u>(276,494)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,636,417</u>	<u>1,846,530</u>
CREDITORS			
Amounts falling due after more than one year	13	(378,707)	(586,796)
PROVISIONS FOR LIABILITIES	17	<u>(129,940)</u>	<u>(96,942)</u>
NET ASSETS		<u><u>1,127,770</u></u>	<u><u>1,162,792</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	100	100
Profit and loss account		1,127,670	1,162,692
SHAREHOLDERS' FUNDS	20	<u><u>1,127,770</u></u>	<u><u>1,162,792</u></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 26 September 2011 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 2010**

	Notes	31 12 10 £	£	31 12 09 £	£
Net cash inflow from operating activities	1		891,373		130,352
Returns on investments and servicing of finance	2		(6,372)		(8,866)
Taxation			(80,564)		(62,000)
Capital expenditure	2		(753,869)		(83,517)
Equity dividends paid			(350,000)		(128,000)
			(299,432)		(152,031)
Financing	2		(21,563)		(273,768)
Decrease in cash in the period			<u>(320,995)</u>		<u>(425,799)</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Decrease in cash in the period		(320,995)		(425,799)	
Cash outflow from decrease in debt and lease financing		<u>261,400</u>		<u>278,812</u>	
Change in net funds resulting from cash flows			<u>(59,595)</u>		<u>(146,987)</u>
Movement in net funds in the period			<u>(59,595)</u>		<u>(146,987)</u>
Net funds at 1 January			<u>387,336</u>		<u>534,323</u>
Net funds at 31 December			<u><u>327,741</u></u>		<u><u>387,336</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 2010**

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

	31 12 10	31 12.09
	£	£
Operating profit	431,999	344,166
Depreciation charges	346,783	328,771
Decrease in stocks	675	2,935
Decrease/(Increase) in debtors	34,333	(49,665)
Increase/(Decrease) in creditors	77,583	(495,855)
Net cash inflow from operating activities	<u>891,373</u>	<u>130,352</u>

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

	31 12 10	31 12 09
	£	£
Returns on investments and servicing of finance		
Interest received	9,597	10,064
Interest paid	(12,256)	(16,163)
Interest element of hire purchase payments	(3,713)	(2,767)
Net cash outflow for returns on investments and servicing of finance	<u>(6,372)</u>	<u>(8,866)</u>
Capital expenditure		
Purchase of tangible fixed assets	(753,869)	(83,517)
Net cash outflow for capital expenditure	<u>(753,869)</u>	<u>(83,517)</u>
Financing		
Loan repayments in year	(235,541)	(246,382)
Capital repayments in year	(25,860)	(32,433)
Amount withdrawn by directors	239,836	5,047
Rounding	2	-
Net cash outflow from financing	<u>(21,563)</u>	<u>(273,768)</u>

The notes form part of these abbreviated accounts

Caspian Networks Ltd

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2010**

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 1 10 £	Cash flow £	At 31 12 10 £
Net cash			
Cash at bank and in hand	1,303,184	(363,625)	939,559
Bank overdraft	(42,630)	42,630	-
	<u>1,260,554</u>	<u>(320,995)</u>	<u>939,559</u>
 Debt			
Hire purchase	(25,860)	25,860	-
Debts falling due within one year	(260,562)	27,451	(233,111)
Debts falling due after one year	(586,796)	208,089	(378,707)
	<u>(873,218)</u>	<u>261,400</u>	<u>(611,818)</u>
 Total	<u>387,336</u>	<u>(59,595)</u>	<u>327,741</u>

The notes form part of these abbreviated accounts

**Notes to the Abbreviated Accounts
for the Year Ended 31 December 2010**

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 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 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

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 2010**

2 STAFF COSTS

	31 12 10	31 12.09
	£	£
Wages and salaries	3,904,383	3,618,989
Social security costs	240,104	215,042
Other pension costs	18,937	35,329
	<u>4,163,424</u>	<u>3,869,360</u>

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

	31 12 10	31 12 09
Production staff	425	397
Office and management	23	22
	<u>448</u>	<u>419</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	31 12 10	31 12 09
	£	£
Hire of plant and machinery	3,091	5,228
Other operating leases	1,712,824	1,604,629
Depreciation - owned assets	273,800	247,087
Depreciation - assets on hire purchase contracts	-	8,813
Franchise rights & fees amortisation	72,983	72,871
Auditors' remuneration	7,836	8,600
Auditors' remuneration for non audit work	945	2,000
	<u>15,000</u>	<u>15,000</u>
Director's remuneration	15,000	15,000
Director's pension contributions to money purchase schemes	-	20,000
	<u>-</u>	<u>20,000</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 10	31 12 09
	£	£
Bank interest	12,256	16,163
Hire purchase	3,713	2,767
	<u>15,969</u>	<u>18,930</u>

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2010**

5 TAXATION**Analysis of the tax charge**

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

	31 12 10 £	31 12 09 £
Current tax		
UK corporation tax	77,651	80,419
Deferred tax	32,998	4,180
Tax on profit on ordinary activities	<u>110,649</u>	<u>84,599</u>

UK corporation tax has been charged at 22.23% (2009 - 22.44%)

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 10 £	31 12 09 £
Profit on ordinary activities before tax	<u>425,627</u>	<u>335,300</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22.230% (2009 - 22.440%)	94,617	75,241
Effects of Capital allowances in excess of Depreciation	(17,420)	3,764
Non deductible expenses	454	1,559
Other adjustments	<u>-</u>	<u>(145)</u>
Current tax charge	<u>77,651</u>	<u>80,419</u>

