Company Registration No. 05122429 (England and Wales)

CAPITA TRANSLATION AND INTERPRETING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

CAPITA TRANSLATION AND INTERPRETING LIMITED

COMPANY INFORMATION

Directors	A T Delgado C S Nunn on behalf of Capita Corporate Director Limited R Fairclough
Secretary	Capita Group Secretary Limited
Company number	05122429
Registered office	65 Gresham Street London England EC2V 7NQ
Auditor	KPMG LLP 15 Canada Square London E14 5GL
Banker	Barclays Bank PLC 1 Churchill Place London E14 5HP

CAPITA TRANSLATION AND INTERPRETING LIMITED

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CAPITA TRANSLATION AND INTERPRETING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their Strategic report and financial statements for the year ended 31 December 2021.

Review of the business

Capita Translation and Interpreting Limited ("the Company") is a subsidiary (indirectly held) of Capita plc. Capita plc and its subsidiaries are hereafter referred to as "the Group". The Company operates within the Group's Capita Portfolio division.

The principal activity of the Company continues to be that of providing 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 income statement on page 10, the Company's revenue has increased from £15,429,488 in 2020 to £17,696,646 in 2021, while the operating profit has increased from £628,769 in 2020 to £2,256,156 in 2021. Revenue has grown year on year across both areas of the business, most notably within Translation. Furthermore, a more favourable mix of Interpreting revenue has been realised. These factors, coupled with reductions in several key areas of cost, has driven a significant improvement in operating profit.

The balance sheet on pages 11 - 12 of the financial statements shows the Company's financial position at the year end. This shows an improvement from net liabilities of £1,786,064 in 2020 to net assets of £6,022,266 in 2021. The improvement has been driven by a recapitalisation of £5,964,184 and profit generated during the year by the Company. Details of amounts owed by/to its parent company and fellow subsidiary undertakings are shown in notes 12 and 14 to the financial statements.

Key performance indicators used by the Group 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 Capita Portfolio division is discussed in the Group's annual report which does not form part of this report.

Principal risks and uncertainties

The Company is subject to various risks and uncertainties during the ordinary course of its business, many of which result from factors outside of its control. The Company's risk management framework provides reasonable (but cannot provide absolute) assurance that significant risks are identified and addressed. An active risk management process identifies, assesses, mitigates and reports on strategic, financial, operational and compliance risk.

The principal themes of risk for the Company are:

- *Strategic*: changes in economic and market conditions such as contract pricing and competition.
- *Financial*: significant failures in internal systems of control and lack of corporate stability.
- *Operational:* including recruitment and retention of staff, maintenance of reputation and strong supplier and customer relationships, operational IT risk, and failures in information security controls.
- *Compliance:* non-compliance with laws and regulations. The Company must comply with an extensive range of requirements that govern its business.

To mitigate the effect of these risks and uncertainties, the Company adopts a number of systems and procedures, including:

- Regularly reviewing trading conditions to be able to respond quickly to changes in market conditions.
- Applying procedures and controls to manage compliance, financial and operational risks, including adhering to an internal control framework.

Capita plc has also implemented appropriate controls and risk governance techniques across all of our businesses which are discussed in the Group's annual report which doesn't form part of this report.

CAPITA TRANSLATION AND INTERPRETING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Section 172 Statement

Capita plc's section 172 statement applies to both the Division and the Company to the extent it relates to the Company's activities. Common policies and practices are applied across the Group through divisional management teams and a common governance framework. The following disclosure describes how the Directors have regard to the matters set out in section 172(1a) to (f) and forms the Directors' statement as required under section 414CZA of the Companies Act 2006.

Further details of the Group's approach to each stakeholder are provided in Capita plc's section 172 statement on pages 40 and 41 of Capita plc's 2021 Annual Report.

