

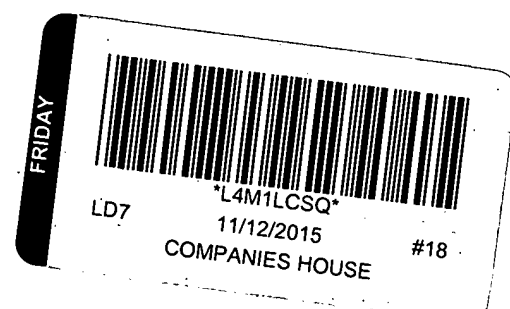
the young company
CHARTERED ACCOUNTANTS, BUSINESS ADVISORS & MORE...

ALPHA CRC LIMITED

CONSOLIDATED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014



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Registered to carry on audit work and regulated for a range of investment business activities by The Institute of Chartered Accountants in England & Wales.

ALPHA CRC LIMITED

COMPANY INFORMATION

DIRECTORS

Ms I Weiss
P Nash

COMPANY SECRETARY

P Nash

REGISTERED NUMBER

2197452

REGISTERED OFFICE

St Andrews House
St Andrews Road
Cambridge
CB4 1DL

INDEPENDENT AUDITORS

The Young Company
Chartered Accountants & Statutory Auditors
2 B Vantage Park
Washingley Road
Huntingdon
Cambs
PE29 6SR

ALPHA CRC LIMITED

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ALPHA CRC LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

INTRODUCTION

The company provides technical translation services.

BUSINESS REVIEW

Following a year of accelerating new business growth in 2013, the group continued to build its client base in 2014. The range of services offered also broadened, and the group now presents itself as providing end to end globalization. It became clear during 2014 that Alpha is discounted from certain business opportunities with larger clients because it is perceived as not big enough. The group will be seeking acquisition opportunities in an effort to accelerate its growth.

PRINCIPAL RISKS AND UNCERTAINTIES

The group's activities expose it to a variety of financial and accounting risks, including foreign currency, liquidity, interest rate and credit. The principal financial and accounting risks are summarised below. The group's overall management of these risks is carried out by the board of directors under agreed policies and procedures. The directors identify, evaluate and where appropriate, hedge financial risks.

Trading conditions

Economic uncertainty persisted throughout 2014 and into the following year. This environment, including the response of our key customers to it, widens the possible budgeted outcomes of the group's performance in respect of sales, cost of sales, profit and cash generation. Potential opportunities for cost savings will be evaluated and considered, while at the same time ensuring that there is no compromise on the quality of staff employed, or subcontract translators engaged on projects.

Foreign currency risk

Foreign currency risk is the risk that changes in currency rates will affect the group's results. The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Euro.

The group has subsidiary operations outside the UK whose net assets are exposed to foreign currency translation risk. The group's UK business is also exposed to foreign currency risk on purchases that are denominated in a currency other than their local currency, principally US dollars and the Euro.

During the year ended 31 December 2014, approximately 93% of the group's revenue and operating profits were earned in currencies other than UK sterling. Any strengthening of UK sterling against all the currencies in which the group does business, would reduce the operating profit achieved, as a result of currency translation.

Currency exposures also arise from the net assets of the group's subsidiary foreign operations. Similarly, any strengthening of UK sterling against all the non-UK sterling capital employed would lead to a reduction in shareholders' funds.

As a result of this, the group manages its foreign currency exposure using forward foreign exchange contracts.

FINANCIAL KEY PERFORMANCE INDICATORS

Turnover

Turnover for the year stands at £18,461,454 (2013: £17,111,403, 2012: £15,836,824,543).

Gross margin

Gross margin is calculated as Revenue less total cost of production, including project management costs. During 2014 this was approximately 15.9% of revenue (2013: 21.4%, 2012: 21.4%). It is primarily influenced by two factors: productivity of internal production and the ability of recruitment to keep pace with growing revenue, this latter because internal production is cheaper at the margin than outsourcing. There is a current threat to productivity caused by the tendency of modern workflow management tools to create a degraded environment for the translator. The group continues to make strenuous efforts to develop methodologies to mitigate this effect, and expects to maintain current gross margins in 2015.

ALPHA CRC LIMITED

**GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014**

The group is seeking to improve net margin by streamlining non-production operations. The group also expects the gross to net position to improve with continued revenue growth, as there is currently sufficient space and infrastructure to support substantial growth without an increase in overhead costs.

