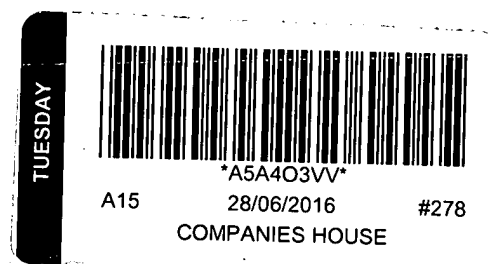


**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2015**
for
Caspian Networks Ltd



**Contents of the Financial Statements
for the Year Ended 31 December 2015**

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Caspian Networks Ltd
Company Information
for the Year Ended 31 December 2015

DIRECTORS: Michael Denis Guerin
Alison 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

Strategic Report for the Year Ended 31 December 2015

The directors present their strategic report for the year ended 31 December 2015.

REVIEW OF BUSINESS

The company currently operates 12 stores and employs over 900 staff. The company has had another successful year, with sales of £30,820,000, resulting in gross profits of £21,000,000. Profits before tax in the period amounted to £1,331,000.8. Overall the financial position of the company is healthy with the balance sheet currently showing net assets of over £3,000,000.

Turnover increased by approximately 5.6%, despite closure of one of the stores in November 2015. The gross profit has also increased slightly from 67.59% in 2014 to 68.14% in 2015. Overheads have increased in proportion to the increased sales. The business cash-flow is very healthy and the company is able to meet repayments.

FUTURE DEVELOPMENTS

The company has continued to carry out store re-images during 2015 and will continue to do so in 2016, with the current generation of re-images to be completed in full by 2018

Caspian Networks Ltd
Strategic Report
for the Year Ended 31 December 2015

PRINCIPAL RISKS AND UNCERTAINTIES

Economic risk:

Following some very challenging times, we are optimistic about the economic future. Customer confidence continues to rise and unemployment rates are falling. A cautious approach is still required as real disposable income is declining over the longer term as the cost of living continues to rise, despite interest rates remaining at an historical low. 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.

Regulatory risks:

The companies operations demand a high level of compliance within a wide range of regulatory requirements. In particular -

- * health and safety
- * hygiene procedures
- * employment laws
- * licensing

The above, along with a number of other areas, are monitored in detail by McDonalds, as being in the fast food industry brings a high level of regulatory concerns.

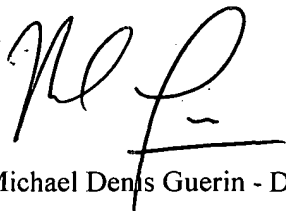
Consumer taste:

Any material change in the way the consumer views the fast food industry could have an adverse affect on the company. However, this can also work in the opposite direction and could assist the company to achieve growth. As a result the company focuses, in detail, on recognising demographic trends, ensuring innovation and ensuring that the company only use the freshest and highest quality products through it stores. The company have strict policies to ensure that all stores are maintaining the McDonalds ethos.

Competitors:

The fast food market is a very competitive market, with a high number of large competitors trading in the sector. In order to remain as one of the main players, McDonalds have dedicated teams who focus on ensuring they remain to be the leading company in the market. This will allow them to compete with other large fast food chains.

ON BEHALF OF THE BOARD:



Michael Denis Guerin - Director

20 June 2016

Caspian Networks Ltd

Report of the Directors for the Year Ended 31 December 2015

The directors present their report with the financial statements of the company for the year ended 31 December 2015.

DIVIDENDS

Dividends per share were paid on the following dates:

	15/04/2015	31/07/2015	Total
Ordinary 'A' Shares	£2,000	£1,000	£3,000
Ordinary 'B' Shares	£3,000	£6,000	£9,000

The total distribution of dividends for the year ended 31 December 2015 will be £450,000.

RESEARCH AND DEVELOPMENT

The company does not carry out any independent research and development. However the franchisor, McDonalds' Restaurants Limited, carries out its own research and development on behalf of all franchisees. The company makes a contribution towards this through its existing payments to the franchisor.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2015 to the date of this report.