Our People	
Why they are important	They deliver our business strategy; they support the organisation to build a values-based culture; and they deliver our products and services ensuring client satisfaction.
What matters to them?	Flexible working, learning and development opportunities leading to career progression, fair pay and benefits as a reward for performance, two-way communication, and feedback.
How we engaged?	People surveys, regular all-employee communications, employee director participation in Board discussions, employee focus groups and network groups and workforce engagement on remuneration.
Topics of Engagement	Protection of employees during Covid-19, human resources policies during Covid-19, future ways of working as a result of Covid-19, and creating an inclusive workplace.
Outcomes and actions	Issue of Capita-specific Covid-19 guidance and regular updates; new and temporary HR policies; increased provision and support for employee wellbeing and flexible working; and simplification of property portfolio and office space.
Risks to stakeholder relationship	Our ability to recruit due to the global economic bounceback, our ability to retain people, impacting the quality of service we can provide and our ability to change our culture and practices in line with our responsible business agenda.
Key Metrics	Employee net promoter score, people survey completion level.
Clients and Customers	
Why they are important	They are recipients of Capita's services; and Capita's reputation depends on delighting them.
What matters to them?	High-quality service delivery; delivery of transformation projects within agreed timeframes; rapid response to support pandemic planning; and responsible and sustainable business credentials.
How we engaged?	Client meetings and surveys, Regular meetings with government and annual review with Cabinet Office and Created a senior client partner programme giving an experienced, single point of contact for key clients and customers
Topics of Engagement	Remote working on client services as a result of Covid-19, current service delivery, possible future services, co-creation of client value propositions.
Outcomes and actions	Feedback provided to business units to address any issues raised, client value propositions team supporting divisions with cocreation ideas; and senior client partner programme undertaking client-focused growth sprints to build understanding of client issues and ideas to help address them.
Risks to stakeholder relationship	Loss of business by not providing the services they want, damage to reputation by not delivering to their requirements
Key Metrics	Customer NPS; specific feedback on client engagements.
Supplier and Partners	
Why they are important	They share our values and help us deliver our purpose; maintain high standards in our supply chain; and achieve social, economic and environmental benefits aligned to the Social Value Act.

Section 172 Statement (Continued)

Supplier and Partners	
What matters to them?	Payments made within agreed payment terms, clear and fair procurement process, building lasting commercial relationships, and working inclusively with all types of business.
How we engaged?	Supplier meetings throughout source to procure process, regular reviews with suppliers, supplier questionnaires and risk assessments.
Topics of Engagement	Supplier payments, sourcing requirements, supplier performance, and the Supplier Charter.
Outcomes and actions	Alignment of payments with agreed terms; supplier feedback on improvements to procurement process; improvement plans and innovation opportunities; and improved adherence to supplier charter.
Risks to stakeholder relationship	Environmental issues, commitment to tackling net zero, supply chain resilience
Key Metrics	% of supplier payments within agreed terms; supplier relationship management feedback score; SME spend allocation; and supplier diversity profile
Society	
Why they are important	Capita is a provider of key services to government impacting a large proportion of the population.
What matters to them?	Social mobility, youth skills and jobs; digital inclusion; diversity and inclusion; climate change; business ethics and accreditations and benchmarking.
How we engaged?	Memberships of non-governmental organisations and charitable and community partnerships.
Topics of Engagement	Youth employment, tackling digital exclusion, workplace inequalities, and Climate change.
Outcomes and actions	Publication of net zero plan; real living wage accreditation; youth and employability programme; and commitments to tackle racism and enhance ethnic diversity.
Risks to stakeholder relationship	Lack of understanding of the issues important to them and insufficient communication or involvement in shaping and influencing strategies and plans
Key Metrics	Percentage reduction in carbon footprint, amount of community investment, and responsible business report 2021: capita.com/responsiblebusiness.

On behalf of the Board

R Fairclough
Director
15 July 2022

CAPITA TRANSLATION AND INTERPRETING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their Directors' report and financial statements for the year ended 31 December 2021.

Results and dividends
The results for the year are set out on page 10.

No interim or final dividend was paid or proposed during the year (2020: £nil).

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

A T Delgado
C S Nunn on behalf of Capita Corporate Director Limited
R Fairclough

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.

Political donations
The Company made no political donations and incurred no expenditure during the year (2020: £nil).

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

Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the Financial statements

The directors are responsible for preparing the Strategic Report, the 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 they have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 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 reliable;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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, 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 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 third 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

R Fairclough
Director
15 July 2022
65 Gresham Street, London, England, EC2V 7NQ

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAPITA TRANSLATION AND INTERPRETING LIMITED

Opinion

We have audited the financial statements of Capita Translation and Interpreting Limited ("the Company") for the year ended 31 December 2021 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 ; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.1 to the financial statements which indicates that the company is reliant on its ultimate parent undertaking, Capita plc, with regards to its ability to continue as a going concern. The most recent financial statements of Capita plc include material uncertainties that may cast significant doubt on its ability to continue as a going concern. The reliance of the Company on Capita plc accordingly means that these events and conditions constitute a material uncertainty that may cast significant doubt on the Group's and in turn, the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Going concern

The directors have prepared the financial statements on the going concern basis. As stated above, they have concluded that a material uncertainty related to going concern exists.

