

Company registration number 02197452 (England and Wales)

**ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## COMPANY INFORMATION

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<b>Directors</b>	P Nash I Weiss
<b>Secretary</b>	P Nash
<b>Company number</b>	02197452
<b>Registered office</b>	St. Andrews House St. Andrews Road Cambridge Cambridgeshire United Kingdom CB4 1DL
<b>Auditor</b>	Azets Audit Services Ruthlyn House 90 Lincoln Road Peterborough Cambridgeshire United Kingdom PE1 2SP
<b>Business address</b>	St. Andrews House St. Andrews Road Cambridge Cambridgeshire United Kingdom CB4 1DL

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# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

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# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present their strategic report and the financial statements for Alpha CRC Limited ("the Company") and the consolidated group of companies ("the Group") for the year ended 31 December 2022.

#### Principal activities

The principal activity of the Company and the Group continues to be tech-enabled translation and localisation services.

#### Review of the business

Turnover for the year was £27.5 million (2021 - £22.5 million).

The loss for the year after tax amounts to £5.8 million (2021 - £1.5 million profit).

Earnings Before Interest, Tax, Depreciation, and Amortisation (EBITDA) for the year was a profit of £3.7 million (2021 - £3.1 million).

Turnover for the year was the highest in the Group's history at £27.5 million, a 7% increase from the prior year. This was primarily driven by the full year effect of recent acquisitions - Intertranslations S.A. and its subsidiary Intertranslations Ltd in July 2021 and Chatterbox Voices Ltd in January 2022 – which diversified the Group's service offering into public sector customers and strengthen its Audio-Visual localisation services capabilities respectively.

However, in January 2023 the Group lost its biggest customer due to a change in their localisation model, and despite organic growth in existing customers and new customer wins it is likely that 2023 revenues will be slightly below 2022.

Gross margin is calculated as revenue less total cost of production, including project management costs. It is primarily influenced by two factors: productivity of internal production and the ability of recruitment to keep pace with revenue, the latter because internal production is cheaper at the margin than outsourcing.

The loss for the year after tax includes £7.3 million of foreign currency hedging losses arising from the effects of extreme volatility in the currency markets brought about by the successive shocks of the war in Ukraine and the political and economic chaos in the UK after the fall of Prime Minister Boris Johnson. As these hedges unwind over 2023 and 2024, the directors are confident that the quantum of the hedging losses will be lower than shown within these financial statements. The directors have since adopted a more traditional rolling layered FX hedging policy.

#### Future developments

The directors will continue to focus on the Group's main objective of "Global Scale, Local Experience. Tech-enabled Localization".

In 2023 the Group initiated a process to secure equity investment and/or debt refinancing to help fund further acquisitions of which there are several under consideration, chosen to fill strategic gaps in the Group's current service offering. Combined with significant investment into its existing sales and marketing function, the Group is well positioned to pursue its five-year goal of achieving £60 million of revenue and £10 million of EBITDA per annum and anchoring the Group firmly within the top 30 global language service providers.

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### Principal risks and uncertainties

The principal risks and uncertainties continuing to face the Group are broadly grouped as market, competition and price, and financial and these are reviewed thoroughly and regularly by the board of directors.

#### *Market risk*

By closely analysing and monitoring the market and the company's performance, the directors are able to ensure that new sectors and opportunities are identified early and pursued where appropriate. Continued focus remains on both growing market share in core services whilst diversifying the Group into new services and markets.

#### *Competition and price risk*

Competition remains strong. The Group has for more than three decades responded to this risk with its 'under-one-roof' philosophy. By providing its customers with constant technological innovation, high levels of customer service (because translators, transcreators, project managers, desktop publishers and QA (quality assurance) staff are all under one roof) together with in-house developments of new products and services, the Group has established a firm and loyal customer base.

#### *Financial risk*

The Group's operations expose it to a variety of financial risks that include liquidity risk, foreign exchange risk, interest rate risk and credit risk. The Group has policies in place to manage such risks and limit the adverse effects on the financial performance of the Group.

The Group's profitable business continues to generate liquidity and additional funding requirements are managed by long term debt. Prices and costs will be controlled to ensure that liquidity is maintained alongside available finance resources to ensure that sufficient funds are available for operations and planned expansions.

Foreign exchange rate risk arises from transactions when goods and services are bought and sold in currencies other than sterling. Most of the Group's revenues are invoiced in US dollars whereas the cost base is primarily sterling or euros. The directors manage the resulting foreign exchange risk through a rolling layered hedging policy designed to achieve a large degree of certainty over future foreign exchange rates and therefore profits and cash flows (assuming the underlying financial forecasts of the Group are broadly achieved).

The Group is financed by interest bearing loans and other debt which primarily carry floating rates of interest. The Group has a good degree of cover against its bank covenants, and these are monitored on a monthly basis.