OTHER KEY PERFORMANCE INDICATORS

Given the nature of the group's business, there are three main KPI's that are important: rate of client retention; rate of acquisition of new clients; rate of staff turnover. Client retention rates are very high - no significant client has been lost in 2014. Nonetheless, the group will be engaging in a reorganization during 2015 designed to increase client focus throughout the production teams. New client acquisition continued at a good pace during the year. Staff turnover rose, in line with an increase in the number of younger staff in their first jobs.

This report was approved by the board on *10th December 2015* and signed on its behalf.

P Nash
Director



ALPHA CRC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the audited financial statements for the year ended 31 December 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group Strategic report, the Group Directors' report 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIVIDENDS

The directors do not recommend payment of a dividend.

DIRECTORS

The directors who served during the year were:

Ms I Weiss
P Nash

EVENTS SINCE THE END OF THE YEAR

In April 2015, the company acquired the shares in Star Holding Limited, a company registered in England and Wales, together with its two wholly owned subsidiaries Language Technology Centre Limited and Agile Web Solutions Limited. The total consideration was £876,450.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

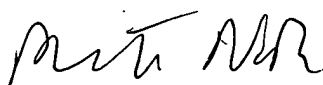
- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

AUDITORS

The auditors, The Young Company, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 10th Dec 2015 and signed on its behalf.

P Nash
Director



ALPHA CRC LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALPHA CRC LIMITED

We have audited the financial statements of Alpha CRC Limited for the year ended 31 December 2014, set out on pages 6 to 23. 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).

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 an 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 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 Directors' responsibilities statement, 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 group's and the parent 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 Group Directors' and the Directors' report 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 group's and the parent company's affairs as at 31 December 2014 and of the group's loss 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 Group Directors' and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

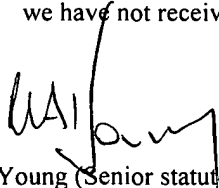
ALPHA CRC LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALPHA CRC LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



R A Young (Senior statutory auditor)

for and on behalf of
The Young Company

Chartered Accountants
Statutory Auditors

2 B Vantage Park
Washingley Road
Huntingdon
Cambs
PE29 6SR
Date:

10th December 2015

ALPHA CRC LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
TURNOVER	1	18,461,454	<i>17,111,403</i>
Cost of sales		<u>(15,413,304)</u>	<u>(13,123,597)</u>
GROSS PROFIT		3,048,150	<i>3,987,806</i>
Distribution costs		34,398	<i>(48,534)</i>
Administrative expenses		<u>(3,470,622)</u>	<u>(3,804,025)</u>
OPERATING (LOSS)/PROFIT	3	(388,074)	<i>135,247</i>
EXCEPTIONAL ITEMS			
Other exceptional items	7	<u>-</u>	<u>284,900</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(388,074)	<i>420,147</i>
Interest payable and similar charges	6	<u>(85,215)</u>	<u>(39,089)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(473,289)	<i>381,058</i>
Tax on (loss)/profit on ordinary activities	8	<u>101,688</u>	<u>(33,058)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	16	<u>(371,601)</u>	<u><i>348,000</i></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

The notes on pages 10 to 23 form part of these financial statements.

ALPHA CRC LIMITED
REGISTERED NUMBER: 2197452

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Intangible assets	9	495,034	414,900
Tangible assets	10	715,083	700,885
		<u>1,210,117</u>	<u>1,115,785</u>
CURRENT ASSETS			
Debtors	11	4,298,810	4,334,320
Cash at bank and in hand		756,216	819,595
		<u>5,055,026</u>	<u>5,153,915</u>
CREDITORS: amounts falling due within one year	12	<u>(4,967,655)</u>	<u>(4,633,169)</u>
NET CURRENT ASSETS		<u>87,371</u>	<u>520,746</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,297,488</u>	<u>1,636,531</u>
CREDITORS: amounts falling due after more than one year	13	<u>(232,558)</u>	<u>(250,000)</u>
NET ASSETS		<u><u>1,064,930</u></u>	<u><u>1,386,531</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	1,257	1,146
Share premium account	16	49,889	-
Other reserves	16	759,894	759,894
Profit and loss account	16	253,890	625,491
SHAREHOLDERS' FUNDS	17	<u><u>1,064,930</u></u>	<u><u>1,386,531</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

10th December 2015

P Nash
Director



The notes on pages 10 to 23 form part of these financial statements.

