

Company Registration No. 05122429 (England and Wales)

CAPITA TRANSLATION AND INTERPRETING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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CAPITA TRANSLATION AND INTERPRETING LIMITED

COMPANY INFORMATION

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

Auditor KPMG LLP
15 Canada Square
London
E14 5GL

CAPITA TRANSLATION AND INTERPRETING LIMITED

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CAPITA TRANSLATION AND INTERPRETING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the strategic report and financial statements for the year ended 31 December 2016.

Review of the business

The company is a wholly owned subsidiary (indirectly held) of Capita plc and operates within the group's IT Services (formerly 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 decreased from £34,055,037 to £30,803,716 over the year. The operating profit has improved from £2,026,904 to £2,276,665.

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 £6,284,448 to £4,415,586 in 2016. Details of amounts owed by/to its parent company and fellow subsidiary undertakings are shown in notes 9 and 10 to the financial statements.

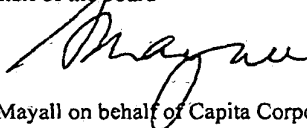
On 1 July 2016 the business trade and assets of ITR International Translation Resources Limited were transferred to the company at net book value.

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
29 September 2017

CAPITA TRANSLATION AND INTERPRETING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Results and dividends

The results for the year are set out on page 6.

During the year the company paid dividends of £Nil (2015: £Nil).

Directors

The following directors, have held office since 1 January 2016:

S J S Mayall on behalf of Capita Corporate Director Limited

M McCloskey

K J Gordon

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company's continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

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.

CAPITA TRANSLATION AND INTERPRETING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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.

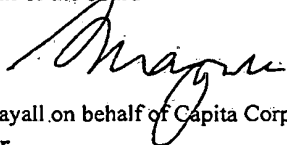
Statement of disclosure to auditors

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.

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

29 September 2017

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 2016 set out on pages 6 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 page 2, 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.

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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

CAPITA TRANSLATION AND INTERPRETING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CAPITA TRANSLATION AND INTERPRETING LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.

Rebecca Pett

Rebecca Pett (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 2016

	Notes	2016 £	2015 £
Turnover		30,803,716	34,055,037
Cost of sales		(23,540,469)	(26,125,266)
Gross profit		7,263,247	7,929,771
Administrative expenses		(5,043,770)	(5,881,937)
Other operating income/(expense)		57,188	(20,930)
Operating profit	3	2,276,665	2,026,904
Interest payable and similar charges	4	(351)	(622)
Profit before taxation		2,276,314	2,026,282
Tax on profit on ordinary activities	5	(407,452)	(414,356)
Profit and comprehensive income for the financial year		1,868,862	1,611,926

The statement of profit and loss and comprehensive income 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.

The accompanying notes on pages 8 to 19 form an integral part of the financial statements.

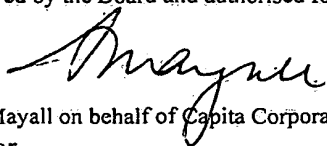
CAPITA TRANSLATION AND INTERPRETING LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
Fixed assets			
Intangible fixed assets	6	289,586	-
Tangible fixed assets	7	270,251	411,395
Investments	8	1,148,947	-
		<u>1,708,784</u>	<u>411,395</u>
Current assets			
Debtors	9	3,047,970	4,430,863
Cash at bank and in hand		410,805	1,596,322
		<u>3,458,775</u>	<u>6,027,185</u>
Creditors: amounts falling due within one year	10	(9,484,694)	(12,715,028)
Net current liabilities		<u>(6,025,919)</u>	<u>(6,687,843)</u>
Total assets less current liabilities		<u>(4,317,135)</u>	<u>(6,276,448)</u>
Provisions for liabilities	13	(98,451)	(8,000)
		<u>(4,415,586)</u>	<u>(6,284,448)</u>
Capital and reserves			
Called up share capital	14	100	100
Share premium account	14	5,910	5,910
Other reserves	14	8	8
Profit and loss account	14	(4,421,604)	(6,290,466)
Shareholders' funds		<u>(4,415,586)</u>	<u>(6,284,448)</u>

Approved by the Board and authorised for issue on 29 September 2017



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 2016

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2015	100	5,910	8	(7,902,392)	(7,896,374)
Profit for the year	-	-	-	1,611,926	1,611,926
Total comprehensive income for the period	-	-	-	1,611,926	1,611,926
At 31 December 2015	100	5,910	8	(6,290,466)	(6,284,448)
Profit for the year	-	-	-	1,868,862	1,868,862
Total comprehensive income for the period	-	-	-	1,868,862	1,868,862
At 31 December 2016	100	5,910	8	(4,421,604)	(4,415,586)

CAPITA TRANSLATION AND INTERPRETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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.