The credit risk is attributable to its trade debtors and the risk of bad debts arising. The risk is spread over a large number of individual customers who tend to be well-known global enterprises and public sector organisations. Debts are closely monitored and are managed by robust collection procedures. The Group does not have a history of significant bad debts and the directors expect this to continue.

### Key performance indicators

The key indicators used to monitor the financial performance of the Group are as follows:

Turnover for the year was £27.5 million (2021 - £22.5 million).

Gross margin for the year was 37.2% (2021 - 32.9%).

EBITDA for the year was a profit of £3.7 million (2021 - £3.1 million).

The key indicators used to monitor the operational performance of the Group are customer retention rate, new customer acquisition rate and staff turnover rate.

The Group is committed to investing in the skill base of the employees to ensure the Group delivers to the marketplace the most technologically advanced translation and localisation services possible. The Group has for several years operated its own in-house training programme for project managers and salespersons ("Alpha Academy") and in 2023 established the Alpha Tech Team to share technological developments and further explore how new technologies such as Artificial Technology ("AI") can drive operational efficiencies across the Group.

Recruitment and retention of key employees remains a critical factor in the Group's successful delivery of its business plan. This is achieved by offering competitive remuneration packages, training, and career progression.

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **Going concern**

The financial statements have been prepared on a going concern basis.

The going concern of the Company has been considered together with the Group's going concern assessment. The Group and Company have procedures in place for reviewing future performance including budgeting and forecast trading and profitability.

The directors have prepared a detailed income statement, balance sheet and cash flow projections to 31 December 2024. These include reasonable assumptions and forecasts over assumed customers and turnover and take a prudent view of the costs and cash flows of the business. These forecasts demonstrate adequate headroom on profitability and cash and a continued compliance with bank covenants.

Liquidity is provided through existing cash reserves, shareholder loans and bank loan facilities, as detailed in note 21.

The directors have reviewed these forecasts for the 12 months from the date of this report and as a result of that review, the directors have a reasonable expectation that the Group and Company has adequate resources to continue as a going concern for the foreseeable future and accordingly, the Group and Company continues to adopt the going concern basis in preparing the annual report and financial statements.

On behalf of the board

P Nash  
**Director**

20 December 2023

# **ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

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The directors present their annual report and financial statements for the year ended 31 December 2022.

#### **Results and dividends**

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P Nash

I Weiss

#### **Financial instruments**

Information in relation to the Group's management of financial risk is disclosed within the strategic report.

#### **Disabled persons**

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate.

#### **Employee involvement**

The Company recognises the benefit of keeping employees informed of the progress of the business and of involving them in the Company's performance and, accordingly maintains regular communications with employees and has well established consultation arrangements.

#### **Future developments**

Information in relation to these are contained within the strategic report.

#### **Auditor**

Azets Audit Services were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Energy and carbon report**

As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and company, 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

### Strategic report

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and financial risk management.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

P Nash  
**Director**

20 December 2023



# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

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#### Opinion

We have audited the financial statements of Alpha CRC Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2022 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material uncertainty related to going concern

We draw attention to note 1.3 in the financial statements, which indicates that the group incurred a net loss of £5,765,440 during the year ended 31 December 2022 and, as of that date, the group's liabilities exceeded its total assets by £2,496,641. As stated in note 1.3, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# **ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

#### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **Use of our report**

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 auditor's 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.

**Tracey Richardson BSc (Hons) FCA (Senior Statutory Auditor)**

**For and on behalf of Azets Audit Services**

22 December 2023

**Chartered Accountants  
Statutory Auditor**

Ruthlyn House  
90 Lincoln Road  
Peterborough  
Cambridgeshire  
United Kingdom  
PE1 2SP

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	as restated £
Turnover	3	27,524,612	22,489,127
Cost of sales		(17,261,679)	(15,079,964)
<b>Gross profit</b>		<b>10,262,933</b>	<b>7,409,163</b>
Administrative expenses		(7,770,304)	(5,251,023)
Other operating income		-	29,516
<b>Operating profit</b>	<b>4</b>	<b>2,492,629</b>	<b>2,187,656</b>
Other interest receivable and similar income	8	-	14,346
Other interest payable and similar expenses	9	(8,044,321)	(393,715)
<b>(Loss)/profit before taxation</b>		<b>(5,551,692)</b>	<b>1,808,287</b>
Tax on (loss)/profit	10	(213,748)	(332,658)
<b>(Loss)/profit for the financial year</b>	<b>26</b>	<b>(5,765,440)</b>	<b>1,475,629</b>

