

2197452

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

CONSOLIDATED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010



ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

COMPANY INFORMATION

DIRECTORS

Ms I Weiss
P Nash

COMPANY SECRETARY

P Nash

COMPANY NUMBER

2197452

REGISTERED OFFICE

St Andrews House
St Andrews Road
Cambridge
CB4 1DL

AUDITORS

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

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

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ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and the financial statements for the year ended 31 December 2010

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

PRINCIPAL ACTIVITIES

The principal activity of the group in the year under review was the provision of technical translation services.

BUSINESS REVIEW

During 2010, the group continued to grow sales across its main markets, while consolidating the position of the operating companies acquired through Linguanet. Downward pressure on margins persisted, the market remaining very competitive, and the group remains focussed on minimizing non-productive costs. During the year, negotiations were concluded for the acquisition of another company, SQA Partners in Estonia, to strengthen Alpha's offering in Engineering and QA. This acquisition was completed in January 2011.

RESULTS

The profit for the year, after taxation, for the group, amounted to **£233,955** (2009 - £109,133).

DIRECTORS

The directors who served during the year were

Ms I Weiss
P Nash

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

PROVISION OF INFORMATION TO AUDITORS

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

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

AUDITORS

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

This report was approved by the board on 02 MARCH 2012

and signed on its behalf



P Nash
Director

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

We have audited the financial statements of Alpha Calligraphic Research Cambridge Limited for the year ended 31 December 2010, set out on pages 5 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2010 and of the group's 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.

EMPHASIS OF MATTER

In forming our opinion on the financial statements we have considered the fact that the group's opening balances and comparative figures have not been audited. Appropriate procedures were undertaken in order to quantify any misstatement in respect of the opening balances and comparative figures. In our opinion, the opening balances and comparative figures are free from material misstatement and our audit opinion is not qualified in this respect.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

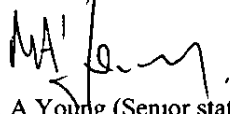
ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALPHA CALLIGRAPHIC RESEARCH
CAMBRIDGE LIMITED**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



R A Young (Senior statutory auditor)

for and on behalf of
The Young Company

Chartered Accountants
Statutory Auditors

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

21 March 2012

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

		Year ended 31 December 2010 £	<i>15 month period ended 31 December 2009 £</i>
	Note		
TURNOVER	1,2	9,828,342	10,395,899
Cost of sales		(6,262,873)	(7,513,138)
GROSS PROFIT		3,565,469	2,882,761
Administrative expenses		(3,219,158)	(2,703,926)
OPERATING PROFIT	3	346,311	178,835
Interest receivable and similar income		63	-
Interest payable and similar charges	6	(44,996)	(37,054)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		301,378	141,781
Tax on profit on ordinary activities	7	(67,423)	(32,648)
PROFIT FOR THE FINANCIAL YEAR	16	233,955	109,133

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the Profit and loss account

The notes on pages 9 to 23 form part of these financial statements

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED
REGISTERED NUMBER: 2197452

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Intangible assets	8	800,000	1,241,795
Tangible assets	9	196,497	187,919
		<u>996,497</u>	<u>1,429,714</u>
CURRENT ASSETS			
Debtors	11	3,313,027	2,922,254
Cash at bank and in hand		856,267	305,497
		<u>4,169,294</u>	<u>3,227,751</u>
CREDITORS: amounts falling due within one year	12	<u>(4,114,284)</u>	<u>(3,607,908)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>55,010</u>	<u>(380,157)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,051,507</u>	<u>1,049,557</u>
CREDITORS: amounts falling due after more than one year	13	(705,123)	(878,618)
PROVISIONS FOR LIABILITIES			
Deferred tax	14	(17,149)	(19,659)
NET ASSETS		<u>329,235</u>	<u>151,280</u>
CAPITAL AND RESERVES			
Called up share capital	15	1,000	1,000
Profit and loss account	16	328,235	150,280
SHAREHOLDERS' FUNDS	17	<u>329,235</u>	<u>151,280</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
02 MARCH 2012



P Nash
Director

The notes on pages 9 to 23 form part of these financial statements

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED
REGISTERED NUMBER 2197452