6 DIVIDENDS

	31 12 10 £	31 12 09 £
Ordinary A shares of £1 each		
Interim	225,000	96,000
Ordinary B shares of £1 each		
Interim	<u>125,000</u>	<u>32,000</u>
	<u>350,000</u>	<u>128,000</u>

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2010

7 INTANGIBLE FIXED ASSETS

	Franchise rights & fees £
COST	
At 1 January 2010	
and 31 December 2010	1,317,976
AMORTISATION	
At 1 January 2010	711,363
Amortisation for year	72,983
At 31 December 2010	784,346
NET BOOK VALUE	
At 31 December 2010	533,630
At 31 December 2009	606,613

8 TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2010	17,578	2,892,687	224,735	3,135,000
Additions	3,485	750,384	-	753,869
Disposals	-	(205,127)	-	(205,127)
At 31 December 2010	21,063	3,437,944	224,735	3,683,742
DEPRECIATION				
At 1 January 2010	2,954	1,415,181	210,455	1,628,590
Charge for year	1,107	269,696	2,997	273,800
Eliminated on disposal	-	(205,127)	-	(205,127)
At 31 December 2010	4,061	1,479,750	213,452	1,697,263
NET BOOK VALUE				
At 31 December 2010	17,002	1,958,194	11,283	1,986,479
At 31 December 2009	14,624	1,477,506	14,280	1,506,410

Caspian Networks Ltd

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2010**

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	
At 1 January 2010	81,324
Transfer to ownership	(81,324)
	<hr/>
At 31 December 2010	-
	<hr/>
DEPRECIATION	
At 1 January 2010	31,381
Transfer to ownership	(31,381)
	<hr/>
At 31 December 2010	-
	<hr/>
NET BOOK VALUE	
At 31 December 2010	-
	<hr/> <hr/>
At 31 December 2009	49,943
	<hr/> <hr/>

9 FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 January 2010 and 31 December 2010	10,000
	<hr/>
NET BOOK VALUE	
At 31 December 2010	10,000
	<hr/> <hr/>
At 31 December 2009	10,000
	<hr/> <hr/>

Fixed asset investments consists of 10,000 (2009-10,000) 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 10 £	31 12 09 £
Food stock	53,094	60,750
Paper stock	15,696	18,197
Non product stock	18,178	9,928
Other stock	5,639	4,407
	<hr/>	<hr/>
	92,607	93,282
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2010**

11 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 10	31 12 09
	£	£
Trade debtors	4,255	548
Other debtors	16,887	61,202
Prepayments	129,853	123,578
	<u>150,995</u>	<u>185,328</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 12 10	31 12 09
	£	£
Bank loans and overdrafts (see note 14)	233,111	303,192
Hire purchase contracts (see note 15)	-	25,860
Trade creditors	664,141	382,680
Tax	77,651	80,564
Social security and other taxes	64,020	61,889
VAT	384,470	352,549
Other creditors	98,382	112,725
Directors' current accounts	316,032	76,196
Accrued expenses	239,046	462,633
	<u>2,076,853</u>	<u>1,858,288</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 12 10	31 12 09
	£	£
Bank loans (see note 14)	<u>378,707</u>	<u>586,796</u>

14 LOANS

An analysis of the maturity of loans is given below

	31 12 10	31 12 09
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	-	42,630
Bank loans	233,111	260,562
	<u>233,111</u>	<u>303,192</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	<u>152,331</u>	<u>260,562</u>

Caspian Networks Ltd

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2010**

14 LOANS - continued

	31 12 10 £	31 12 09 £
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>226,376</u>	<u>326,234</u>

15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	31 12 10 £	Hire purchase contracts 31 12 09 £
Net obligations repayable		
Within one year	<u>-</u>	<u>25,860</u>

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

	Land and buildings		Other operating leases	
	31 12 10 £	31 12 09 £	31 12 10 £	31 12 09 £
Expiring				
Between one and five years	-	-	3,090	-
In more than five years	<u>670,260</u>	<u>646,260</u>	<u>-</u>	<u>-</u>
	<u>670,260</u>	<u>646,260</u>	<u>3,090</u>	<u>-</u>

16 SECURED DEBTS

The following secured debts are included within creditors

	31 12 10 £	31 12 09 £
Bank loans	<u>611,818</u>	<u>-</u>

The bank borrowings are secured on a life assurance policy written on the life of the director

17 PROVISIONS FOR LIABILITIES

	31 12 10 £	31 12 09 £
Deferred tax	<u>129,940</u>	<u>96,942</u>

Caspian Networks Ltd

**Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2010**

17 PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 January 2010	96,942
Profit & Loss	32,998
	<hr/>
Balance at 31 December 2010	129,940
	<hr/> <hr/>

18 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid		Nominal value	31 12 10		31 12 09	
Number	Class		£		£	
75	Ordinary A	£1	75		75	
25	Ordinary B	£1	25		25	
			<hr/>		<hr/>	
			100		100	
			<hr/> <hr/>		<hr/> <hr/>	

19 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr Michael Guerin, by virtue of being the sole director and majority shareholder

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 12 10	31 12 09
	£	£
Profit for the financial year	314,978	250,701
Dividends	(350,000)	(128,000)
	<hr/>	<hr/>
Net (reduction)/addition to shareholders' funds	(35,022)	122,701
Opening shareholders' funds	1,162,792	1,040,091
	<hr/>	<hr/>
Closing shareholders' funds	1,127,770	1,162,792
	<hr/> <hr/>	<hr/> <hr/>