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	as restated	£
<b>Fixed assets</b>					
Goodwill	13		5,381,761		5,880,357
Other intangible assets	13		4,381,343		3,654,000
Total intangible assets			9,763,104		9,534,357
Tangible assets	14		339,127		368,148
			10,102,231		9,902,505
<b>Current assets</b>					
Debtors	18	6,630,641		4,639,580	
Cash at bank and in hand		1,497,985		2,598,329	
			8,128,626	7,237,909	
<b>Creditors: amounts falling due within one year</b>	19	(14,350,964)		(5,861,945)	
<b>Net current (liabilities)/assets</b>			(6,222,338)		1,375,964
<b>Total assets less current liabilities</b>			3,879,893		11,278,469
<b>Creditors: amounts falling due after more than one year</b>	20		(6,055,719)		(7,385,471)
<b>Provisions for liabilities</b>					
Deferred tax liability	22	320,815		276,230	
			(320,815)		(276,230)
<b>Net (liabilities)/assets</b>			(2,496,641)		3,616,768
<b>Capital and reserves</b>					
Called up share capital	25		1,324		1,257
Share premium account	26		49,889		49,889
Revaluation reserve	26		450,733		542,341
Other reserves	26		(348,036)		759,894
Profit and loss reserves	26		(2,650,551)		2,263,387
<b>Total equity</b>			(2,496,641)		3,616,768

The financial statements were approved by the board of directors and authorised for issue on 20 December 2023 and are signed on its behalf by:

P Nash  
Director

Company registration number 02197452 (England and Wales)

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	as restated	£
<b>Fixed assets</b>					
Intangible assets	13		3,240,847		2,697,017
Tangible assets	14		70,439		110,326
Investments	15		7,287,268		7,114,290
			<u>10,598,554</u>		<u>9,921,633</u>
<b>Current assets</b>					
Debtors	18	4,774,614		3,599,886	
Cash at bank and in hand		1,029,165		696,476	
		<u>5,803,779</u>		<u>4,296,362</u>	
<b>Creditors: amounts falling due within one year</b>	19	(14,544,210)		(6,180,955)	
<b>Net current liabilities</b>			<u>(8,740,431)</u>		<u>(1,884,593)</u>
<b>Total assets less current liabilities</b>			<u>1,858,123</u>		<u>8,037,040</u>
<b>Creditors: amounts falling due after more than one year</b>	20		(5,169,048)		(5,682,547)
<b>Provisions for liabilities</b>					
Deferred tax liability	22	229,509		148,575	
		<u>(229,509)</u>		<u>(148,575)</u>	
<b>Net (liabilities)/assets</b>			<u><u>(3,540,434)</u></u>		<u><u>2,205,918</u></u>
<b>Capital and reserves</b>					
Called up share capital	25		1,324		1,257
Share premium account	26		49,889		49,889
Revaluation reserve	26		450,733		542,341
Other reserves	26		(348,036)		759,894
Profit and loss reserves	26		(3,694,344)		852,537
<b>Total equity</b>			<u><u>(3,540,434)</u></u>		<u><u>2,205,918</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £5,398,383 (2021 - £1,122,759 profit).

The financial statements were approved by the board of directors and authorised for issue on 20 December 2023 and are signed on its behalf by:

P Nash  
Director

Company registration number 02197452 (England and Wales)

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Share premium account	Revaluation reserve	Treasury reserve	Merge reserve	Profit and loss reserves	Total
	£	£	£	£	£	£	£
As restated for the period ended 31 December 2021:							
Balance at 1 January 2021	1,257	49,889	1,210,244	-	759,894	1,053,355	3,074,639
Year ended 31 December 2021:							
Profit and total comprehensive income	-	-	-	-	-	1,475,629	1,475,629
Dividends	11	-	-	-	-	(513,500)	(513,500)
Transfers	-	-	(247,903)	-	-	247,903	-
Other movements	-	-	(420,000)	-	-	-	(420,000)
Balance at 31 December 2021	1,257	49,889	542,341	-	759,894	2,263,387	3,616,768
Year ended 31 December 2022:							
Loss and total comprehensive income	-	-	-	-	-	(5,765,440)	(5,765,440)
Transfer to profit and loss reserves	-	-	(91,608)	-	(759,894)	851,502	-
Other movements	67	-	-	(348,036)	-	-	(347,969)
Balance at 31 December 2022	1,324	49,889	450,733	(348,036)	-	(2,650,551)	(2,496,641)

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Share premium account	Revaluation reserve	Treasury reserve	Merge reserve	Profit and loss reserves	Total
	£	£	£	£	£	£	£
As restated for the period ended 31 December 2021:							
Balance at 1 January 2021	1,257	49,889	679,753	-	759,894	105,866	1,596,659
Year ended 31 December 2021:							
Profit and total comprehensive income for the year	-	-	-	-	-	1,122,759	1,122,759
Dividends	11	-	-	-	-	(513,500)	(513,500)
Transfers	-	-	(137,412)	-	-	137,412	-
Balance at 31 December 2021	1,257	49,889	542,341	-	759,894	852,537	2,205,918
Year ended 31 December 2022:							
Profit and total comprehensive income	-	-	-	-	-	(5,398,383)	(5,398,383)
Transfer to profit and loss reserves	-	-	(91,608)	-	(759,894)	851,502	-
Other movements	67	-	-	(348,036)	-	-	(347,969)
Balance at 31 December 2022	1,324	49,889	450,733	(348,036)	-	(3,694,344)	(3,540,434)



# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	as restated	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	31	10,668,125		3,731,087	
Interest paid		(750,239)		(393,715)	
Income taxes (paid)/refunded		(277,099)		81,737	
<b>Net cash inflow from operating activities</b>		<u>9,640,787</u>		<u>3,419,109</u>	
<b>Investing activities</b>					
Purchase of intangible assets		(1,091,886)		(1,253,363)	
Purchase of tangible fixed assets		(98,337)		(52,008)	
Proceeds from disposal of tangible fixed assets		35,575		21,473	
Purchase of subsidiaries, net of cash acquired		(114,383)		(6,189,849)	
Interest received		-		14,346	
<b>Net cash used in investing activities</b>		<u>(1,269,031)</u>		<u>(7,459,401)</u>	
<b>Financing activities</b>					
Redemption of shares		(348,036)		-	
Repayment of borrowings		(89,565)		960,952	
Proceeds from new bank loans		2,100,000		6,500,000	
Repayment of bank loans		(1,828,562)		(120,442)	
Purchase of derivatives		(9,274,298)		-	
Dividends paid to equity shareholders		-		(513,500)	
<b>Net cash (used in)/generated from financing activities</b>		<u>(9,440,461)</u>		<u>6,827,010</u>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(1,068,705)</u>		<u>2,786,718</u>	
Cash and cash equivalents at beginning of year		<u>2,278,873</u>		<u>(507,846)</u>	
<b>Cash and cash equivalents at end of year</b>		<u><u>1,210,167</u></u>		<u><u>2,278,873</u></u>	
<b>Relating to:</b>					
Cash at bank and in hand		1,497,985		2,598,329	
Bank overdrafts included in creditors payable within one year		(287,818)		(319,456)	
<b>CASH FLOW OUT OF BALANCE BY:</b>		<u><u>1</u></u>		<u><u>(1)</u></u>	

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

#### Company information

Alpha CRC Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is St. Andrews House, St. Andrews Road, Cambridge, Cambridgeshire, United Kingdom, CB4 1DL.

The group consists of Alpha CRC Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

#### 1.2 Business combinations

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.3 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the group will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the group's ability to continue as a going concern.

During the year the group incurred a net loss of £5,765,440 and, as of the balance sheet date, the group's liabilities exceeded its total assets by £2,496,641. The loss for the year after tax includes £7.3 million of foreign currency hedging losses arising from the effects of extreme volatility in the currency markets. As these hedges unwind over 2023 and 2024, the directors are confident that the quantum of the hedging losses will be lower than shown within these financial statements. The directors have since adopted a more traditional rolling layered FX hedging policy.

The directors have prepared a detailed income statement, balance sheet and cash flow projections to 31 December 2024. These include reasonable assumptions and forecasts over assumed customers and turnover and take a prudent view of the costs and cash flows of the business. These forecasts demonstrate adequate headroom on profitability and cash and a continued compliance with bank covenants.

Liquidity is provided through existing cash reserves, shareholder loans and bank loan facilities, as detailed in note 21. The company is working with its bank to re-finance the current facilities.

The directors have reviewed these forecasts for the 12 months from the date of this report and as a result of that review, the directors have a reasonable expectation that the Group and Company has adequate resources to continue as a going concern for the foreseeable future and accordingly, the Group and Company continues to adopt the going concern basis in preparing the annual report and financial statements.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic life of 10 years.

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Intangible assets comprise primarily software and technology which are either separately acquired or internally generated. Such assets are defined as having finite useful lives and the costs are amortised on a straight line basis over their estimated useful lives of 10 years. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	10% straight line
Software development	10% straight line

#### 1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	4% reducing balance
Leasehold land and buildings	over the period of the lease
Fixtures and fittings	33% straight line
Computers	33% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

### 1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.15 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.16 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.



# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### 1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Depreciation and amortisation on assets

Depreciation and amortisation rates are estimated by the directors based on the economic life and likely residual value of the assets concerned.

#### Revenue recognition

Revenue includes estimates in relation to accrued income arising from work in progress. This includes amounts which are yet to be invoiced but where work has been carried out in respect of projects.

### 3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by geographical market		
UK	3,890,069	6,000,976
Rest of the world	23,634,543	16,488,151
	<u>27,524,612</u>	<u>22,489,127</u>

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 3 Turnover and other revenue (Continued)

	2022	2021
	£	£
<b>Other revenue</b>		
Interest income	-	14,346
Grants received	-	29,516
	<u>          </u>	<u>          </u>

Turnover includes accrued and deferred revenue. Accrued revenue relates to income that is earned, but not yet invoiced. Deferred revenue relates to income that is received but not yet earned.