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2010

	Note	£	2010	£	£	2009	£
FIXED ASSETS							
Intangible assets	8		800,000			-	
Tangible assets	9		150,015			173,287	
Investments	10		-			1,280,000	
			<u>950,015</u>			<u>1,453,287</u>	
CURRENT ASSETS							
Debtors	11	2,902,173			1,992,083		
Cash at bank and in hand		732,959			182,412		
		<u>3,635,132</u>			<u>2,174,495</u>		
CREDITORS: amounts falling due within one year	12	(3,576,808)			(2,527,308)		
NET CURRENT ASSETS/(LIABILITIES)				58,324		(352,813)	
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>1,008,339</u>		<u>1,100,474</u>	
CREDITORS: amounts falling due after more than one year	13		(705,123)			(878,618)	
PROVISIONS FOR LIABILITIES							
Deferred tax	14		(17,149)			(19,659)	
NET ASSETS				<u>286,067</u>		<u>202,197</u>	
CAPITAL AND RESERVES							
Called up share capital	15		1,000			1,000	
Profit and loss account	16		285,067			201,197	
SHAREHOLDERS' FUNDS	17		<u>286,067</u>			<u>202,197</u>	

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



P Nash
Director

The notes on pages 9 to 23 form part of these financial statements

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

		Year ended 31 December 2010 £	15 month period ended 31 December 2009 £
	Note		
Net cash flow from operating activities	19	(208,595)	1,610,396
Returns on investments and servicing of finance	20	(44,933)	(37,054)
Taxation		(25,632)	(47,656)
Capital expenditure and financial investment	20	(47,816)	(204,645)
Acquisitions and disposals	20	-	(1,241,795)
Equity dividends paid		-	(54,000)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(326,976)	25,246
Financing	20	34,732	(255,591)
DECREASE IN CASH IN THE YEAR		(292,244)	(230,345)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2010

	Year ended 31 December 2010 £	15 month period ended 31 December 2009 £
Decrease in cash in the year	(292,244)	(230,345)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(34,732)	255,591
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	(326,976)	25,246
Other non-cash changes	-	1
MOVEMENT IN NET DEBT IN THE YEAR	(326,976)	25,247
Net debt at 1 January 2010	(330,556)	(355,803)
NET DEBT AT 31 DECEMBER 2010	(657,532)	(330,556)

The notes on pages 9 to 23 form part of these financial statements

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Basis of consolidation

The financial statements consolidate the accounts of Alpha Calligraphic Research Cambridge Limited and all of its subsidiary undertakings ('subsidiaries')

The results of subsidiaries acquired during the year are included from the effective date of acquisition

The results of any subsidiaries sold in the year are included up to the effective date of disposal

1.3 Turnover

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

1.4 Intangible fixed assets and amortisation

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

Amortisation is provided at the following rates

Goodwill	-	over three years
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1.5 Tangible fixed assets and depreciation

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

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

1.6 Investments

Investments in subsidiaries are valued at cost less provision for impairment

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

1. ACCOUNTING POLICIES (continued)

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 Operating leases

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

1.9 Deferred taxation

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

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

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

Deferred tax assets and liabilities are not discounted.

1.10 Foreign currencies

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

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

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

1.11 Work in progress

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

2. TURNOVER

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

53.2% of the company's turnover (2009 - 76%) is attributable to geographical markets outside the United Kingdom.

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	Year ended 31 December 2010 £	15 month period ended 31 December 2009 £
Amortisation - intangible fixed assets	400,000	83,333
Depreciation of tangible fixed assets		
- owned by the group	78,180	72,492
Auditors' remuneration	10,000	7,500
Auditors' remuneration - non-audit	11,500	-
Operating lease rentals		
- plant and machinery	1,877	2,303
- other operating leases	64,807	12,474
Difference on foreign exchange	(361,462)	18,778
Amortisation of deferred research and development expenditure	-	418
Pension costs	7,639	26,000
	<u> </u>	<u> </u>

Auditors fees for the company were £10,000 (2009 - £7,500)

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	Year ended 31 December 2010 £	15 month period ended 31 December 2009 £
Wages and salaries	2,901,866	2,588,212
Social security costs	464,645	357,856
Other pension costs	40,599	26,000
	<u> </u>	<u> </u>
	3,407,110	2,972,068
	<u> </u>	<u> </u>