Despite the company being in a net liability position the ultimate parent undertaking has stated that it will provide continuing financial assistance to the company for the foreseeable future.

Due to the financial assistance provided by the ultimate parent undertaking, the company should have 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 enquiries, 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).

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.

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 2016

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:

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 and other short-term liquid investments with original maturities of three months or less. Bank overdrafts are shown within current liabilities.

CAPITA TRANSLATION AND INTERPRETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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.

CAPITA TRANSLATION AND INTERPRETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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.

1.11 Share-based payments

The company participates in various share option and sharesave schemes operated by Capita plc, the ultimate parent undertaking. Details of these schemes are contained in the group's annual report.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an option pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense, attributable to the company, since the previous balance sheet date is recognised in the profit and loss account and settled with Capita plc, the ultimate parent undertaking.

In accordance with FRS 101, share option awards of the ultimate parent company's equity instruments in respect of settling grants to employees of the company are disclosed as a charge to the profit and loss account and a credit to equity. The company's policy is to reimburse its ultimate parent company through the inter company account for charges that are made to it. Hence the credit to equity has been eliminated, rather reflecting a credit to inter-company which better describes the underlying nature of the transaction.

1.12 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.

1.13 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.

CAPITA TRANSLATION AND INTERPRETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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	2016 £	2015 £
Operating profit for the year is stated after charging:		
Net foreign exchange losses/(gains)	(57,188)	20,930
Depreciation of property, plant and equipment	159,421	164,159
Operating lease rentals - plant and machinery	129,718	87,692
Operating lease rentals - other assets	136,694	125,093
	<u>136,694</u>	<u>125,093</u>

Audit fees are borne by the ultimate parent undertaking, Capita plc. The audit fee for the current period was £11,000 (2015: £7,000). 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	2016 £	2015 £
On bank overdrafts and loans	<u>351</u>	<u>622</u>

5 Taxation

	2016 £	2015 £
Corporation tax		
Current year	416,011	423,989
Adjustments in respect of prior periods	<u>9,785</u>	<u>168</u>
	<u>425,796</u>	<u>424,157</u>
Deferred tax		
Origination and reversal of temporary differences	(17,131)	(9,550)
Adjustment in respect of prior periods	<u>(1,213)</u>	<u>(251)</u>
	<u>(18,344)</u>	<u>(9,801)</u>
Total tax charge	<u>407,452</u>	<u>414,356</u>

CAPITA TRANSLATION AND INTERPRETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

(Continued)

5 Taxation

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

	2016 £	2015 £
Profit before taxation on continued operations	2,276,314	2,026,282
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2015 - 20.25%)	455,263	410,322
Taxation impact of factors affecting tax charge:		
Expenses not deductible in determining taxable profit	(998)	1,139
Unutilised tax losses carried forward	(60,147)	-
Effect of change in UK corporation tax rate	4,762	2,977
Adjustments in respect of current income tax of prior years	9,785	169
Adjustments in respect of deferred income tax of prior years	(1,213)	(251)
Total adjustments	(47,811)	4,034
Total tax charge for the year	407,452	414,356

The UK corporation tax rate has decreased from 20% to 19% from 1 April 2017 with a further reduction to 17% from 1 April 2020. The deferred tax balance has been adjusted to reflect this change.

6 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2016	-
Additions	289,586
31 December 2016	289,586
Net book value	
At 31 December 2016	289,586

CAPITA TRANSLATION AND INTERPRETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

7 Property, plant and equipment

	Leasehold improvements	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2016	69,828	95,211	541,044	706,083
Additions	-	-	18,276	18,276
Disposals	-	(6,979)	(57,433)	(64,412)
At 31 December 2016	69,828	88,232	501,887	659,947
Depreciation				
At 1 January 2016	38,989	63,015	192,684	294,688
Charge for the year	14,472	18,629	126,318	159,419
On disposal	-	(6,979)	(57,433)	(64,412)
At 31 December 2016	53,461	74,665	261,569	389,695
Net book value				
At 31 December 2016	16,367	13,567	240,318	270,251
At 31 December 2015	30,839	32,196	348,360	411,395