Based on our financial statements audit work, we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

Fraud and breaches of laws and regulations – ability to detect (continued)

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company has simple revenue streams with limited complexity around revenue recognition.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and those posted to unusual account pairings.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, and certain aspects of company legislation, recognising the nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports= for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4-5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

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

15 July 2022

CAPITA TRANSLATION AND INTERPRETING LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Revenue	3	17,696,646	15,429,488
Cost of sales		(13,983,034)	(12,742,768)
Gross profit		**3,713,612**	**2,686,720**
Administrative expenses		(1,457,456)	(2,057,951)
Operating profit	**4**	**2,256,156**	**628,769**
Net finance (cost)/ income	6	(3,437)	484
Investment income	7	-	295,803
Profit before tax		**2,252,719**	**925,056**
Income tax charge	8	(408,573)	(124,809)
Total comprehensive income for the year		**1,844,146**	**800,247**

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 income statement.

The notes on pages 14 to 30 form an integral part of these financial statements.

CAPITA TRANSLATION AND INTERPRETING LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
Non-current assets			
Property, plant and equipment	**9**	23,140	46,679
Intangible assets	**10**	2,148,630	2,148,630
Right of use asset	**11**	75,683	123,483
Deferred tax	**8**	96,011	92,370
		2,343,464	**2,411,162**
Current assets			
Trade and other receivables	**12**	8,075,120	5,321,388
Cash	**13**	-	92,781
		8,075,120	**5,414,169**
Total assets		**10,418,584**	**7,825,331**
Current liabilities			
Trade and other payables	**14**	1,897,636	7,884,296
Deferred income	**15**	318,765	124,336
Financial liabilities	**16**	1,545,104	1,170,709
Lease liabilities	**17**	49,495	48,582
Provisions	**18**	40,000	40,000
Income tax payable		528,620	277,280
		4,379,620	**9,545,203**
Non-current liabilities			
Lease liabilities	**17**	16,698	66,192
		16,698	**66,192**
Total liabilities		**4,396,318**	**9,611,395**
Net Assets/(liabilities)		**6,022,266**	**(1,786,064)**

CAPITA TRANSLATION AND INTERPRETING LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

	Notes	2021 £	2020 £
Capital and reserves			
Issued share capital	**19**	101	100
Share premium		5,970,093	5,910
Capital redemption reserve		8	8
Retained earnings/(deficit)		52,064	(1,792,082)
Total equity/(deficit)		**6,022,266**	**(1,786,064)**

The notes on pages 14 to 30 form an integral part of these financial statements.

Approved by the Board and authorised for issue on 15 July 2022

R Fairclough
Director

Company Registration No. 05122429

CAPITA TRANSLATION AND INTERPRETING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium	Retained (deficit)/earnings	Capital redemption reserve	Total (deficit)/equity
	£	£	£	£	£
At 1 January 2020	100	5,910	(2,592,329)	8	(2,586,311)
Total comprehensive income for the year	-	-	800,247	-	800,247
At 31 December 2020	**100**	**5,910**	**(1,792,082)**	**8**	**(1,786,064)**
Total comprehensive income for the year	-	-	1,844,146	-	1,844,146
Issue of share capital	1	5,964,183	-	-	5,964,184
At 31 December 2021	**101**	**5,970,093**	**52,064**	**8**	**6,022,266**

Share capital
The balance classified as share capital is the nominal proceeds on issue of the Company's equity share capital, comprising 101 ordinary shares.On 28 May 2021, the Company issued 1 ordinary share of £1 each for consideration of £5,964,184.

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 reserve
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.

Retained earning/ (deficit)
The balance in retained earning/ (deficit) pertains to net profits accumulated in the Company.

The notes on pages 14 to 30 form an integral part of these financial statements.

1 Accounting policies

1.1 Basis of preparation

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

The financial statements are prepared under the historical cost basis except where stated otherwise and in accordance with applicable accounting standards.

In determining the appropriate basis of preparation for the annual report and financial statements for the year ended 31 December 2021, the Company's Directors ("the Directors") are required to consider whether the Company can continue in operational existence for the foreseeable future, being a period of at least 12 months following the approval of these financial statements. The Directors have concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts, key uncertainties, and sensitivities, as set out below.