ALPHA CRC LIMITED
REGISTERED NUMBER: 2197452

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Intangible assets	9	495,034	414,900
Tangible assets	10	612,982	601,874
		<u>1,108,016</u>	<u>1,016,774</u>
CURRENT ASSETS			
Debtors	11	3,427,062	3,522,125
Cash at bank and in hand		552,883	601,060
		<u>3,979,945</u>	<u>4,123,185</u>
CREDITORS: amounts falling due within one year	12	<u>(4,380,652)</u>	<u>(3,952,750)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(400,707)</u>	<u>170,435</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>707,309</u>	<u>1,187,209</u>
CREDITORS: amounts falling due after more than one year	13	<u>(232,558)</u>	<u>(250,000)</u>
NET ASSETS		<u>474,751</u>	<u>937,209</u>
CAPITAL AND RESERVES			
Called up share capital	15	1,257	1,146
Share premium account	16	49,889	-
Other reserves	16	759,894	759,894
Profit and loss account	16	(336,289)	176,169
SHAREHOLDERS' FUNDS	17	<u>474,751</u>	<u>937,209</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
10th December 2015

P Nash
Director



The notes on pages 10 to 23 form part of these financial statements.

ALPHA CRC LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	19	164,591	(29,583)
Returns on investments and servicing of finance	20	(85,215)	(39,089)
Taxation		(127,693)	(98,727)
Capital expenditure and financial investment	20	(443,053)	(633,083)
Equity dividends paid		-	(40,000)
CASH OUTFLOW BEFORE FINANCING		(491,370)	(840,482)
Financing	20	32,558	760,040
DECREASE IN CASH IN THE YEAR		(458,812)	(80,442)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
Decrease in cash in the year	(458,812)	(80,442)
Cash outflow from decrease in debt and lease financing	17,442	-
MOVEMENT IN NET DEBT IN THE YEAR	(441,370)	(80,442)
Net debt at 1 January 2014	(560,851)	(480,409)
NET DEBT AT 31 DECEMBER 2014	(1,002,221)	(560,851)

The notes on pages 10 to 23 form part of these financial statements.

ALPHA CRC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The financial statements consolidate the accounts of Alpha CRC Limited and all of its subsidiary undertakings ('subsidiaries').

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term Leasehold Property	-	over the period of the lease
Fixtures & fittings	-	10% straight line
Motor vehicles	-	25% straight line
Office equipment	-	10% straight line
Computer equipment	-	25-33% at varying rates straight line

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

ALPHA CRC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.9 Work in progress

Work in progress at the year end is valued at selling price and included in other debtors as accrued income.

1.10 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised over the anticipated life of the benefits arising from the completed project. The project was completed early in 2014 and amortisation is now being charged over the life of the project which is deemed to be 5 years.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Profit and loss account.

2. TURNOVER

The whole of the turnover is attributable to the provision of technical translation services.

93% of the group's turnover (2013 - 80%) is attributable to geographical markets outside the United Kingdom.

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging/(crediting):

	2014 £	2013 £
Amortisation - intangible fixed assets	-	355,102
Depreciation of tangible fixed assets:		
- owned by the group	224,961	207,664
Auditors' remuneration	15,000	15,000
Auditors' remuneration - non-audit	10,000	9,794
Operating lease rentals:		
- plant and machinery	25,908	36,418
- other operating leases	800,313	858,134
Difference on foreign exchange	(135,405)	469,094
Amortisation of deferred research and development expenditure	123,760	-
Pension costs	81,510	79,401

Auditors fees for the company were £15,000 (2013 - £15,000)

ALPHA CRC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	8,503,276	6,391,725
Social security costs	1,671,015	1,463,137
Other pension costs	101,373	79,401
	<u>10,275,664</u>	<u>7,934,263</u>

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

	2014 No.	2013 No.
	<u>226</u>	<u>158</u>

5. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	<u>21,207</u>	<u>15,734</u>

6. INTEREST PAYABLE

	2014 £	2013 £
On bank loans and overdrafts	82,354	39,089
Other interest payable	2,861	-
	<u>85,215</u>	<u>39,089</u>

7. EXCEPTIONAL ITEMS

	2014 £	2013 £
Capitalisation of prior year project development costs	<u>-</u>	<u>284,900</u>

Costs incurred on a specific development project for translation services had previously been written off as incurred as the outcome of the project was not certain. Early in 2014, the project was completed and was expected, with some certainty, to produce future benefits. The project costs were therefore deemed to meet the requirements for capitalisation in 2013.

