

Company Registration No. 05122429 (England and Wales)

**CAPITA TRANSLATION AND INTERPRETING LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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# **CAPITA TRANSLATION AND INTERPRETING LIMITED**

## **COMPANY INFORMATION**

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**Directors** S J S Mayall on behalf of Capita Corporate Director Limited  
M McCloskey  
K J Gordon

**Secretary** Capita Group Secretary Limited

**Company number** 05122429

**Registered office** 17 Rochester Row  
London  
United Kingdom  
SW1P 1QT

**Auditors** KPMG LLP  
15 Canada Square  
London  
E14 5GL

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# **CAPITA TRANSLATION AND INTERPRETING LIMITED**

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# CAPITA TRANSLATION AND INTERPRETING LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present the strategic report and financial statements for the year ended 31 December 2015.

### **Review of the business**

The company is a wholly owned subsidiary (indirectly held) of Capita plc and operates within the group's Digital Software Solutions division.

The principal activity of the company continued to be that of translation and interpreting services. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

As shown in the company's profit and loss account on page 5, the company's turnover has increased from £31,321,468 to £34,055,037 over the year. The operating profit has improved from £1,497,883 to £2,026,904.

The balance sheet on page 6 of the financial statements shows the company's financial position at the year end. Net liabilities have decreased from £7,896,374 to £6,284,448 in 2015. Details of amounts owed by/to its parent company and fellow subsidiary undertakings are shown in notes 8 and 9 to the financial statements.

During 2015 a significant portion of the revenue for the business was generated through the Ministry of Justice Language Services Framework (MOJ Framework). The current framework expires on Oct 31st 2016. The new contract has been broken into 4 'Lots' and CTI has made the strategic decision not to bid for 'Lot 1 – Face-to-Face, Telephone and Video Interpreting'. The majority of the current work under the Framework falls into Lot 1 (£23,000,000 revenue in 2015). Management will seek to reduce costs to ensure that the impact on profit is minimal.

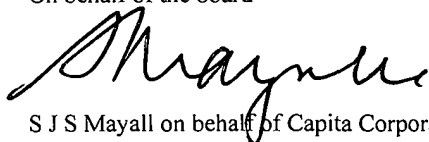
Beyond the current MOJ Framework CTI will continue to be focused on growing our translation and interpreting business with selected customers across both the public and commercial sectors. Without the MOJ Framework, CTI continues to be a top 50 Language Service Provider globally with a strong focus on growth in the UK and Internationally.

Key performance indicators used by Capita plc are operating margins, free cash flow, capital expenditure and return on capital employed. Capita plc and its subsidiaries manage their operations on a divisional basis and as a consequence, some of these indicators are monitored only at a divisional level. The performance of the Digital Software Solutions division of Capita plc is discussed in the group's annual report which does not form part of this report.

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the company. Monitoring exposure to risk and uncertainty is an integral part of the company's structured management processes. The principal risks that the company faces are operational risk, contract pricing, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation and strong supplier and customer relationships.

Group risks are discussed in the group's annual report which does not form part of this report.

On behalf of the board



S J S Mayall on behalf of Capita Corporate Director Limited

**Director**

10 June 2016

# CAPITA TRANSLATION AND INTERPRETING LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present their annual report and financial statements for the year ended 31 December 2015.

### Results and dividends

The results for the year are set out on page 5.

During the year the company paid dividends of £Nil (2014: £Nil).

### Directors

The following directors, have held office since 1 January 2015:

S J S Mayall on behalf of Capita Corporate Director Limited

M McCloskey

S B E Clarkson

K J Gordon

(Resigned 28 February 2015)

### Directors' indemnities

The company has granted an indemnity to the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

### Auditors

KPMG LLP, having indicated its willingness to continue in office, will be deemed to be reappointed as auditor under section 487 (2) of the Companies Act 2006.

### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the company's auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she might reasonably be expected to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

# **CAPITA TRANSLATION AND INTERPRETING LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

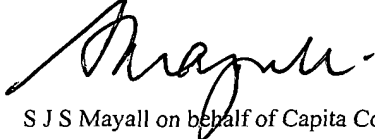
***FOR THE YEAR ENDED 31 DECEMBER 2015***

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### **Qualifying 3rd party indemnity provisions**

The company has granted an indemnity to the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

On behalf of the board



S J S Mayall on behalf of Capita Corporate Director Limited  
**Director**

10 June 2016

# **CAPITA TRANSLATION AND INTERPRETING LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CAPITA TRANSLATION AND INTERPRETING LIMITED**

We have audited the financial statements of Capita Translation and Interpreting Limited for the year ended 31 December 2015 set out on pages 5 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, 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 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