Board assessment

Base case scenario

The financial forecasts used for the going concern assessment are derived from the 2022-2023 business plans ('BP') for the Company which have been subject to review and challenge by management and the Directors. The Directors have approved the projections. Under the base case scenario, completion of Capita plc's group wide transformation programme has simplified and strengthened the business and facilitates further efficiency savings enabling sustainable growth in revenue, profit, and cash flow over the medium term.

Severe but plausible downside

In addition to the base case, the Directors have also considered severe but plausible downside scenarios. The Directors have taken account of trading downside risks, which assume the Company is not successful in delivering the anticipated levels of revenue, profit, and cash flow growth. The downside scenario used for the going concern assessment also includes potential adverse financial impacts due to additional inflationary pressure which cannot be passed on the customers, not achieving targeted margins on new or major contracts, unforeseen operational issues leading the contract losses and cash outflows, and unexpected potential fines and losses linked to incidents such as data breaches and/or cyber-attacks.

Offsetting these risks the Directors have considered available mitigations within the direct control of the Company, including reductions to variable pay rises, setting aside any bonus payments and limiting discretionary spend.

Reliance on Capita Plc ('the Group')

The Director's assessment of going concern has considered the extent to which the Company is reliant on the Group. The Company is reliant on the Group in respect of the following:

- provision of certain services, such as administrative support services and should the Group be unable to deliver these services, the Company would have difficulty in continuing to trade;

- participation in the Group's notional cash pooling arrangements, of which £544,078 was advanced at 30 June 2022. In the event of a default by the Group, the Company may not be able to access its cash balance within the pooling arrangement;

- recovery of receivables of £37,844 from fellow Group undertakings as of 30 June 2022. If these receivables are not able to be recovered when forecast by the Company, then the Company may have difficulty in continuing to trade;

1 Accounting policies **(Continued)**

1.1 Basis of preparation (continued)

Given the reliance the Company has on the Group, the Directors have considered the financial position of the ultimate parent undertaking as disclosed in its most recent consolidated financial statements, being for the year ended 31 December 2021.

Ultimate parent undertaking - Capita Plc

The Capita plc Board ('the Board') concluded that it was appropriate to adopt the going concern basis, having undertaken a rigorous assessment of the financial forecasts, key uncertainties, and sensitivities, when preparing the Group's consolidated financial statements to 31 December 2021. These financial statements were approved by the Board on 9 March 2022 and are available on the Group's website (www.capita.com investors). Below is a summary of the position at 9 March 2022:

Accounting standards require that 'the foreseeable future' for going concern assessment covers a period of at least twelve months from the date of approval of these financial statements, although those standards do not specify how far beyond twelve months a Board should consider. In its going concern assessment, the Board has considered the period from the date of approval of these financial statements to 31 August 2023, which is just less than eighteen months from the date of approval of the Group financial statements ('the going concern period') and which aligns with the expiry of the revolving credit facility (RCF). The Board has also considered any material committed outflows beyond this period in forming their assessment, including the extension of the RCF which is a key consideration.

The base case financial forecasts demonstrate liquidity headroom and compliance with all covenant measures throughout the going concern period to 31 August 2023.

The principal mitigation to the possibility of insufficient liquidity in the severe but plausible downside scenario is the continuation of the Board approved disposal programme which covers businesses that do not align with the Group's longer-term strategy. The Group has a strong track record of executing major disposals. In 2021, the Board targeted to achieve £700m of disposal proceeds by 30 June 2022 and will exceed this target on the completion of the announced disposal of Trustmarque and Speciality Insurance businesses. The disposal programme continues, with further disposal processes launched in early 2022. The Board is confident that the disposal programme will be delivered, thereby introducing substantial net cash proceeds to the Group, albeit with a corresponding removal of consolidated profits and cash flows associated with the disposal businesses.

In addition to the ongoing disposal programme, the Group may seek to mitigate the liquidity risks which might arise in the downside scenario by seeking further sources of financing beyond its existing committed funding facilities. The Board has been successful in obtaining new and extended financing facilities in recent years and an immediate mitigating action includes the extension of the current RCF which currently expires on 31 August 2023.