ALPHA CRC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

8. TAXATION

	2014 £	2013 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on (loss)/profit for the year	54,344	34,376
Adjustments in respect of prior periods	36,741	-
	<u>91,085</u>	<u>34,376</u>
Foreign tax on income for the year	25,850	5,854
	<u>116,935</u>	<u>40,230</u>
Deferred tax (see note 14)		
Origination and reversal of timing differences	(218,623)	(7,172)
	<u>(101,688)</u>	<u>33,058</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - lower than) the standard rate of corporation tax in the UK of 20% (2013 - 20%). The differences are explained below:

	2014 £	2013 £
(Loss)/profit on ordinary activities before tax	<u>(473,289)</u>	<u>381,058</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 20%)	(94,658)	76,212
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	24,752	6,000
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,504	3,413
Capital allowances for year in excess of depreciation	(20,648)	(29,310)
Adjustments to tax charge in respect of prior periods	36,741	-
Non-taxable income	-	(56,980)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(50,973)	(32,500)
Unrelieved tax losses carried forward	183,233	86,364
Difference relating to variances on Corporation Tax rates in foreign territories	35,984	(12,969)
	<u>116,935</u>	<u>40,230</u>

Current tax charge for the year (see note above)

Factors that may affect future tax charges

The company has tax losses of £1,336,260 available to offset against taxable profits in future periods.

ALPHA CRC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

9. INTANGIBLE FIXED ASSETS

Group	Development costs £	Goodwill £	Total £
Cost			
At 1 January 2014	414,900	2,056,980	2,471,880
Additions	203,894	-	203,894
At 31 December 2014	618,794	2,056,980	2,675,774
Amortisation			
At 1 January 2014	-	2,056,980	2,056,980
Charge for the year	123,760	-	123,760
At 31 December 2014	123,760	2,056,980	2,180,740
Net book value			
At 31 December 2014	495,034	-	495,034
At 31 December 2013	414,900	-	414,900

Company	Development costs £	Goodwill £	Total £
Cost			
At 1 January 2014	414,900	2,050,000	2,464,900
Additions	203,894	-	203,894
At 31 December 2014	618,794	2,050,000	2,668,794
Amortisation			
At 1 January 2014	-	2,050,000	2,050,000
Charge for the year	123,760	-	123,760
At 31 December 2014	123,760	2,050,000	2,173,760
Net book value			
At 31 December 2014	495,034	-	495,034
At 31 December 2013	414,900	-	414,900

ALPHA CRC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

10. TANGIBLE FIXED ASSETS

Group	Long Term Leasehold Property £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost						
At 1 January 2014	289,636	378,114	28,355	220,335	662,701	1,579,141
Additions	19,427	17,004	-	8,569	200,644	245,644
Disposals	-	-	-	(16,603)	(15,929)	(32,532)
At 31 December 2014	309,063	395,118	28,355	212,301	847,416	1,792,253
Depreciation						
At 1 January 2014	77,021	166,532	28,355	132,708	473,640	878,256
Charge for the year	16,696	36,165	-	17,725	154,375	224,961
On disposals	-	-	-	(10,118)	(15,929)	(26,047)
At 31 December 2014	93,717	202,697	28,355	140,315	612,086	1,077,170
Net book value						
At 31 December 2014	215,346	192,421	-	71,986	235,330	715,083
At 31 December 2013	212,615	211,582	-	87,627	189,061	700,885

ALPHA CRC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

Company	Long Term Leasehold Property £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost						
At 1 January 2014	217,615	378,114	28,355	151,256	634,907	1,410,247
Additions	9,543	17,004	-	-	191,430	217,977
Disposals	-	-	-	-	(15,929)	(15,929)
At 31 December 2014	227,158	395,118	28,355	151,256	810,408	1,612,295
Depreciation						
At 1 January 2014	71,463	166,532	28,355	81,142	460,881	808,373
Charge for the year	11,136	36,165	-	12,170	147,398	206,869
On disposals	-	-	-	-	(15,929)	(15,929)
At 31 December 2014	82,599	202,697	28,355	93,312	592,350	999,313
Net book value						
At 31 December 2014	144,559	192,421	-	57,944	218,058	612,982
At 31 December 2013	146,152	211,582	-	70,114	174,026	601,874