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

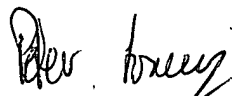
#### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

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

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



Peter Lomax (Senior Statutory Auditor)  
for and on behalf of KPMG LLP  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

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# CAPITA TRANSLATION AND INTERPRETING LIMITED

## STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
<b>Turnover</b>		34,055,037	31,321,468
Cost of sales		(26,125,266)	(21,653,097)
<b>Gross profit</b>		7,929,771	9,668,371
Administrative expenses		(5,881,937)	(8,178,877)
Other operating expenses		(20,930)	8,389
<b>Operating profit</b>	<b>3</b>	2,026,904	1,497,883
Interest payable and similar charges	<b>4</b>	(622)	(471)
<b>Profit before taxation</b>		2,026,282	1,497,412
Tax on profit on ordinary activities	<b>5</b>	(414,356)	(344,894)
<b>Profit and comprehensive income for the financial year</b>		1,611,926	1,152,518

The income statement has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.



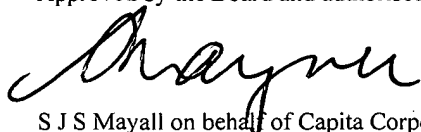
# CAPITA TRANSLATION AND INTERPRETING LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible fixed assets	6	411,395	491,727
		<u>411,395</u>	<u>491,727</u>
<b>Current assets</b>			
Debtors	8	4,430,863	4,192,189
Cash at bank and in hand		1,596,322	-
		<u>6,027,185</u>	<u>4,192,189</u>
<b>Creditors: amounts falling due within one year</b>	9	(12,715,028)	(12,580,290)
<b>Net current liabilities</b>		<u>(6,687,843)</u>	<u>(8,388,101)</u>
<b>Total assets less current liabilities</b>		<u>(6,276,448)</u>	<u>(7,896,374)</u>
<b>Provisions for liabilities</b>	12	(8,000)	-
		<u>(6,284,448)</u>	<u>(7,896,374)</u>
<b>Capital and reserves</b>			
Called up share capital	13	100	100
Share premium account	13	5,910	5,910
Other reserves	13	8	8
Profit and loss account	13	(6,290,466)	(7,902,392)
<b>Shareholders' funds</b>		<u>(6,284,448)</u>	<u>(7,896,374)</u>

Approved by the Board and authorised for issue on 10 June 2016



S J S Mayall on behalf of Capita Corporate Director Limited  
Director

Company Registration No. 05122429

# CAPITA TRANSLATION AND INTERPRETING LIMITED

## STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 31 DECEMBER 2015*

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	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2014	100	5,910	8	(9,054,910)	(9,048,892)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Profit for the year	-	-	-	1,152,518	1,152,518
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-	1,152,518	1,152,518
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014	100	5,910	8	(7,902,392)	(7,896,374)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Profit for the year	-	-	-	1,611,926	1,611,926
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-	1,611,926	1,611,926
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	100	5,910	8	(6,290,466)	(6,284,448)
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# CAPITA TRANSLATION AND INTERPRETING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

*FOR THE YEAR ENDED 31 DECEMBER 2015*

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost basis except where stated otherwise.

Capita Translation and Interpreting Limited is a company incorporated and domiciled in the UK.

The company has sufficient financial resources together with long standing relationships with clients and suppliers. As a consequence, the directors believe that the company is well placed to manage its business risks successfully. After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### **1.2 Compliance with accounting standards**

These financial statements were prepared in accordance with Financial Reporting Standard 101 - Reduced Disclosure Framework (FRS 101). The company has adopted FRS 101 for the first time in these financial statements.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101 the company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101.

The company's ultimate parent undertaking, Capita plc, includes the company in its consolidated statements. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU (EU-IFRS) and are available to the public and may be obtained from 71 Victoria Street, London SW1H 0XA. In these financial statements, the company has applied the disclosure exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Capita plc include equivalent disclosures, the company has also taken the disclosure exemptions under FRS 101 available in respect of the following disclosure:

- Certain disclosures required by IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairments of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the company, in the current and prior periods including the comparative period reconciliation for goodwill;
- Disclosures required by IFRS 7 Financial Instrument Disclosures.

# CAPITA TRANSLATION AND INTERPRETING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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### **1 Accounting policies**

**(Continued)**

#### **1.3 Turnover**

Turnover comprises revenue recognised by the company in respect of translation and interpreting services supplied during the year exclusive of Value Added Tax and trade discounts. The company's revenue is recorded from the provision of services to customers including Translation and proofreading, face to face Interpreting (including British Sign Language) and instant telephone interpreting.