### 4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(329,891)	327,613
Government grants	-	(29,516)
Depreciation of owned tangible fixed assets	36,686	178,987
Impairment of owned tangible fixed assets	50,803	-
Loss/(profit) on disposal of tangible fixed assets	4,295	(286)
Amortisation of intangible assets	965,854	720,113
Impairment of intangible assets	11,668	420,000
Operating lease charges	979,836	853,642
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	46,857	61,363
Audit of the financial statements of the company's subsidiaries	2,114	3,104
	<u>          </u>	<u>          </u>
	48,971	64,467
	<u>          </u>	<u>          </u>

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Directors	6	16	2	2
Other staff	452	425	238	233
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	458	441	240	235
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 6 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	9,235,289	10,264,234	5,280,675	5,037,033
Social security costs	1,639,621	1,495,198	725,662	680,082
Pension costs	117,640	88,735	109,460	88,735
	<u>10,992,550</u>	<u>11,848,167</u>	<u>6,115,797</u>	<u>5,805,850</u>

### 7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	<u>66,667</u>	<u>52,358</u>

### 8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Other interest income	<u>-</u>	<u>14,346</u>

Disclosed on the profit and loss account as follows:

Other interest receivable and similar income	<u>-</u>	<u>14,346</u>
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### 9 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and loans	<u>749,121</u>	<u>392,823</u>
	<u>749,121</u>	<u>392,823</u>
Loss on foreign exchange derivatives	7,294,082	-
Other interest	<u>1,118</u>	<u>892</u>
Total finance costs	<u>8,044,321</u>	<u>393,715</u>
Disclosed on the profit and loss account as follows:		
Other interest payable and similar expenses	<u>8,044,321</u>	<u>393,715</u>

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 10 Taxation

	2022 £	2021 £
<b>Current tax</b>		
Adjustments in respect of prior periods	(14,302)	-
Foreign current tax on profits for the current period	160,149	12,467
Total current tax	145,847	12,467
<b>Deferred tax</b>		
Origination and reversal of timing differences	67,901	320,191
Total tax charge	213,748	332,658

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
(Loss)/profit before taxation	(5,551,692)	1,808,287
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(1,054,821)	343,575
Tax effect of expenses that are not deductible in determining taxable profit	173,692	(93,375)
Unutilised tax losses carried forward	346,501	-
Effect of change in corporation tax rate	-	(35,659)
Research and development tax credit	164,163	-
Foreign exchange differences	719,787	-
Effect of revaluations of investments	-	98,971
Other timing differences	(135,574)	19,146
Taxation charge	213,748	332,658

### 11 Dividends

	2022 £	2021 £
Recognised as distributions to equity holders:		
Final paid	-	513,500

## ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2022 £	2021 £
In respect of:			
Software	13	11,668	-
Software development	13	-	420,000
Leasehold land and buildings	14	50,803	-
		<u>          </u>	<u>          </u>
Recognised in:			
Administrative expenses		62,471	-
Revaluation reserve		-	420,000
		<u>          </u>	<u>          </u>

There was a material impairment loss in the period in relation to the software acquired with the acquisition of SQA Partners and building improvements made to the office in France. During the annual test for impairment, it was deemed that the assets would not generate future economic benefits through use or sale and therefore they were impaired fully to nil value.

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 13 Intangible fixed assets

Group	Goodwill	Software	Patents & licences	Software development	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 January 2022	8,620,613	2,332,701	47,023	4,247,083	15,247,420
Additions	463,273	227,870	-	864,016	1,555,159
Disposals	(2,779,654)	-	-	(1,218,794)	(3,998,448)
At 31 December 2022	6,304,232	2,560,571	47,023	3,892,305	12,804,131
<b>Amortisation and impairment</b>					
At 1 January 2022	2,740,256	1,071,546	-	1,901,261	5,713,063
Amortisation charged for the year	612,979	130,488	-	222,387	965,854
Impairment losses	-	11,668	-	-	11,668
Disposals	(2,430,764)	-	-	(1,218,794)	(3,649,558)
At 31 December 2022	922,471	1,213,702	-	904,854	3,041,027
<b>Carrying amount</b>					
At 31 December 2022	5,381,761	1,346,869	47,023	2,987,451	9,763,104
At 31 December 2021	5,880,357	1,261,155	47,023	2,345,822	9,534,357
<b>Company</b>					
	Goodwill	Software	Software development	Total	
	£	£	£	£	
<b>Cost or valuation</b>					
At 1 January 2022	2,050,000	861,320	3,647,083	6,558,403	
Additions	-	-	864,016	864,016	
Disposals	(2,050,000)	-	(618,794)	(2,668,794)	
At 31 December 2022	-	861,320	3,892,305	4,753,625	
<b>Amortisation and impairment</b>					
At 1 January 2022	2,050,000	510,125	1,301,261	3,861,386	
Amortisation charged for the year	-	86,131	222,387	308,518	
Impairment losses	-	11,668	-	11,668	
Disposals	(2,050,000)	-	(618,794)	(2,668,794)	
At 31 December 2022	-	607,924	904,854	1,512,778	
<b>Carrying amount</b>					
At 31 December 2022	-	253,396	2,987,451	3,240,847	
At 31 December 2021	-	351,195	2,345,822	2,697,017	

More information on impairment movements in the year is given in note 12.