11. DEBTORS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Trade debtors	2,691,030	3,068,728	1,957,166	2,286,728
Amounts owed by group undertakings	-	-	240	227,374
Other debtors	863,852	581,970	792,784	533,827
Prepayments and accrued income	525,305	683,622	458,249	474,196
Deferred tax asset (see note 14)	218,623	-	218,623	-
	4,298,810	4,334,320	3,427,062	3,522,125

ALPHA CRC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

12. CREDITORS:

Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	1,525,879	1,130,446	1,525,879	1,130,446
Payments received on account	542,636	-	542,636	-
Trade creditors	1,728,010	2,036,104	1,694,596	2,017,751
Corporation tax	2,652	16,033	-	-
Other taxation and social security	621,388	671,158	408,156	425,122
Other creditors	293,408	288,525	16,653	114,595
Accruals and deferred income	253,682	490,903	192,732	264,836
	<u>4,967,655</u>	<u>4,633,169</u>	<u>4,380,652</u>	<u>3,952,750</u>

Bank overdrafts of £1,525,879 (2013 - £1,130,446) are secured by way of a mortgage debenture held by the company's bankers and by personal guarantees of the directors.

13. CREDITORS:

Amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Other loans	<u>232,558</u>	<u>250,000</u>	<u>232,558</u>	<u>250,000</u>

Other loans are repayable between one and five years after the balance sheet date.

14. DEFERRED TAXATION

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
At beginning of year	-	(7,172)	-	(7,172)
Released during the year (P&L)	218,623	7,172	218,623	7,172
At end of year	<u>218,623</u>	<u>-</u>	<u>218,623</u>	<u>-</u>

ALPHA CRC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

14. DEFERRED TAXATION (continued)

The deferred taxation balance is made up as follows:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Accelerated capital allowances	48,629	-	48,629	-
Tax losses brought forward	(267,252)	-	(267,252)	-
	<u>(218,623)</u>	<u>-</u>	<u>(218,623)</u>	<u>-</u>

The company is recognising a deferred tax asset on the basis of its forecasts of future profitability.

15. SHARE CAPITAL

	2014	2013
	£	£
Allotted, called up and fully paid		
12,570 (2013 - 11,460) Ordinary shares of £0.10 each	<u>1,257</u>	<u>1,146</u>

During the year, the company allotted 1,110 ordinary shares of £0.10 for a consideration of £50,000.

16. RESERVES

	Share premium account	Other reserves	Profit and loss account
Group	£	£	£
At 1 January 2014		759,894	625,491
Loss for the financial year			(371,601)
Premium on shares issued during the year	49,889		
At 31 December 2014	<u>49,889</u>	<u>759,894</u>	<u>253,890</u>

ALPHA CRC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

16. RESERVES (continued)

	Share premium account £	Other reserves £	Profit and loss account £
Company			
At 1 January 2014		759,894	176,169
Loss for the financial year			(512,458)
Premium on shares issued during the year	49,889		
	<u>49,889</u>	<u>759,894</u>	<u>(336,289)</u>
At 31 December 2014			

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Group		
Opening shareholders' funds	1,386,531	318,491
(Loss)/profit for the financial year	(371,601)	348,000
Dividends (Note 18)	-	(40,000)
Shares issued during the year	111	146
Share premium on shares issued (net of expenses)	49,889	-
Merger relief reserve on shares issued during the year	-	759,894
	<u>1,064,930</u>	<u>1,386,531</u>
Closing shareholders' funds		

	2014 £	2013 £
Company		
Opening shareholders' funds	937,209	94,932
(Loss)/profit for the financial year	(512,458)	122,237
Dividends (Note 18)	-	(40,000)
Shares issued during the year	111	146
Share premium on shares issued (net of expenses)	49,889	-
Merger relief reserve on shares issued during the year	-	759,894
	<u>474,751</u>	<u>937,209</u>
Closing shareholders' funds		

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The loss for the year dealt with in the accounts of the company was £512,458 (2013 - profit £122,237).