#### **1.4 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 less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	over period of lease
Fixtures, fittings & equipment	3 - 5 years
Computer equipment	3 - 5 years

#### **1.5 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.6 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

#### **1.7 Cash and cash equivalents**

Cash and cash equivalents 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.

# CAPITA TRANSLATION AND INTERPRETING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

### **1 Accounting policies**

**(Continued)**

#### **1.8 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of goodwill
- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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 deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

#### **1.9 Provisions**

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

#### **1.10 Pensions**

The company operates defined contribution pension schemes and contributions are charged to the profit and loss account in the year in which they are due. These pension schemes are funded and the payment of contributions are made to separately administered trust funds. The assets of the pension schemes are held separately from the company.

The company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary undertaking of Capita plc, which pays the group liability centrally. Any unpaid pension contributions at the year end have been accrued in the accounts of that company.

# CAPITA TRANSLATION AND INTERPRETING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 1 Accounting policies

(Continued)

#### 1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.12 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Capita plc, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating profit

	2015	2014
	£	£
Operating profit for the year is stated after charging:		
Net foreign exchange losses/(gains)	20,930	(8,389)
Depreciation of property, plant and equipment	164,159	107,093
Operating lease rentals - plant and machinery	87,692	78,942
Operating lease rentals - other assets	125,093	99,916
	<u>          </u>	<u>          </u>

Audit fees are borne by the ultimate parent undertaking, Capita plc. The audit fee for the current period was £7,000 (2014: £2,000). The company has taken advantage of the exemption provided by regulations 6(2)(b) of The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 not to provide information in respect of fees for other (non-audit) services as this information is required to be given in the group accounts of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act 2006.

### 4 Interest payable

	2015	2014
	£	£
On bank overdrafts and loans	622	471
	<u>          </u>	<u>          </u>

# CAPITA TRANSLATION AND INTERPRETING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 5 Taxation

	2015 £	2014 £
<b>Corporation tax</b>		
Current year	423,989	320,805
Adjustments in respect of prior periods	168	(25,839)
	<u>424,157</u>	<u>294,966</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(9,550)	1,811
Adjustment in respect of prior periods	(251)	48,117
	<u>(9,801)</u>	<u>49,928</u>
Total tax charge	<u>414,356</u>	<u>344,894</u>

The charge for the year can be reconciled to the profit per the income statement as follows:

	2015 £	2014 £
Profit before taxation on continued operations	<u>2,026,282</u>	<u>1,497,412</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.25% (2014 - 21.50%)	<u>410,322</u>	<u>321,944</u>
<b>Taxation impact of factors affecting tax charge:</b>		
Expenses not deductible in determining taxable profit	1,139	808
Effect of change in UK corporation tax rate	2,977	(136)
Adjustments in respect of current income tax of prior years	169	(25,839)
Adjustments in respect of deferred income tax of prior years	(251)	48,117
Total adjustments	<u>4,034</u>	<u>22,950</u>
Total tax charge for the year	<u>414,356</u>	<u>344,894</u>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Subsequently, the rate will decrease from 20% to 19% from 1 April 2017 with a further reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly and is also expected to reduce the deferred tax liability held at 31 December 2015.

# CAPITA TRANSLATION AND INTERPRETING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

### 6 Property, plant and equipment

	Leasehold improvements	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2015	69,828	95,211	496,993	662,032
Additions	-	-	83,827	83,827
Disposals	-	-	(39,776)	(39,776)
At 31 December 2015	69,828	95,211	541,044	706,083
<b>Depreciation</b>				
At 1 January 2015	24,518	43,986	101,801	170,305
Charge for the year	14,471	19,029	130,659	164,159
On disposal	-	-	(39,776)	(39,776)
At 31 December 2015	38,989	63,015	192,684	294,688
<b>Net book value</b>				
At 31 December 2015	30,839	32,196	348,360	411,395
At 31 December 2014	45,310	51,225	395,192	491,727

### 7 Investments

Details of the company's subsidiaries at 31 December 2015 are as follows:

Company	Country of incorporation (or residence)	Class	Shares held %	Nature of business
<b>Subsidiary undertakings</b>				
Capita Translation and Interpreting LLC	USA	Ordinary	100	Translation Services

### 8 Debtors

	2015 £	2014 £
Trade receivables	1,874,884	1,789,457
Amount due by parent and fellow subsidiary undertakings	2,226,128	2,072,102
Prepayments and accrued income	304,453	315,033
Deferred tax asset (see note 12)	25,398	15,597
	<u>4,430,863</u>	<u>4,192,189</u>



# CAPITA TRANSLATION AND INTERPRETING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

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

	2015	2014
	£	£
Overdrafts	-	102,600
Trade creditors	589,688	211,333
Amount due to parent and fellow subsidiary undertakings	8,127,351	8,062,570
Corporation tax	384,099	280,916
Other taxes and social security	1,361,292	1,378,572
Other payables	-	830
Accruals and deferred income	2,252,598	2,543,469
	<u>12,715,028</u>	<u>12,580,290</u>

### 10 Pensions and other post-retirement benefit commitments

The total costs charged to income in respect of defined contribution plans is £103,605 (2014 - £113,566).