Material uncertainties related to the group

The Board recognises that the disposal programme requires agreement from third parties and that major disposals may be subject to shareholder and, potentially, lender approval. Similarly, any new refinancing, including the extension of the RCF, requires agreement with lenders. Such agreements and approvals are outside the direct control of the Group. Therefore, given that some of the mitigating actions which might be taken to strengthen the Group's liquidity position in the severe but plausible downside scenario are outside the control of the Group, this gives rise to material uncertainties, as defined in accounting standards, relating to events and circumstances which may cast significant doubt about the Group's ability to continue as a going concern and to continue in operation and discharge its liabilities in the normal course of business.

Reflecting the Board's confidence in the benefits expected from the completion of the transformation programme and execution of the approved disposal programme coupled with the potential to obtain further financing beyond its existing committed funding facilities, the Group continues to adopt the going concern basis in preparing these financial statements. The Board has concluded that the Group will be able to continue in operation and meet their liabilities as they fall due over the period to 31 August 2023. Consequently, these financial statements do not include any adjustments that would be required if the going concern basis of preparation were to be inappropriate.

1 Accounting policies **(Continued)**

1.1 Basis of preparation (continued)

Conclusion

Although the Company has a reliance on the Group as detailed above, even in a severe but plausible downside for both the Company and the Group, the Directors are confident the Company will continue to have adequate financial resources to continue in operation and discharge its liabilities as they fall due over the period to 31 August 2023 (the "going concern period"). Consequently, the annual report and financial statements have been prepared on the going concern basis.

However, as the Group's financial statements have identified material uncertainties giving rise to significant doubt over the Group's ability to continue as a going concern, given the Company's reliance on the Group as set out above, this in turn gives rise to a material uncertainty relating to events and circumstances which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, that the Company may be unable to continue in operation and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments which would be required if the going concern basis of preparation were to be deemed inappropriate.

1.2 Compliance with accounting standards

The Company has applied FRS 101 – Reduced Disclosure Framework in the preparation of its financial statements. The Company has prepared and presented these financial statements by applying the recognition, measurement, and disclosure requirements of international accounting standards in conformity with the requirements of the Companies, Act 2006.

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 accounting standards in conformity with the requirements of the Companies, Act 2006 and with UK-adopted International Financial Reporting Standards (IFRSs) and the Disclosure and Transparency Rules of the UK's Financial Conduct Authority and are available to the public and may be obtained from Capita plc's website on http://capita.com/investors.

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 capital management;
- The effects of new but not yet effective IFRSs;
- Certain disclosures as required by IFRS 15;
- Disclosures in respect of the compensation of key management personnel; and
- Disclosures as required by IFRS 16.

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;
- 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; and
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

1 Accounting policies **(Continued)**

1.3 Revenue recognition

Revenue is earned within the United Kingdom.

The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

Revenue is recognised when the performance obligation in the contract has been performed (so 'point in time' recognition).

Transactional (Point in time) contracts

The Company delivers a range of services that are transactional services for which revenue is recognised at the point in time when control of services has transferred to the customer. This may be at the point of acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria. The nature of contracts or performance obligations categorised within this revenue type includes fees received in relation to delivery of professional translation and interpreting services.

Contract related assets and liabilities

As a result of the contracts which the Company enters into with its customers, a number of different assets and liabilities are recognised on the Company's balance sheet. These include but are not limited to:

- Accrued
- Deferred income

Deferred and accrued income

The Company's customer contracts include a diverse range of payment schedules dependent upon the nature and type of goods and services being provided. The Company often agrees payment schedules at the inception. Payments for transactional goods and services may be at delivery date, in arrears or part payment in advance. Where payments made are greater than the revenue recognised at the period end date, the Company recognises a deferred income contract liability for this difference. Where payments made are less than the revenue recognised at the period end date, the Company recognises an accrued income contract asset for this difference.

At each reporting date, the Company assesses whether there is any indication that accrued income assets may be impaired by considering whether the revenue remains highly probable that no revenue reversal will occur. Where an indicator of impairment exists, the Company makes a formal estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1 Accounting policies **(Continued)**

1.4 Goodwill

Goodwill is stated at cost less any accumulated impairment losses. It is not amortised but is tested annually for impairment. This is not in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 which requires that all goodwill be amortised. The directors consider that this would fail to give a true and fair view of the profit for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. It is not practical to quantify the effect on the financial statements of this departure.