ALPHA CRC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

18. DIVIDENDS

	2014 £	2013 £
Dividends paid on equity capital	-	40,000

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating (loss)/profit	(388,074)	135,247
Exceptional items	-	284,900
Amortisation of intangible fixed assets	123,760	355,102
Depreciation of tangible fixed assets	224,961	207,664
Loss on disposal of tangible fixed assets	-	11,247
Decrease/(increase) in debtors	251,508	(817,717)
Decrease in creditors	(47,564)	(206,026)
Net cash inflow/(outflow) from operating activities	164,591	(29,583)

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest paid	(85,215)	(39,089)

	2014 £	2013 £
Capital expenditure and financial investment		
Reclassification of intangible fixed assets	(203,894)	(414,900)
Purchase of tangible fixed assets	(245,644)	(225,178)
Sale of tangible fixed assets	6,485	6,995
Net cash outflow from capital expenditure	(443,053)	(633,083)

	2014 £	2013 £
Financing		
Issue of ordinary shares	50,000	760,040
Repayment of loans	(17,442)	-
Net cash inflow from financing	32,558	760,040

ALPHA CRC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

21. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
Cash at bank and in hand	819,595	(63,379)	-	756,216
Bank overdraft	(1,130,446)	(395,433)	-	(1,525,879)
	<u>(310,851)</u>	<u>(458,812)</u>	<u>-</u>	<u>(769,663)</u>
Debt:				
Debts due within one year	-	17,442	(17,442)	-
Debts falling due after more than one year	(250,000)	-	17,442	(232,558)
	<u>(560,851)</u>	<u>(441,370)</u>	<u>-</u>	<u>(1,002,221)</u>
Net debt	<u>(560,851)</u>	<u>(441,370)</u>	<u>-</u>	<u>(1,002,221)</u>

22. PENSION COMMITMENTS

The group has agreed to make contributions to the personal pension fund of employees of **£71,293** (2013: £79,401).

23. OPERATING LEASE COMMITMENTS

At 31 December 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014 £	2013 £
Group		
Expiry date:		
Within 1 year	9,785	136,140
Between 2 and 5 years	-	117,420
After more than 5 years	<u>314,888</u>	<u>-</u>

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014 £	2013 £
Company		
Expiry date:		
Within 1 year	9,785	136,140
Between 2 and 5 years	-	117,420
After more than 5 years	<u>314,888</u>	<u>-</u>

The existing lease for the company's UK premises expired in August 2014 and a new lease was entered into. The lease runs for 10 years and the annual commitment amounts to £314,888.

ALPHA CRC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

24. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES

The directors P Nash and Ms I Weiss have given personal guarantees to the company's bankers in support of bank borrowings

Included within other debtors due within one year is a loan to P Nash, a director, amounting to £89,875 (2013 - £31,796). Advances during the year amounted to £243,079 and amounts repaid during the year totalled £185,000. There are no conditions attached to the loan, no interest is being charged and there are no repayment terms.

25. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions available under FRS8 not to disclose intra-group transactions with wholly owned subsidiaries.

The UK company rents premises in Barcelona from P Nash, director. The annual rental charge, on a commercial basis, is £15,000 (2013: £15,000).

The French subsidiary, Alpha CRC sarl, paid an annual rental charge of £39,917 (2013: £16,000) on a commercial basis to Alpha PNIW SCI, a French company in which the UK company's directors P Nash and Ms I Weiss are the shareholders.

Included within other debtors is a loan made by Alpha CRC Limited to Alpha PNIW SCI during the year of £nil (£6,000).

Included in the accounts is a loan from Ms I Weiss, director, of £5,363 (2013: £28,863).

26. POST BALANCE SHEET EVENTS

In April 2015, the company acquired the shares in Star Holding Limited, a company registered in England and Wales, together with its two wholly owned subsidiaries Language Technology Centre Limited and Agile Web Solutions Limited. The total consideration was £876,450.

27. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Alpha CRC sarl	France	100	Ordinary shares
Alpha CRC GmbH	Germany	100	Ordinary shares
Tradnet snc	Italy	100	Ordinary shares
Alpha Estonia	Estonia	100	Ordinary shares

The above subsidiaries are all included within the consolidated accounts. The investment in the subsidiaries is disclosed in the accounts at a cost of £nil. Each of the subsidiaries is involved in the provision of technical translation services.