### 11 Financial commitments

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

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Amounts payable under operating leases:				
Within one year	107,910	99,916	26,409	26,524
Between two and five years	89,925	183,179	44,477	70,472
	<u>197,835</u>	<u>283,095</u>	<u>70,886</u>	<u>96,996</u>

# CAPITA TRANSLATION AND INTERPRETING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

### 12 Provisions

	<b>Dilapidations £</b>
Additional provisions in the year	8,000
Balance at 31 December 2015	<u>8,000</u>

**The deferred tax asset (included in debtors, note 8) is made up as follows:**

	<b>2015 £</b>	
Balance at 1 January 2015	(15,597)	
Profit and loss account	(9,801)	
Balance at 31 December 2015	<u>(25,398)</u>	
	<b>2015 £</b>	<b>2014 £</b>
Accelerated capital allowances	(25,171)	(15,597)
Other temporary differences	(227)	-
	<u>(25,398)</u>	<u>(15,597)</u>

# CAPITA TRANSLATION AND INTERPRETING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

13 Capital and reserves	2015 £	2014 £
<b>Ordinary share capital</b>		
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

### Share capital

The nominal proceeds on issue of the company's equity share capital, comprising £1 ordinary shares.

### Share premium

The amount paid to the company by shareholders, in cash or other consideration, over and above the nominal value of the shares issued to them.

### Capital redemption

The company can redeem shares by repaying the market value to the shareholder whereupon the shares are cancelled. Redemption must be from distributable profits. The capital redemption reserve represents the nominal value of the shares redeemed.

### Profit and loss account

Net profits kept to accumulate in the company after dividends are paid and retained in the business as working capital.

14 Directors' remuneration	2015 £	2014 £
Remuneration for qualifying services	206,766	108,068
	<u>206,766</u>	<u>108,068</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2014 - 0).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	206,766	-
	<u>206,766</u>	<u>-</u>

# CAPITA TRANSLATION AND INTERPRETING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2015**

### 15 Employees

The average monthly number of employees (including non-executive directors) were:

	2015 Number	2014 Number
Sales	31	24
Operations	76	87
Administration	30	30
	<u>137</u>	<u>141</u>

Their aggregate remuneration comprised:

Employment costs	2015 £	2014 £
Wages and salaries	4,355,012	4,025,762
Social security costs	413,596	397,028
Pension costs	103,605	113,566
	<u>4,872,213</u>	<u>4,536,356</u>

### 16 Control

The company's immediate parent is Capita Holdings Limited, a company incorporated in England and Wales.

The company's ultimate parent is Capita plc. The accounts of Capita plc are available from the registered office at 71 Victoria Street, London, SW1H 0XA.

### 17 Events after the reporting date

During 2015 a significant portion of the revenue for the business was generated through the Ministry of Justice Language Services Framework (MOJ Framework). The current framework expires on Oct 31st 2016. The new contract has been broken into 4 'Lots' and CTI has made the strategic decision not to bid for 'Lot 1 – Face-to-Face, Telephone and Video Interpreting'. The majority of the current work under the Framework falls into Lot 1 (£23,000,000 revenue in 2015). Management will seek to reduce costs to ensure that the impact on profit is minimal.

Beyond the current MOJ Framework CTI will continue to be focused on growing our translation and interpreting business with selected customers across both the public and commercial sectors. Without the MOJ Framework, CTI continues to be a top 50 Language Service Provider globally with a strong focus on growth in the UK and Internationally.

# **CAPITA TRANSLATION AND INTERPRETING LIMITED**

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

***FOR THE YEAR ENDED 31 DECEMBER 2015***

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### **18 Related party transactions**

In the following figures for purchases and sales are transactions invoiced during the period inclusive of Value Added Tax where applicable. All transactions were undertaken at normal market prices.

During the year the company purchased goods and services in the normal course of business from Axelos Limited for £13,898 (2014:£69,262). At the balance sheet date, the amount due from Axelos Limited was nil (2014:£69,292). Capita Business Services Limited, a fellow subsidiary undertaking of Capital plc, owns 51% of the share capital in Axelos Limited.