On adoption of FRS 101, the Company restated business combinations that took place between 1 January 2004 and 31 December 2010. Certain items were recognised as other intangible assets from goodwill and amortised over their expected useful life and goodwill amortisation was restated to reverse the impact of amortisation over that period. The Company, therefore, restated its opening balance in 2012 to reflect the position had IFRS 3 'Business Combinations' been in effect since 1 January 2004. This is in accordance with the position recorded in the ultimate parent company's consolidated accounts, which the Directors believe is the most appropriate and consistent approach to take on business combinations since the adoption of IFRS in the comparative period for the year ending 31 December 2005. Prior to 1 January 2004 business combinations were accounted for under UK GAAP.

1.5 Property, plant and equipment

Property, plant and equipment other than freehold land are stated at cost less depreciation. Freehold land is not depreciated. 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

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstance indicate that the carrying value may not be recoverable and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

1 Accounting policies **(Continued)**

1.6 Leasing

The Company leases various assets, comprising land and buildings.

The determination whether an arrangement is, or contains, a lease is based on whether the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The following sets out the Company's lease accounting policy for all leases with the exception of leases with low value and term of 12 months or less which are expensed to the consolidated income statement.

The Company as a lessee - Right-of-use assets and lease liabilities

At the inception of the lease, the Company recognises a right-of-use asset at cost, which comprises the present value of minimum lease payments determined at the inception of the lease. Right-of-use assets are depreciated using the straight-line method over the shorter of estimated life or the lease term. Depreciation is included within administrative expenses in the consolidated income statement. Amendment to lease terms resulting in a change in payments or the length of the lease results in an adjustment to the right-of-use asset and liability. Right-of-use assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be fully recoverable.

The Company recognises lease liabilities where a lease contract exists and right-of-use assets representing the right to use the underlying leased assets.At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Incremental borrowing rates are determined monthly and depend on the term, country, currency and start date of the lease. The incremental borrowing rate is determined based on a series of inputs including: the risk-free rate based on swap market data; a country-specific risk adjustment; a credit risk adjustment; and an entity-specific adjustment where the entity risk profile is different to that of the Group.

The lease liability is subsequently remeasured (with a corresponding adjustment to the related right-of-use asset) when there is a change in future lease payments due to a renegotiation or market rent review, a change of an index or rate or a reassessment of the lease term.

Lease payments are apportioned between a finance charge and a reduction of the lease liability based on the constant interest rate applied to the remaining balance of the liability. Interest expense is included within net finance costs in the consolidated income statement. Lease payments comprise fixed payments, including in-substance fixed payments such as service charges and variable lease payments that depend on an index or a rate, initially measured using the minimum index or rate at inception date. The payments also include any lease incentives and any penalty payments for terminating the lease, if the lease term reflects the lessee exercising that option. The lease term determined comprises the non-cancellable period of the lease contract. Periods covered by an option to extend the lease are included if the Company has reasonable certainty that the option will be exercised, and periods covered by an option to terminate are included if it is reasonably certain that this will not be exercised. The Company has elected to apply the practical expedient in IFRS 16 paragraph 15 not to separate non-lease components such as service charges from lease rental charges.

1 Accounting policies **(Continued)**

1.7 Pensions

The Company participates in a number of defined contribution schemes and contributions are charged to the income statement account in the year in which they are due. These schemes are funded and the payment of contributions is made to separately administered trust funds. The assets of these schemes are held separately from the Company. The Company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary undertaking, which pays the Group liability centrally. Any unpaid contributions at the year-end have been accrued in the accounts of that company.

1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items 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 tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred 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 tax asset relating to the deductible temporary difference 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 tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred 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 Accounting policies **(Continued)**

1.9 Financial instruments

(i) Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date (that is, the date on which the Company commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the income statement as applicable.

(iv) Impairment

The Company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Trade and other receivables
The Company assesses on a forward-looking basis the expected credit losses associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses.

Trade and other payables
Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within current financial liabilities.

1 Accounting policies **(Continued)**

1.10 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.11 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.

1.12 Foreign exchange

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 Income Statement.

2 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in accordance with generally accepted accounting principles requires the directors to make judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported income and expense during the presented periods. Although these judgements and assumptions are based on the directors' best knowledge of the amount, events or actions, actual results may differ.

3 Revenue

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

4 Operating profit for the year

	2021	2020
	£	£
Operating profit for the year is stated after charging/ (crediting):		
Net foreign exchange (gains)/ losses	(212,425)	204,490
Depreciation of property, plant and equipment (refer note 9)	23,536	20,233
Loss on disposal of property, plant and equipment	3	-
Short-term leases - plant and machinery	7,385	11,112
Short-term leases - other assets	325	25,205
Depreciation of ROUA - property, plant and equipment (refer note 11)	47,800	74,167

Audit fees are borne by the ultimate parent undertaking, Capita plc. The audit fee for the current period was £30,000 (2020: £25,000). 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.