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

Year ended 31 December 2010 No.	15 month period ended 31 December 2009 No
145	80
<u> </u>	<u> </u>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

5 DIRECTORS' REMUNERATION

	Year ended 31 December 2010 £	15 month period ended 31 December 2009 £
Emoluments	11,512	8,568

6. INTEREST PAYABLE

	Year ended 31 December 2010 £	15 month period ended 31 December 2009 £
On bank loans and overdrafts	44,996	37,054

7 TAXATION

	Year ended 31 December 2010 £	15 month period ended 31 December 2009 £
Analysis of tax charge in the year/period		
Current tax (see note below)		
UK corporation tax charge on profit for the year/period	49,662	19,452
Adjustments in respect of prior periods	4,938	-
	54,600	19,452
Foreign tax on income for the year/period	15,333	-
Total current tax	69,933	19,452
Deferred tax (see note 14)		
Origination and reversal of timing differences	(2,510)	13,196
Tax on profit on ordinary activities	67,423	32,648

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

7. TAXATION (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2009 - *lower than*) the standard rate of corporation tax in the UK of 28%(2009 - 28%) The differences are explained below

	Year ended 31 December 2010 £	<i>15 month period ended 31 December 2009 £</i>
Profit on ordinary activities before tax	<u>301,378</u>	<u>141,781</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%(2009 - 28%)	84,386	30,963
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	31,816	6,500
Capital allowances for year/period in excess of depreciation	(18,052)	(10,606)
Adjustments to tax charge in respect of prior periods	4,938	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(17,850)	(2,520)
Difference relating to variances on Corporation Tax rates in foreign territories	(15,305)	(4,885)
Current tax charge for the year/period (see note above)	<u><u>69,933</u></u>	<u><u>19,452</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

8. INTANGIBLE FIXED ASSETS

Group	Goodwill £
Cost	
At 1 January 2010	1,241,795
Disposals	(41,795)
At 31 December 2010	<u>1,200,000</u>
Amortisation	
At 1 January 2010	-
Charge for the year	400,000
At 31 December 2010	<u>400,000</u>
Net book value	
At 31 December 2010	<u>800,000</u>
<i>At 31 December 2009</i>	<u><u>1,241,795</u></u>
 Company	 Goodwill £
Cost	
At 1 January 2010	-
Additions	1,200,000
At 31 December 2010	<u>1,200,000</u>
Amortisation	
At 1 January 2010	-
Charge for the year	400,000
At 31 December 2010	<u>400,000</u>
Net book value	
At 31 December 2010	<u>800,000</u>
<i>At 31 December 2009</i>	<u><u>-</u></u>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

9. TANGIBLE FIXED ASSETS

Group	L/Term Leasehold Property £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost						
At 1 January 2010	50,167	148,586	28,355	151,213	264,736	643,057
Additions	478	-	33,830	10,811	42,282	87,401
Disposals	-	(61,589)	-	-	(99,458)	(161,047)
At 31 December 2010	50,645	86,997	62,185	162,024	207,560	569,411
Depreciation						
At 1 January 2010	41,980	118,195	26,938	38,928	229,097	455,138
Charge for the year	3,869	8,700	5,928	23,835	36,491	78,823
On disposals	-	(61,589)	-	-	(99,458)	(161,047)
At 31 December 2010	45,849	65,306	32,866	62,763	166,130	372,914
Net book value						
At 31 December 2010	4,796	21,691	29,319	99,261	41,430	196,497
At 31 December 2009	8,187	30,391	1,417	112,285	35,639	187,919

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

Group	2010 £	2009 £
Motor vehicles	29,319	-

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

Company	L/Term Leasehold Property £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost						
At 1 January 2010	50,167	148,586	28,355	121,697	261,365	610,170
Additions	-	-	-	-	42,282	42,282
Disposals	-	(61,589)	-	-	(99,458)	(161,047)
At 31 December 2010	50,167	86,997	28,355	121,697	204,189	491,405
Depreciation						
At 1 January 2010	41,980	118,195	26,938	20,673	229,097	436,883
Charge for the year	3,829	8,700	1,417	15,117	36,491	65,554
On disposals	-	(61,589)	-	-	(99,458)	(161,047)
At 31 December 2010	45,809	65,306	28,355	35,790	166,130	341,390
Net book value						
At 31 December 2010	4,358	21,691	-	85,907	38,059	150,015
<i>At 31 December 2009</i>	<i>8,187</i>	<i>30,391</i>	<i>1,417</i>	<i>101,024</i>	<i>32,268</i>	<i>173,287</i>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