Michael Denis Guerin
Alison Guerin

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 Directors for the Year Ended 31 December 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are 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 directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

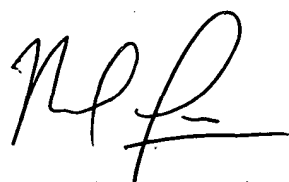
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are 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 each director 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

20 June 2016

Report of the Independent Auditors to the Members of Caspian Networks Ltd

We have audited the financial statements of Caspian Networks Ltd for the year ended 31 December 2015 on pages eight to twenty three. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Caspian Networks Ltd**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

20 June 2016

Caspian Networks Ltd

**Income Statement
for the Year Ended 31 December 2015**

	Notes	31.12.15 £	31.12.14 £
TURNOVER		30,822,198	29,187,138
Cost of sales		9,820,155	9,460,005
GROSS PROFIT		21,002,043	19,727,133
Administrative expenses		19,630,820	18,932,325
OPERATING PROFIT	3	1,371,223	794,808
Interest receivable and similar income		661	985
		1,371,884	795,793
Interest payable and similar charges	4	40,496	54,536
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,331,388	741,257
Tax on profit on ordinary activities	5	285,732	143,078
PROFIT FOR THE FINANCIAL YEAR		1,045,656	598,179

The notes form part of these financial statements

Caspian Networks Ltd

**Other Comprehensive Income
for the Year Ended 31 December 2015**


	Notes	31.12.15 £	31.12.14 £
PROFIT FOR THE YEAR		1,045,656	598,179
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,045,656</u>	<u>598,179</u>

The notes form part of these financial statements

Balance Sheet
31 December 2015

	Notes	31.12.15 £	31.12.14 £
FIXED ASSETS			
Intangible assets	7	1,923,493	2,109,597
Tangible assets	8	4,096,629	3,670,079
Investments	9	16,250	16,250
		<u>6,036,372</u>	<u>5,795,926</u>
CURRENT ASSETS			
Stocks	10	126,260	139,147
Debtors	11	251,144	312,374
Cash at bank and in hand		2,370,587	2,380,008
		<u>2,747,991</u>	<u>2,831,529</u>
CREDITORS			
Amounts falling due within one year	12	4,443,301	4,185,001
NET CURRENT LIABILITIES			
		<u>(1,695,310)</u>	<u>(1,353,472)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		4,341,062	4,442,454
CREDITORS			
Amounts falling due after more than one year	13	(964,986)	(1,727,458)
PROVISIONS FOR LIABILITIES			
	16	<u>(358,144)</u>	<u>(292,720)</u>
NET ASSETS			
		<u>3,017,932</u>	<u>2,422,276</u>
CAPITAL AND RESERVES			
Called up share capital	17	100	100
Retained earnings		3,017,832	2,422,176
SHAREHOLDERS' FUNDS			
		<u>3,017,932</u>	<u>2,422,276</u>

The financial statements were approved by the Board of Directors on 20 June 2016 and were signed on its behalf by:



Michael Denis Guerin - Director

The notes form part of these financial statements

Caspian Networks Ltd

**Statement of Changes in Equity
for the Year Ended 31 December 2015**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2014	100	1,973,997	1,974,097
Changes in equity			
Dividends	-	(150,000)	(150,000)
Total comprehensive income	-	598,179	598,179
Balance at 31 December 2014	<u>100</u>	<u>2,422,176</u>	<u>2,422,276</u>
Changes in equity			
Dividends	-	(450,000)	(450,000)
Total comprehensive income	-	1,045,656	1,045,656
Balance at 31 December 2015	<u><u>100</u></u>	<u><u>3,017,832</u></u>	<u><u>3,017,932</u></u>