5 Leases under IFRS 16

	2021	2020
	£	£
Interest expense on lease liabilities	1,727	1,095
Expenses relating to short-term leases (refer note 4)	7,710	36,317

6 Net finance (cost)/income

	2021	2020
	£	£
Interest on bank deposits	-	3,725
Interest expense on lease liabilities	(1,727)	(1,095)
Interest on bank overdrafts and loans	(1,710)	(2,146)
	(3,437)	**484**

7 Investment income

	2021	2020
	£	£
Income from shares in Group undertakings	-	295,803

During the previous year, the Company received a dividend of US $368,186 (£295,803) from its subsidiary Capita Translation and Interpreting LLC, which was satisfied in specie via an intragroup loan for the same amount. On 16 March 2020, the company sold off its investments in Capita Translation and Interpreting LLC to its parent company for a consideration of £1.

8 Income tax

The major components of income tax charge for the years ended 31 December 2021 and 2020 are:

	2021	2020
	£	£
Current tax		
UK corporation tax	415,501	117,821
Adjustments in respect of prior periods	(3,287)	2,568
	412,214	**120,389**
Deferred tax		
Origination and reversal of temporary differences	(11,689)	5,065
Adjustment in respect of prior periods	8,048	(645)
	(3,641)	**4,420**
Total tax charge reported in the income statement	**408,573**	**124,809**

The reconciliation between tax charge and the accounting profit multiplied by the UK corporation tax rate for the years ended 31 December 2021 and 2020 is as follows:

	2021	2020
	£	£
Profit before tax	**2,252,719**	**925,056**
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	428,017	175,761
Expenses not deductible for tax purposes	250	14,791
Non taxable income	(1,412)	(56,203)
Impact of changes in statutory tax rates	(23,043)	(11,463)
Adjustments in respect of current tax of prior periods	(3,287)	2,568
Adjustments in respect of deferred tax of prior periods	8,048	(645)
Total adjustments	**(19,444)**	**(50,952)**
Total tax charge reported in the income statement	**408,573**	**124,809**

8 Income tax **(Continued)**

Deferred tax

	Balance sheet		Income statement	
	2021	2020	2021	2020
	£	£	£	£
Deferred Tax Asset				
Decelerated capital allowances	91,066	87,950	3,116	(5,715)
Tax losses	-	2,723	(2,723)	286
Other short term timing differences	4,945	1,697	3,248	1,009
Net deferred tax asset	**96,011**	**92,370**		
Deferred tax credit/(charge)			**3,641**	**(4,420)**

A change to the main UK corporation tax rate was substantively enacted on 24 May 2021. The rate applicable from 1 April 2023 increases from 19% to 25%. The deferred tax asset at 31 December 2021 has been calculated based on this rate, resulting in a £23,043 tax credit to the income statement in 2021.

9 Property, plant and equipment

	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£
Cost			
At 1 January 2021	45,719	37,007	82,726
Disposals	-	(4,257)	(4,257)
Asset retirement	-	(29,048)	(29,048)
At 31 December 2021	**45,719**	**3,702**	**49,421**
Depreciation			
At 1 January 2021	7,620	28,427	36,047
Disposals	-	(4,254)	(4,254)
Depreciation	15,240	8,296	23,536
Asset retirement	-	(29,048)	(29,048)
At 31 December 2021	**22,860**	**3,421**	**26,281**
Net book value			
At 31 December 2020	**38,099**	**8,580**	**46,679**
At 31 December 2021	**22,859**	**281**	**23,140**

10 Intangible assets

	Goodwill
	£
Cost and Net book value	
At 1 January 2021 and at 31 December 2021	**2,148,630**

11 Right of Use Assets

Property	**2021**	**2020**
	£	**£**
Net Book Value		
At 1 January	123,483	-
Additions during the year	-	197,650
Depreciation charged during the year	(47,800)	(74,167)
At 31 December	**75,683**	**123,483**

12 Trade and other receivables

	2021	2020
	£	£
Trade receivables	2,204,200	2,098,436
Accrued income	296,525	395,585
Prepayments	62,193	62,452
Amounts due from parent and fellow subsidiary undertaking	5,512,202	2,762,792
Other receivables	-	2,123
	8,075,120	**5,321,388**