CAPITA TRANSLATION AND INTERPRETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2016	-
Additions	1,148,947
At 31 December 2016	1,148,947
Provision for diminution in value	
Diminution in value	-
At 31 December 2016	-
Net book value	
At 31 December 2016	1,148,947
Holdings of ordinary share capital	

Company	Registered office address	Ordinary shares held (%)	Nature of business
Capita Translation and Interpreting LLC	1209 Orange Street, Wilmington, New Castle DE 19801 United States	100	Translation Services
ITR International Translation Resources Limited	17 Rochester Row, London, United Kingdom SW1P 1QT	100	Translation Services

On 30 June 2016, the company purchased the entire share capital of ITR International Translation Resources Limited from Capita Holdings Limited, a fellow group subsidiary, for £1,148,947. This transaction was settled via intercompany.

9 Debtors

	2016 £	2015 £
Trade receivables	2,153,717	1,874,884
Other debtors	15,072	-
Amount due by parent and fellow subsidiary undertakings	438,459	2,226,128
Prepayments and accrued income	385,613	304,453
Deferred tax asset (see note 13)	55,109	25,398
	<u>3,047,970</u>	<u>4,430,863</u>

CAPITA TRANSLATION AND INTERPRETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	610,058	589,688
Amount due to parent and fellow subsidiary undertakings	6,393,521	8,127,351
Corporation tax	336,278	384,099
Other taxes and social security	754,507	1,361,292
Accruals and deferred income	1,390,330	2,252,598
	<u>9,484,694</u>	<u>12,715,028</u>

11 Pensions and other post-retirement benefit commitments

The total costs charged to income in respect of defined contribution plans is £130,188 (2015 - £103,605).

12 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	
	2016	2015	2016	2015
	£	£	£	£
Amounts payable under operating leases:				
Within one year	89,925	107,910	19,353	26,409
Between two and five years	-	89,925	5,478	44,477
	<u>89,925</u>	<u>197,835</u>	<u>24,831</u>	<u>70,886</u>

CAPITA TRANSLATION AND INTERPRETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

13 Provisions

	£
At 1 January 2016	8,000
Restructuring provisions in the year	9,196
Property provisions in the year	81,255
	<u> </u>
Balance at 31 December 2016	98,451
	<u> </u>

The company is required to perform repairs on leased properties prior to the properties being vacated at the end of their lease term. Dilapidation provisions for such costs are made where a legal obligation is identified and the liability can be reasonably quantified.

The restructuring provision is in respect of the cost of the major restructuring activities undertaken by the company commencing in the last quarter of 2016. It represents the cost of reducing role count where there is a constructive obligation created through communication to affected employees which has crystallised a valid expectation that roles are at risk.

The deferred tax asset (included in debtors, note 9) is made up as follows:

	2016 £	
Balance at 1 January 2016	(25,398)	
Profit and loss account	(18,344)	
Transfers	(11,367)	
	<u> </u>	
Balance at 31 December 2016	(55,109)	
	<u> </u>	
	2016	2015
	£	£
Accelerated capital allowances	(39,805)	(25,171)
Other temporary differences	(15,304)	(227)
	<u> </u>	<u> </u>
	(55,109)	(25,398)
	<u> </u>	<u> </u>

CAPITA TRANSLATION AND INTERPRETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

14 Capital and reserves	2016 £	2015 £
Ordinary share capital		
Allotted, called up and fully paid		
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.

15 Directors' remuneration	2016 £	2015 £
Remuneration for qualifying services	155,911	206,766

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

Remuneration for qualifying services	155,911	206,766
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CAPITA TRANSLATION AND INTERPRETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

16 Employees

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

	2016 Number	2015 Number
Sales	32	31
Operations	76	76
Administration	31	30
	<u>139</u>	<u>137</u>

Their aggregate remuneration comprised:

Employment costs	2016 £	2015 £
Wages and salaries	4,144,172	4,355,012
Social security costs	417,314	413,596
Pension costs	130,188	103,605
Share based payments	(13,014)	-
	<u>4,678,660</u>	<u>4,872,213</u>

17 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.

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 did not purchase goods and services in the normal course of business from Axelos Limited (2015:£13,898). Capita Business Services Limited, a fellow subsidiary undertaking of Capital plc, owns 51% of the share capital in Axelos Limited.