The notes form part of these financial statements

Caspian Networks Ltd

Cash Flow Statement for the Year Ended 31 December 2015

	Notes	31.12.15 £	31.12.14 £
Cash flows from operating activities			
Cash generated from operations	1	2,408,315	2,026,871
Interest paid		(40,496)	(54,536)
Tax paid		(89,223)	(118,405)
Net cash from operating activities		<u>2,278,596</u>	<u>1,853,930</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,107,606)	(667,490)
Sale of intangible fixed assets		20,000	-
Interest received		661	985
Net cash from investing activities		<u>(1,086,945)</u>	<u>(666,505)</u>
Cash flows from financing activities			
Loan repayments in year		(746,366)	(732,322)
Amount introduced by directors		450,000	150,000
Amount withdrawn by directors		(454,706)	(157,778)
Equity dividends paid		(450,000)	(150,000)
Net cash from financing activities		<u>(1,201,072)</u>	<u>(890,100)</u>
(Decrease)/increase in cash and cash equivalents		<u>(9,421)</u>	<u>297,325</u>
Cash and cash equivalents at beginning of year	2	<u>2,380,008</u>	<u>2,082,683</u>
Cash and cash equivalents at end of year	2	<u><u>2,370,587</u></u>	<u><u>2,380,008</u></u>

The notes form part of these financial statements

Caspian Networks Ltd

Notes to the Cash Flow Statement for the Year Ended 31 December 2015

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.15	31.12.14
	£	£
Profit before taxation	1,331,388	741,257
Depreciation charges	757,487	730,842
Loss on disposal of fixed assets	89,677	-
Finance costs	40,496	54,536
Finance income	(661)	(985)
	<u>2,218,387</u>	<u>1,525,650</u>
Decrease in stocks	12,887	21,616
Decrease/(increase) in trade and other debtors	61,230	(46,495)
Increase in trade and other creditors	115,811	526,100
	<u>2,408,315</u>	<u>2,026,871</u>
Cash generated from operations		

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	<u>2,370,587</u>	<u>2,380,008</u>

Year ended 31 December 2014

	31.12.14	1.1.14
	£	£
Cash and cash equivalents	<u>2,380,008</u>	<u>2,082,683</u>

The notes form part of these financial statements

Caspian Networks Ltd

Notes to the Financial Statements for the Year Ended 31 December 2015

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Franchise rights & fees, being the amounts paid on acquisition of restaurants are being written off evenly over the terms of the franchise agreements or, in the case of restaurants acquired mid term, written off over 20 years. The 20 year write off period for any restaurants purchased mid term is on the basis that, on expiry of the existing 20 year franchise agreements, the company will be granted further 20 year franchises. The franchisor operates a formal "new term process" which sets out requirements for granting of a new term and the director does not anticipate any difficulty in meeting these requirements.

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
Motor vehicles	- 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 profit or loss 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 profit or loss in the period to which they relate.

Caspian Networks Ltd

Notes to the Financial Statements - continued for the Year Ended 31 December 2015

2. STAFF COSTS

	31.12.15	31.12.14
	£	£
Wages and salaries	8,498,470	8,098,731
Social security costs	353,105	369,997
Other pension costs	118,812	145,289
	<u>8,970,387</u>	<u>8,614,017</u>

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

	31.12.15	31.12.14
Production staff	820	782
Office and management	35	36
	<u>855</u>	<u>818</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.15	31.12.14
	£	£
Hire of plant and machinery	9,382	9,382
Other operating leases	3,798,942	3,639,279
Depreciation - owned assets	581,956	555,314
Loss on disposal of fixed assets	89,677	-
Franchise rights & fees amortisation	175,527	175,528
Auditors' remuneration	10,125	10,462
Auditors' remuneration for non audit work	3,625	4,850
	<u>15,000</u>	<u>15,013</u>

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

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

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.15	31.12.14
	£	£
Bank interest	<u>40,496</u>	<u>54,536</u>

Caspian Networks Ltd

Notes to the Financial Statements - continued for the Year Ended 31 December 2015

5. TAXATION

Analysis of the tax charge

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

	31.12.15 £	31.12.14 £
Current tax:		
UK corporation tax	220,308	89,483
Deferred tax	65,424	53,595
Tax on profit on ordinary activities	<u>285,732</u>	<u>143,078</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.15 £	31.12.14 £
Profit on ordinary activities before tax	<u>1,331,388</u>	<u>741,257</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.220% (2014 - 20.550%)	269,207	152,328
Effects of:		
Capital allowances in excess of depreciation	(68,940)	(65,170)
Adjustments to tax charge in respect of previous periods	-	2,324
Deferred tax charge	65,424	53,596
Profit/loss on disposal of fixed assets	20,041	-
Total tax charge	<u>285,732</u>	<u>143,078</u>