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 13 Intangible fixed assets

(Continued)

Computer software was revalued during 2015, if the assets were stated on a historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Cost	715,252	715,252	357,626	357,626
Accumulated amortisation	715,252	715,252	357,626	357,626
Carrying value	-	-	-	-

Development costs represent the cost of designing technology being used by the company in rendering its services. The expenditure is amortised on a straight line basis over a period of 10 years.

### 14 Tangible fixed assets

Group	Freehold land and buildings £	Leasehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 January 2022	169,886	358,295	684,808	1,164,205	42,105	2,419,299
Additions	-	49,935	2,215	19,722	-	71,872
Business combinations	-	-	26,465	-	-	26,465
Disposals	-	(69,738)	(483,039)	(836,621)	(28,355)	(1,417,753)
At 31 December 2022	169,886	338,492	230,449	347,306	13,750	1,099,883
<b>Depreciation and impairment</b>						
At 1 January 2022	49,878	211,297	656,494	1,091,376	42,105	2,051,150
Depreciation charged in the year	6,077	35,410	(33,761)	28,960	-	36,686
Impairment losses	-	50,803	-	-	-	50,803
Eliminated in respect of disposals	-	(69,738)	(466,250)	(832,326)	(28,355)	(1,396,669)
Transfers	-	-	18,786	-	-	18,786
At 31 December 2022	55,955	227,772	175,269	288,010	13,750	760,756
<b>Carrying amount</b>						
At 31 December 2022	113,931	110,720	55,180	59,296	-	339,127
At 31 December 2021	120,008	146,998	28,313	72,829	-	368,148
<b>Last year c/fwd cost</b>	169,886	358,295	684,807	1,164,205	42,105	
<b>Differs from this year b/fwd by</b>	-	-	1	-	-	

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 14 Tangible fixed assets

(Continued)

Company	Leasehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2022	258,889	379,741	661,171	28,355	1,328,156
Additions	49,935	1,151	8,797	-	59,883
Disposals	(69,738)	(370,747)	(654,891)	(28,355)	(1,123,731)
At 31 December 2022	239,086	10,145	15,077	-	264,308
<b>Depreciation and impairment</b>					
At 1 January 2022	171,344	368,611	649,520	28,355	1,217,830
Depreciation charged in the year	31,751	2,200	15,016	-	48,967
Impairment losses	50,803	-	-	-	50,803
Eliminated in respect of disposals	(69,738)	(370,747)	(654,891)	(28,355)	(1,123,731)
At 31 December 2022	184,160	64	9,645	-	193,869
<b>Carrying amount</b>					
At 31 December 2022	54,926	10,081	5,432	-	70,439
At 31 December 2021	87,545	11,130	11,651	-	110,326

More information on impairment movements in the year is given in note 12.

### 15 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	16	-	-	7,287,268	7,114,290
<b>Movements in fixed asset investments</b>					
<b>Company</b>					<b>Shares in subsidiaries £</b>
<b>Cost or valuation</b>					
At 1 January 2022					7,114,290
Additions					172,978
At 31 December 2022					7,287,268
<b>Carrying amount</b>					
At 31 December 2022					7,287,268
At 31 December 2021					7,114,290



# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 16 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Alpha CRC Sarl	France	Ordinary	100.00	-
Alpha CRC GmbH	Germany	Ordinary	100.00	-
Alpha CRC Italia SRL	Italy	Ordinary	100.00	-
Alpha CRC Estonia OU	Estonia	Ordinary	100.00	-
Language Technology Centre Ltd	England	Ordinary	100.00	-
Colonel Gold SL	Spain	Ordinary	100.00	-
Intertranslations S.A.	Greece	Ordinary	100.00	-
Chatterbox Voices Limited	England	Ordinary	100.00	-
Intertranslations Ltd	United Kingdom	Ordinary	-	100.00

All of the above subsidiaries are accounted for in these consolidated group accounts.

Chatterbox Voices Limited was acquired during the period. The net assets acquired were represented by tangible fixed assets of £7,679, current assets of £494,940, current liabilities of £(321,211), non-current liabilities of £(175,961) and goodwill of £463,273.