13 Cash

	2021	2020
	£	£
Cash at bank and in hand	-	92,781
	-	**92,781**

14 Trade and other payables

	2021	2020
	£	£
Trade payables	173,974	133,178
VAT Payable	379,809	426,571
Accruals	1,118,680	1,108,641
Amounts due to parent and fellow subsidiary undertaking	224,297	6,133,067
Other payables	876	82,839
	1,897,636	**7,884,296**

15 Deferred income

	2021	2020
	£	£
Deferred income	318,765	124,336
	318,765	**124,336**

16 Financial liabilities

	2021	2020
	£	£
Bank overdrafts	1,545,104	1,170,709
	1,545,104	**1,170,709**

17 Lease liabilities

	2021	2020
	£	£
Current		
Lease liabilities	49,495	48,582
	49,495	**48,582**

	2021	2020
	£	£
Non Current		
Lease liabilities	16,698	66,192
	16,698	**66,192**

	2021	2020
	£	£
Maturity analysis - Contractual undiscounted cash flows		
Less than one year	50,308	50,308

17 Lease liabilities **(Continued)**

One to two years	16,769	50,308
More than two Years	-	16,769
Total undiscounted lease liabilities at 31 December	**67,077**	**117,385**

18 Provisions

	Property provision
	£
At 1 January 2021 and at 31 December 2021	**40,000**

The property provision represents a dilapidations provision. 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 where a legal obligation is identified and the liability can be reasonably quantified.

19 Issued share capital	**2021**	**2020**	**2021**	**2020**
	Numbers	**Numbers**	**£**	**£**
Allotted, called up and fully paid				
of £1 each				
At 1 January	101	100	101	100
At 31 December	**101**	**100**	**101**	**100**

Share capital
The nominal proceeds on issue of the company's equity share capital, comprising £1 ordinary shares.On 28 May 2021, the Company issued 1 ordinary share of £1 each for consideration of £5,964,184.

20 Employee benefits

The total costs charged to income in respect of defined contribution plans is £195,335 (2020 - £184,722).

21 Employees

The average number of employees during the year (including non-executive Directors) was made up as follows:

	2021	**2020**
	Number	**Number**
Sales	11	11
Operations	63	77
Administration	12	12
	86	**100**

21 Employees **(Continued)**

Their aggregate remuneration comprised:

	2021	2020
Employee costs	**£**	**£**
Wages and salaries	3,043,668	2,824,518
Social security costs	283,577	276,216
Pension costs	195,335	184,722
	3,522,580	**3,285,456**

The above includes payroll costs for temporary staff as well as recharges to other Group entities in respect of various services delivered by the Company throughout the year.

22 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	249,534	215,745
Company pension contributions to defined contribution schemes	27,151	22,500
	276,685	**238,245**

2 (2020: 2) Directors were paid by the Company. The other Directors have not provided qualifying services to the Company and are paid by other companies within the Capita Group. Such remuneration has not been allocated to the Company.

The number of Directors for whom retirement benefits are accruing under defined benefit schemes amounted to 2 (2020 - 2). No Directors exercised their share options during the year (2020: Nil).

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

	2021	2020
	£	£
Remuneration for qualifying services	157,123	133,701
Company pension contributions to defined contribution schemes	18,405	15,500
	175,528	**149,201**

In addition to above, the Directors of the Company were reimbursed for the expenses incurred by them whilst performing business responsibilities.

23 Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year, apart from those with other wholly owned subsidiaries:

Nature of Transaction	Name of Company	Year	£ Fellow Subsidiary
Sales of Goods			
	Fera Science Limited	December 31, 2021	2,074
		December 31, 2020	747
		December 31, 2021	**2,074**
		December 31, 2020	**747**

24 Controlling party

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

The Company's ultimate parent undertaking is Capita plc, a company incorporated in England and Wales. The accounts of Capita plc are available from the registered office at 65 Gresham Street, London, United Kingdom, EC2V 7NQ.

25 Post balance sheet event

On 7 April 2022, the Company's share capital was reduced to 1 Ordinary share of £1 nominal value through the cancellation of 100 Ordinary shares of £1 each. The Company's share premium account was also reduced by £5,970,093 to nil. The amounts, by which the share capital and share premium account are so reduced, are credited to Retained earnings.

On 26 April 2022, the Company declared interim dividend of £4,265,882 which is settled by way of amounts receivable from Capita plc.

There are no other significant events which have occurred after the reporting period.