ALPHA CRC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

28. GOING CONCERN

The directors have prepared the financial statements on the going concern basis. The group continues to rely on the support of the bank, its creditors and the directors. The directors have considered the 12 month period from the date of approval of the financial statements and are confident this support will be maintained. On that basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

ALPHA CRC LIMITED

COMPANY DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Page	2014 £	2013 £
TURNOVER	25	13,164,113	<i>13,261,989</i>
Cost of sales	25	(11,064,700)	<i>(10,417,889)</i>
		<hr/>	<hr/>
GROSS PROFIT		2,099,413	<i>2,844,100</i>
Gross profit %		15.9 %	<i>21.4 %</i>
LESS: OVERHEADS			
Selling and distribution expenses	25	34,398	<i>(48,534)</i>
Administration expenses	25	(2,742,988)	<i>(2,926,578)</i>
		<hr/>	<hr/>
OPERATING LOSS		(609,177)	<i>(131,012)</i>
Finance costs	26	(85,163)	<i>(38,823)</i>
Exceptional items	26	-	<i>284,900</i>
		<hr/>	<hr/>
(LOSS)/PROFIT FOR THE YEAR		(694,340)	<i>115,065</i>
		<hr/>	<hr/>

ALPHA CRC LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 £	2013 £
TURNOVER		
Sales	13,164,113	13,261,989
	2014 £	2013 £
COST OF SALES		
Translation costs	4,345,091	5,656,651
Salaries	5,680,414	3,891,364
National insurance	944,566	787,650
Staff pension costs	51,727	50,177
Sound recording	-	16,286
Courier and delivery services	1,356	1,967
Travelling	41,546	13,794
	11,064,700	10,417,889
	2014 £	2013 £
SELLING AND DISTRIBUTION EXPENSES		
Bad debts	(34,398)	48,534
	2014 £	2013 £
ADMINISTRATION EXPENSES		
Directors' remuneration	18,888	14,120
Directors private health insurance	2,319	1,614
Salaries	263,638	249,136
National insurance	25,320	20,191
Staff pension costs	19,566	-
Staff welfare	59,704	46,563
Entertainment of visitors	12,521	17,066
Travelling	125,964	163,140
Consultancy	549,888	353,120
Stationery, printing and computer supplies	7,499	286
Postage	1,098	1,680
Telephone	15,398	12,448
Computer costs	42,881	57,591
Office running costs	44,145	34,813
Sales salaries and commissions	237,119	228,537
Subscriptions	4,964	983
Legal and professional fees	26,706	5,533
Auditors' remuneration	15,000	15,000
Sub-total carried forward	1,472,618	1,221,821

ALPHA CRC LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 £	2013 £
ADMINISTRATION EXPENSES (continued)		
Sub-total brought forward	1,472,618	1,221,821
Auditors' remuneration - non-audit	10,000	9,794
Accountancy fees	39,635	48,517
Equipment hire	-	450
Equipment leasing (operational)	25,658	36,418
Bank charges	100,993	97,499
Difference on foreign exchange	(184,664)	316,269
Advertising and sponsorship	7,659	7,115
Rent and rates	490,533	528,982
Light and heat	39,349	90,129
Repairs and maintenance	111,024	87,205
Sundry expenses	109,722	43,850
Depreciation - plant and machinery	36,165	34,702
Depreciation - computer equipment	134,925	121,064
Depreciation - office equipment	24,643	15,117
Amortisation - intangible fixed assets	123,760	350,000
Depreciation - leasehold property	11,136	11,136
Overheads recharged to subsidiaries	(2,619)	(172,894)
Insurances	28,111	18,062
Restructuring costs	45,000	-
Books and periodicals	252	279
Internet costs	14,883	12,741
Recruitment costs	1,170	8,783
Re prior year	34,942	8,363
Training	(6,494)	-
Relocation costs	74,587	31,176
	<u>2,742,988</u>	<u>2,926,578</u>
	2014 £	2013 £
Finance costs		
Bank overdraft interest paid	82,302	38,823
Interest on overdue tax	2,861	-
	<u>85,163</u>	<u>38,823</u>
	2014 £	2013 £
EXCEPTIONAL ITEMS		
Other exceptional items	-	284,900