6. DIVIDENDS

	31.12.15 £	31.12.14 £
Ordinary A shares of £1 each		
Interim	225,000	75,000
Ordinary B shares of £1 each		
Interim	225,000	75,000
	<u>450,000</u>	<u>150,000</u>

Caspian Networks Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2015**

7. INTANGIBLE FIXED ASSETS

	Franchise rights & fees £
COST	
At 1 January 2015	3,365,721
Disposals	(284,875)
At 31 December 2015	<u>3,080,846</u>
AMORTISATION	
At 1 January 2015	1,256,124
Amortisation for year	175,527
Eliminated on disposal	(274,298)
At 31 December 2015	<u>1,157,353</u>
NET BOOK VALUE	
At 31 December 2015	<u>1,923,493</u>
At 31 December 2014	<u>2,109,597</u>

8. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2015	26,867	6,831,656	233,397	7,000	7,098,920
Additions	-	1,107,606	-	-	1,107,606
Disposals	-	(579,756)	(63,330)	-	(643,086)
At 31 December 2015	<u>26,867</u>	<u>7,359,506</u>	<u>170,067</u>	<u>7,000</u>	<u>7,563,440</u>
DEPRECIATION					
At 1 January 2015	9,330	3,194,117	222,954	2,440	3,428,841
Charge for year	1,396	577,398	2,022	1,140	581,956
Eliminated on disposal	-	(481,940)	(62,046)	-	(543,986)
At 31 December 2015	<u>10,726</u>	<u>3,289,575</u>	<u>162,930</u>	<u>3,580</u>	<u>3,466,811</u>
NET BOOK VALUE					
At 31 December 2015	<u>16,141</u>	<u>4,069,931</u>	<u>7,137</u>	<u>3,420</u>	<u>4,096,629</u>
At 31 December 2014	<u>17,537</u>	<u>3,637,539</u>	<u>10,443</u>	<u>4,560</u>	<u>3,670,079</u>

Caspian Networks Ltd

Notes to the Financial Statements - continued for the Year Ended 31 December 2015

9. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 January 2015 and 31 December 2015	16,250
NET BOOK VALUE	
At 31 December 2015	16,250
At 31 December 2014	16,250

Fixed asset investments consists of £16,250 (2013-£16,250) 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

	31.12.15 £	31.12.14 £
Food stock	92,943	93,342
Paper stock	21,405	23,796
Non product stock	6,663	13,371
Other stock	5,249	8,638
	<u>126,260</u>	<u>139,147</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.15 £	31.12.14 £
Trade debtors	5,724	10,090
Other debtors	70,573	92,159
Prepayments	174,847	210,125
	<u>251,144</u>	<u>312,374</u>

Caspian Networks Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2015**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.15	31.12.14
	£	£
Bank loans and overdrafts (see note 14)	766,968	750,858
Trade creditors	2,043,489	1,637,499
Tax	220,308	89,223
Social security and other taxes	84,172	85,215
VAT	577,963	643,352
Other creditors	232,113	444,514
Directors' current accounts	182,677	187,383
Accrued expenses	335,611	346,957
	<u>4,443,301</u>	<u>4,185,001</u>

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

	31.12.15	31.12.14
	£	£
Bank loans (see note 14)	<u>964,986</u>	<u>1,727,458</u>

14. LOANS

An analysis of the maturity of loans is given below:

	31.12.15	31.12.14
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>766,968</u>	<u>750,858</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>769,458</u>	<u>759,858</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>195,528</u>	<u>967,600</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.15	31.12.14
	£	£
Within one year	1,015,495	1,016,340
Between one and five years	2,831,088	3,139,656
In more than five years	2,700,485	3,407,412
	<u>6,547,068</u>	<u>7,563,408</u>

Caspian Networks Ltd

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2015**

16. PROVISIONS FOR LIABILITIES

	31.12.15	31.12.14
	£	£
Deferred tax	<u>358,144</u>	<u>292,720</u>
		Deferred tax
		£
Balance at 1 January 2015		292,720
Charge to Income Statement during year		<u>65,424</u>
Balance at 31 December 2015		<u>358,144</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.15	31.12.14
			£	£
75	Ordinary A	£1	75	75
25	Ordinary B	£1	25	25
			<u>100</u>	<u>100</u>

18. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2015 and 31 December 2014:

	31.12.15	31.12.14
	£	£
Michael Denis Guerin		
Balance outstanding at start of year	(187,382)	(195,161)
Amounts advanced	454,705	157,779
Amounts repaid	(450,000)	(150,000)
Balance outstanding at end of year	<u>(182,677)</u>	<u>(187,382)</u>

19. ULTIMATE CONTROLLING PARTY

The controlling party is Michael Denis Guerin.

Caspian Networks Ltd

**Reconciliation of Equity
1 January 2014
(Date of Transition to FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		2,285,125	-	2,285,125
Tangible assets		3,557,903	-	3,557,903
Investments		16,250	-	16,250
		<u>5,859,278</u>	<u>-</u>	<u>5,859,278</u>
CURRENT ASSETS				
Stocks		160,763	-	160,763
Debtors		265,879	-	265,879
Cash at bank and in hand		2,082,683	-	2,082,683
		<u>2,509,325</u>	<u>-</u>	<u>2,509,325</u>
CREDITORS				
Amounts falling due within one year		(3,674,001)	-	(3,674,001)
NET CURRENT LIABILITIES		<u>(1,164,676)</u>	<u>-</u>	<u>(1,164,676)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,694,602	-	4,694,602
CREDITORS				
Amounts falling due after more than one year		(2,481,381)	-	(2,481,381)
PROVISIONS FOR LIABILITIES		<u>(239,124)</u>	<u>-</u>	<u>(239,124)</u>
NET ASSETS		<u>1,974,097</u>	<u>-</u>	<u>1,974,097</u>
CAPITAL AND RESERVES				
Called up share capital		100	-	100
Retained earnings		1,973,997	-	1,973,997
SHAREHOLDERS' FUNDS		<u>1,974,097</u>	<u>-</u>	<u>1,974,097</u>

The notes form part of these financial statements

Caspian Networks Ltd

**Reconciliation of Equity - continued
31 December 2014**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		2,109,597	-	2,109,597
Tangible assets		3,670,079	-	3,670,079
Investments		16,250	-	16,250
		<u>5,795,926</u>	<u>-</u>	<u>5,795,926</u>
CURRENT ASSETS				
Stocks		139,147	-	139,147
Debtors		312,374	-	312,374
Cash at bank and in hand		2,380,008	-	2,380,008
		<u>2,831,529</u>	<u>-</u>	<u>2,831,529</u>
CREDITORS				
Amounts falling due within one year		(4,185,001)	-	(4,185,001)
NET CURRENT LIABILITIES		<u>(1,353,472)</u>	<u>-</u>	<u>(1,353,472)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,442,454	-	4,442,454
CREDITORS				
Amounts falling due after more than one year		(1,727,458)	-	(1,727,458)
PROVISIONS FOR LIABILITIES		<u>(292,720)</u>	<u>-</u>	<u>(292,720)</u>
NET ASSETS		<u>2,422,276</u>	<u>-</u>	<u>2,422,276</u>
CAPITAL AND RESERVES				
Called up share capital		100	-	100
Retained earnings		2,422,176	-	2,422,176
SHAREHOLDERS' FUNDS		<u>2,422,276</u>	<u>-</u>	<u>2,422,276</u>

The notes form part of these financial statements

Caspian Networks Ltd

Reconciliation of Profit for the Year Ended 31 December 2014

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	29,187,138	-	29,187,138
Cost of sales	(9,460,005)	-	(9,460,005)
GROSS PROFIT	19,727,133	-	19,727,133
Administrative expenses	(18,932,325)	-	(18,932,325)
OPERATING PROFIT	794,808	-	794,808
Interest receivable and similar income	985	-	985
Interest payable and similar charges	(54,536)	-	(54,536)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	741,257	-	741,257
Tax on profit on ordinary activities	(143,078)	-	(143,078)
PROFIT FOR THE FINANCIAL YEAR	598,179	-	598,179

The notes form part of these financial statements