### 17 Financial instruments

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Carrying amount of financial assets</b>				
Instruments measured at fair value through profit or loss	1,980,216	-	1,980,216	-

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 18 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	3,695,594	2,891,656	2,156,469	2,095,780
Corporation tax recoverable	31,916	365	31,916	365
Derivative financial instruments	1,980,216	-	1,980,216	-
Other debtors	290,028	1,044,543	97,078	850,355
Prepayments and accrued income	549,271	698,624	508,935	653,386
	<u>6,547,025</u>	<u>4,635,188</u>	<u>4,774,614</u>	<u>3,599,886</u>
<b>Amounts falling due after more than one year:</b>				
Other debtors	83,333	4,392	-	-
Prepayments and accrued income	283	-	-	-
	<u>83,616</u>	<u>4,392</u>	<u>-</u>	<u>-</u>
<b>Total debtors</b>	<u>6,630,641</u>	<u>4,639,580</u>	<u>4,774,614</u>	<u>3,599,886</u>

### 19 Creditors: amounts falling due within one year

		Group 2022	2021	Company 2022	2021
	Notes	£	£	£	£
Bank loans and overdrafts	21	2,612,416	502,850	2,262,862	697,011
Other borrowings	21	94,381	-	-	-
Trade creditors		3,550,160	3,059,938	2,473,412	1,972,693
Amounts owed to group undertakings		-	-	3,159,649	1,574,257
Corporation tax payable		33,863	109,614	31,550	-
Other taxation and social security		1,971,370	987,847	1,004,762	232,110
Deferred income	23	45,116	356,405	45,116	234,746
Other creditors		1,953,579	491,161	1,641,364	1,288,107
Accruals and deferred income		4,090,079	354,130	3,925,495	182,031
		<u>14,350,964</u>	<u>5,861,945</u>	<u>14,544,210</u>	<u>6,180,955</u>

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 20 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	21	4,528,713	6,398,479	4,419,048	5,682,547
Other borrowings	21	777,006	960,952	-	-
Revolving credit facility		750,000	-	750,000	-
Other creditors		-	26,040	-	-
		<u>6,055,719</u>	<u>7,385,471</u>	<u>5,169,048</u>	<u>5,682,547</u>

The revolving credit facility is secured by a fixed and floating charge over the assets of the group and supported by personal guarantees from the directors of the company. Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable upon demand.

### 21 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	6,103,311	6,581,873	5,931,910	6,379,558
Bank overdrafts	287,818	319,456	-	-
Revolving credit facility	750,000	-	750,000	-
Other loans	871,387	960,952	-	-
	<u>8,012,516</u>	<u>7,862,281</u>	<u>6,681,910</u>	<u>6,379,558</u>
Payable within one year	2,706,797	502,850	2,262,862	697,011
Payable after one year	<u>5,305,719</u>	<u>7,359,431</u>	<u>4,419,048</u>	<u>5,682,547</u>

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 21 Loans and overdrafts

(Continued)

#### Bank loans

The Company's bank loans consist of three term loans. Facility A for £3,800,000 is accruing interest at rates of the Bank of England's Base Rate plus 5.7% with repayments made monthly and the final repayment due July 2025. Facility B for £2,700,000 is accruing interest at rates of the Bank of England's Base Rate plus 6.55% with repayments due July 2025. Facility C for £1,350,000, taken out during the year, is accruing interest at rates of the Bank of England's Base Rate plus 10.0% with monthly repayments and the final repayment due September 2023. The bank loans are secured on Company and Group assets with a cross guarantee in place between the Company, Language Technology Centre Limited and Chatterbox Voices Limited and £600,000 in personal guarantees from P Nash and I Weiss. Any debt interest payable is recognised within other creditors.

The Group's bank loans consist of term loans totalling £777,006 from Greek banks, all accruing interest at rates of Euribor 6 months plus 3.9% with repayments made monthly, and Coronavirus Business Interruption Loan Scheme (CBILS) accruing interest at rate of 8.9% with repayments made monthly and the final repayment due July 2025. Any debt interest payable is recognised within other creditors.

#### Bank overdrafts

Intertranslations S.A. has a bank overdraft facility of €300,000 with the Piraeus Bank.

#### Other loans

Consists of Covid-19 support provided by the French government.

#### Revolving facility

The Company has a revolving credit facility provided in conjunction with its bank loans.