10 FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2010	1,280,000
Disposals	(1,280,000)
At 31 December 2010	-
Net book value	
At 31 December 2010	-
At 31 December 2009	1,280,000

Details of the principal subsidiaries can be found under note number 27

11. DEBTORS

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	2,067,182	1,969,528	1,430,395	1,136,620
Amounts owed by group undertakings	-	-	354,619	148,284
Other debtors	702,662	674,222	692,143	493,862
Prepayments and accrued income	543,183	278,504	425,016	213,317
	3,313,027	2,922,254	2,902,173	1,992,083

12. CREDITORS:

Amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans and overdrafts	1,212,519	369,505	1,212,519	369,505
Net obligations under finance leases and hire purchase contracts	21,842	-	-	-
Trade creditors	1,362,778	1,737,214	1,474,963	952,080
Corporation tax	56,782	14,653	49,662	14,653
Social security and other taxes	535,249	339,156	257,724	96,992
Other creditors	144,548	245,610	124,283	243,396
Accruals and deferred income	780,566	901,770	457,657	850,682
	4,114,284	3,607,908	3,576,808	2,527,308

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

12. CREDITORS

Amounts falling due within one year (continued)

Bank loans and overdrafts amounting to **£1,212,519** (2009 - £369,505) are secured against the assets of the company

13. CREDITORS:

Amounts falling due after more than one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Bank loans	279,438	266,548	279,438	266,548
Other creditors	425,685	612,070	425,685	612,070
	705,123	878,618	705,123	878,618

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

14. DEFERRED TAXATION

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
At beginning of year/period	19,659	6,463	19,659	6,463
(Released during)/charge for the year	(2,510)	13,196	(2,510)	13,196
At end of year/period	17,149	19,659	17,149	19,659

The provision for deferred taxation is made up as follows

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Accelerated capital allowances	17,149	19,659	17,149	19,659

15. SHARE CAPITAL

	2010	2009
	£	£
Allotted, called up and fully paid		
10,000 Ordinary shares of £0.10 each	1,000	1,000

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

16. RESERVES

	Profit and loss account £
Group	
At 1 January 2010	150,280
Profit for the year	233,955
Dividends Equity capital	(56,000)
	<u>328,235</u>
At 31 December 2010	
	<u>328,235</u>
	Profit and loss account £
Company	
At 1 January 2010	201,197
Profit for the year	139,870
Dividends Equity capital	(56,000)
	<u>285,067</u>
At 31 December 2010	
	<u>285,067</u>

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Group		
Opening shareholders' funds	151,280	96,147
Profit for the year/period	233,955	109,133
Dividends (Note 18)	(56,000)	(54,000)
	<u>329,235</u>	<u>151,280</u>
Closing shareholders' funds		
	<u>329,235</u>	<u>151,280</u>
	2010 £	2009 £
Company		
Opening shareholders' funds	202,197	190,604
Profit for the year/period	139,870	65,593
Dividends (Note 18)	(56,000)	(54,000)
	<u>286,067</u>	<u>202,197</u>
Closing shareholders' funds		
	<u>286,067</u>	<u>202,197</u>

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

The profit for the year/period dealt with in the accounts of the company was £139,871 (2009 - £65,593)

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

18. DIVIDENDS

	Year ended 31 December 2010 £	<i>15 month period ended 31 December 2009 £</i>
Dividends paid on equity capital	<u>56,000</u>	<u>54,000</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	Year ended 31 December 2010 £	<i>15 month period ended 31 December 2009 £</i>
Operating profit	346,311	178,835
Amortisation of intangible fixed assets	400,000	84,786
Depreciation of tangible fixed assets	78,823	71,047
Loss on disposal of tangible fixed assets	2,210	1
Decrease in stocks	-	38,090
Increase in debtors	(392,945)	(544,317)
Decrease in amounts owed by group undertakings	-	84,834
(Decrease)/increase in creditors	(642,994)	1,780,075
Decrease in amounts owed to group undertakings	-	(82,955)
Net cash (outflow)/inflow from operating activities	<u>(208,595)</u>	<u>1,610,396</u>