### 22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
<b>Group</b>		
Accelerated capital allowances	320,815	338,137
Tax losses	-	(61,907)
	<u>320,815</u>	<u>276,230</u>
	<u><u>320,815</u></u>	<u><u>276,230</u></u>
	Liabilities 2022 £	Liabilities 2021 £
<b>Company</b>		
Accelerated capital allowances	229,509	210,482
Tax losses	-	(61,907)
	<u>229,509</u>	<u>148,575</u>
	<u><u>229,509</u></u>	<u><u>148,575</u></u>

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 22 Deferred taxation (Continued)

	Group 2022 £	Company 2022 £
<b>Movements in the year:</b>		
Liability at 1 January 2022	276,230	148,575
Charge to profit or loss	44,585	80,934
Liability at 31 December 2022	<u>320,815</u>	<u>229,509</u>

### 23 Deferred income

	Group 2022 £	2021 £	Company 2022 £	2021 £
Arising from government grants	-	121,659	-	-
Other deferred income	45,116	234,746	45,116	234,746
	<u>45,116</u>	<u>356,405</u>	<u>45,116</u>	<u>234,746</u>

### 24 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>117,640</u>	<u>88,735</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 25 Share capital

Group and company	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of 10p each	<u>13,240</u>	<u>12,570</u>	<u>1,324</u>	<u>1,257</u>

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 26 Reserves

#### Share premium

The share premium account includes the premium on issue of equity shares, net of any issue costs.

#### Revaluation reserve

This reserve includes all current and prior period surpluses and deficits on the revaluation of fixed assets.

#### Capital redemption reserve

The capital redemption reserve includes amounts transferred following the redemption or purchase of own shares.

#### Treasury reserve

The treasury reserve includes amounts transferred following the transfer of shares from a shareholder into treasury.

#### Merger reserve

This reserve includes any premiums received on acquisition of subsidiary companies.

#### Profit and loss reserves

The profit and loss account is the cumulative profit and losses, net of dividends paid and other adjustments.

### 27 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	879,076	770,066	439,538	385,033
Between two and five years	999,086	1,227,124	499,543	613,562
	<u>1,878,162</u>	<u>1,997,190</u>	<u>939,081</u>	<u>998,595</u>

### 28 Events after the reporting date

Following the end of the accounting period, at the request of the bank, the company has been working towards re-financing the banking facilities.

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 29 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate compensation	66,667	56,048

#### Other information

All transactions and balances with Alpha CRC Limited's wholly owned subsidiaries have been eliminated upon consolidation. The Company has taken advantage of the exemption under Financial Reporting Standard 102 from disclosing transactions with other wholly owned group companies.

The directors P Nash and I Weiss have given personal guarantees to the company's bankers of £250,000 in support of banking facilities and a further £600,000 in support of loan facilities.

At the balance sheet date directors loans, which are unsecured, interest-free, have no fixed date of repayment and are repayable on demand, consist of £1,111,225 owed to I Weiss by the company (2021: £353,043) and £153,824 owed to P Nash by the company (2021: £106,823 was owed by P Nash to the company).

### 30 Exemption from audit by parental guarantee

The following subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of individual financial statements by virtue of s479A:

Company name	Company number
Language Technology Centre Limited	02748678
Chatterbox Voices Ltd	07991590

### 31 Cash generated from group operations

	2022	2021
	£	£
(Loss)/profit for the year after tax	(5,765,440)	1,485,272
<b>Adjustments for:</b>		
Taxation charged	213,748	332,658
Finance costs	8,044,321	393,715
Investment income	-	(14,346)
Loss/(gain) on disposal of tangible fixed assets	4,295	(286)
Amortisation and impairment of intangible assets	977,522	720,113
Depreciation and impairment of tangible fixed assets	87,489	178,987
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	20,238	(734,077)
Increase in creditors	7,397,241	1,150,146
(Decrease)/increase in deferred income	(311,289)	218,905
<b>Cash generated from operations</b>	<b>10,668,125</b>	<b>3,731,087</b>

# ALPHA CRC LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 32 Analysis of changes in net debt - group

	1 January 2022	Cash flows	Market value movements	31 December 2022
	£	£	£	£
Cash at bank and in hand	2,598,329	(1,100,344)	-	1,497,985
Bank overdrafts	(319,456)	31,638	-	(287,818)
	<u>2,278,873</u>	<u>(1,068,706)</u>	<u>-</u>	<u>1,210,167</u>
Borrowings excluding overdrafts	(7,542,825)	(181,873)	-	(7,724,698)
Derivatives relating to debt	-	(7,294,082)	7,294,082	-
	<u>(5,263,952)</u>	<u>(8,544,661)</u>	<u>7,294,082</u>	<u>(6,514,531)</u>

### 33 Prior period adjustment

#### Reconciliation of changes in equity - group

#### Reconciliation of changes in profit for the previous financial period

	2021 £
<b>Adjustments to prior year</b>	
Restatement of Greek subsidiary to IFRS	174,007
Profit as previously reported	<u>1,301,622</u>
Profit as adjusted	<u>1,475,629</u>

#### Reconciliation of changes in equity - company

#### Reconciliation of changes in profit for the previous financial period

	2021 £
<b>Adjustments to prior year</b>	
Dividend receivable from Greek subsidiary	494,781
Correction to remove Spanish subsidiary figures	<u>(9,237)</u>
Total adjustments	<u>485,544</u>
Profit as previously reported	<u>637,215</u>
Profit as adjusted	<u>1,122,759</u>



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