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

	Year ended 31 December 2010 £	<i>15 month period ended 31 December 2009 £</i>
Returns on investments and servicing of finance		
Interest received	63	-
Interest paid	(44,996)	(37,054)
Net cash outflow from returns on investments and servicing of finance	<u>(44,933)</u>	<u>(37,054)</u>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

20 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	Year ended 31 December 2010 £	15 month period ended 31 December 2009 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(83,752)
Sale of intangible fixed assets	39,585	-
Purchase of tangible fixed assets	(87,401)	(122,358)
Sale of tangible fixed assets	-	1,465
Net cash outflow from capital expenditure	(47,816)	(204,645)
	Year ended 31 December 2010 £	15 month period ended 31 December 2009 £
Acquisitions and disposals		
Purchase of fixed asset investments	-	(1,241,795)
	Year ended 31 December 2010 £	15 month period ended 31 December 2009 £
Financing		
New secured loans	12,890	-
Repayment of loans	-	(255,591)
New finance leases	21,842	-
Net cash inflow/(outflow) from financing	34,732	(255,591)

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

21 ANALYSIS OF CHANGES IN NET DEBT

	1 January 2010 £	Cash flow £	Other non-cash changes £	31 December 2010 £
Cash at bank and in hand	305,497	550,770	-	856,267
Bank overdraft	(369,505)	(843,014)	-	(1,212,519)
	<u>(64,008)</u>	<u>(292,244)</u>	<u>-</u>	<u>(356,252)</u>
Debt:				
Debts due within one year	-	(34,732)	12,890	(21,842)
Debts falling due after more than one year	(266,548)	-	(12,890)	(279,438)
	<u>(330,556)</u>	<u>(326,976)</u>	<u>-</u>	<u>(657,532)</u>
Net debt	<u>(330,556)</u>	<u>(326,976)</u>	<u>-</u>	<u>(657,532)</u>

22. PENSION COMMITMENTS

The company has agreed to make contributions to the personal pension fund of an employee of £7,639 (2009 £26,000)

23. OPERATING LEASE COMMITMENTS

At 31 December 2010 the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
Group	2010 £	2009 £	2010 £	2009 £
Expiry date:				
Between 2 and 5 years	-	-	-	83,480
After more than 5 years	96,000	-	-	-
	<u>96,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

At 31 December 2010 the Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
Company	2010 £	2009 £	2010 £	2009 £
Expiry date:				
Between 2 and 5 years	-	-	-	83,480
After more than 5 years	96,000	-	-	-
	<u>96,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

24. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES

The directors P Nash and I Weiss have given personal guarantees to the company's bankers in support of bank borrowings. Dividends paid to the directors in the year totalled £56,000

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

25. RELATED PARTY TRANSACTIONS

The company has recharged subcontracted production costs and in-house production recharges totalling £158,701 to Tradnet snc, a 98% owned partnership subsidiary based in Italy. In return Tradnet snc charged the company production costs of £108,798 in the year. All recharges between the two entities were charged at the prevailing rate charged to external customers. As at 31 December 2010, the company was owed £25,080 by Tradnet snc.

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

The company paid for office rent and set up costs totalling £147,374 for its French subsidiary Alpha CRC sarl to Alpha PNIW SCI, a French company in which the company's directors P Nash and I Weiss are the shareholders. At the balance sheet date the company was owed £147,374.

The company also paid costs of £94,480 to Rubslan Limited, a company incorporated in the Republic of Ireland, in which the company directors P Nash and I Weiss are the directors and shareholders. At the balance sheet date the company owed £Nil.

The company also paid consultancy services totalling £72,581 to Kyma Consulting sarl, a company incorporated in France who provide consultancy services relating to the management and operation of the company's European subsidiaries. The director of Kyma Consulting sarl V Chamalidis is considered to be key management of the company. As at 31 December 2010, the company owed Kyma Consulting sarl £67,000.

26. CONTROLLING PARTY

The company is controlled by the director Ms I Weiss.

27. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Alpha CRC sarl	France	100	Ordinary shares
Alpha CRC GmbH	Germany	100	Ordinary shares
Tradnet srl	Italy	98	Share in partnership

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**COMPANY DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2010**

		Year ended 31 December 2010 £	<i>15 month period ended 31 December 2009 £</i>
	Page		
TURNOVER	25	8,250,438	8,147,079
Cost of sales	25	(5,985,435)	(6,121,491)
		<hr/>	<hr/>
GROSS PROFIT		2,265,003	2,025,588
Gross profit %		27.5 %	24.9 %
LESS: OVERHEADS			
Administration expenses	25	(2,028,381)	(1,895,237)
		<hr/>	<hr/>
OPERATING PROFIT		236,622	130,351
Finance costs	26	(44,661)	(36,909)
		<hr/>	<hr/>
PROFIT FOR THE YEAR		191,961	93,442
		<hr/>	<hr/>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Year ended 31 December 2010 £	<i>15 month period ended 31 December 2009 £</i>
TURNOVER		
Sales	8,250,438	<i>8,147,079</i>
	<hr/>	<hr/>
	Year ended 31 December 2010 £	<i>15 month period ended 31 December 2009 £</i>
COST OF SALES		
Translation costs	1,848,303	<i>2,722,285</i>
Salaries	1,932,071	<i>1,803,203</i>
National insurance	198,987	<i>162,501</i>
Staff pension costs	7,639	<i>26,000</i>
Sound recording	8,435	<i>23,633</i>
Courier and delivery services	2,593	<i>2,002</i>
Page layout	21,044	<i>7,986</i>
Travelling	8,164	<i>8,763</i>
Overseas production	1,958,199	<i>1,365,118</i>
	<hr/>	<hr/>
	5,985,435	<i>6,121,491</i>
	<hr/>	<hr/>
	Year ended 31 December 2010 £	<i>15 month period ended 31 December 2009 £</i>
ADMINISTRATION EXPENSES		
Directors' remuneration	11,512	<i>8,568</i>
Salaries	231,863	<i>269,842</i>
National insurance	30,265	<i>38,492</i>
Staff welfare	28,965	<i>37,497</i>
Entertainment of visitors	7,659	<i>9,382</i>
Travelling	90,250	<i>109,625</i>
Sales and marketing services	439,524	<i>358,680</i>
Stationery, printing and computer supplies	25,733	<i>23,555</i>
Postage	1,912	<i>1,804</i>
Telephone	11,102	<i>9,638</i>
Computer costs	126,780	<i>59,781</i>
Office running costs	11,217	<i>11,975</i>
Subscriptions	1,361	<i>5,185</i>
Legal and professional fees	650	<i>14,725</i>
Auditors' remuneration	10,000	<i>7,500</i>
	<hr/>	<hr/>
Sub-total carried forward	1,028,793	<i>966,249</i>
	<hr/>	<hr/>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Year ended 31 December 2010 £	15 month period ended 31 December 2009 £
ADMINISTRATION EXPENSES (continued)		
Sub-total brought forward	1,028,793	966,249
Auditors' remuneration - non-audit	11,500	-
Accountancy fees	14,790	17,600
Bank charges	15,059	24,606
Bad debts	432,861	23,703
Difference on foreign exchange	(358,667)	16,103
Sales and marketing	208,008	243,433
Rates	99,168	215,493
Light and heat	17,821	1,906
Repairs and maintenance	127,503	102,471
Sundry expenses	670	2,145
Depreciation - plant and machinery	8,700	12,252
Depreciation - motor vehicles	1,417	2,363
Depreciation - computer equipment	36,491	32,198
Depreciation - office equipment	15,117	15,209
Amortisation - intangible fixed assets	400,000	83,333
Depreciation - leasehold property	3,829	6,087
Profit/loss on sale of intangible assets	40,415	-
Staff costs	-	11,500
Insurances	3,539	2,461
Books and periodicals	267	264
Internet costs	18,104	24,450
Recruitment costs	27,127	28,585
Training	260	318
Relocation costs	4,998	7,241
Office set up and closure costs	35,680	55,267
Overheads recharged to subsidiaries	(165,069)	-
	<u>2,028,381</u>	<u>1,895,237</u>
	Year ended 31 December 2010 £	15 month period ended 31 December 2009 £
Finance costs		
Bank overdraft interest paid	<u>44,661</u>	<u>36,909</u>