

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

CONSOLIDATED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

WEDNESDAY



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ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

COMPANY INFORMATION

DIRECTORS

Ms J 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
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 2011

The directors present their report and the financial statements for the year ended 31 December 2011

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 accounting 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 2011 the group continued to grow sales across its main markets while consolidating the group's position of the subsidiary operating companies previously acquired through Linguanet AG. Downward pressure on margins persisted, the market remaining very competitive, and the group remains focussed on minimizing non-productive costs. During the year the acquisition of the trade and assets of SQA Partners in Estonia was completed to strengthen Alpha's offering in Engineering and Quality Assurance. Further operations have been opened in 2012 in China and Japan.

RESULTS

The profit for the year, after taxation, for the group, amounted to £16,313 (2010 - £233,955).

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 2011

PRINCIPAL RISKS AND UNCERTAINTIES

The group's activities expose it to a variety of financial and accounting risk including foreign currency, liquidity, interest rate and credit. The principal financial and accounting risks are summarised below. The group's overall management of these risks is carried out by the board of directors under agreed policies and procedures. The directors identify, evaluate and where appropriate, hedge financial risks.

Trading conditions

The economic volatility experienced in recent years is expected to continue into the year ahead. This environment, including the response of our key customers to it, widens the possible budgeted outcomes of the group's performance in respect of sales, cost of sales, profit and cash generation. Potential opportunities for cost savings will be evaluated and considered while at the same time ensuring that there is no compromise on the quality of staff employed or subcontract translators engaged on projects. It is envisaged that additional cost savings will be achieved in bringing the accounting for all companies within the group under one roof.

Foreign currency risk

Foreign currency risk is the risk that changes in currency rates will affect the group's results. The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the Euro.

The group includes subsidiary operations outside the UK whose net assets are exposed to foreign currency translation risk. The group's UK business is also exposed to foreign currency risk on purchases that are denominated in a currency other than their local currency, principally the US Dollar and the Euro.

During the year ended 31 December 2011, approximately 85% of the group's revenue and operating profits were earned in currencies other than UK sterling. Any strengthening of UK sterling against all the currencies in which the company does business would reduce the operating profit achieved as a result of currency translation.

Currency exposures also arise from the net assets of the group's subsidiary foreign operations. Similarly, any strengthening of UK sterling against all the non-UK sterling capital employed would lead to a reduction in shareholders' funds.

Mitigation

The group has in the past hedged foreign currency exposures using forward foreign exchange contracts. The company classified its forward foreign exchange contracts, hedged forecasted transactions, as cash flow hedges and stated them at fair value. In the year under review, no such derivatives were used.

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.

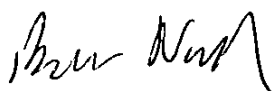
ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**

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 08 October 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 2011, set out on pages 6 to 22. 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. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 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

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.

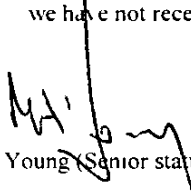
ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**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

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

8 October 2012

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £	2010 £
TURNOVER	1.2	16,599,191	<i>9,828 342</i>
Cost of sales		<u>(12,310,996)</u>	<u>(6,262 873)</u>
GROSS PROFIT		4,288,195	<i>3,565,469</i>
Administrative expenses		<u>(4,210,784)</u>	<u>(3,219 158)</u>
OPERATING PROFIT	3	77,411	<i>346,311</i>
Interest receivable and similar income		-	<i>63</i>
Interest payable and similar charges	6	<u>(52,244)</u>	<u>(44 996)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		25,167	<i>301,378</i>
Tax on profit on ordinary activities	7	<u>(8,854)</u>	<u>(67 423)</u>
PROFIT FOR THE FINANCIAL YEAR	15	<u>16,313</u>	<u><i>233,955</i></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 10 to 22 form part of these financial statements

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED
REGISTERED NUMBER: 2197452

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Intangible assets	8	700,000	800,000
Tangible assets	9	613,095	196,497
		<u>1,313,095</u>	<u>996,497</u>
CURRENT ASSETS			
Debtors	10	3,346,143	3,313,027
Cash at bank and in hand		634,753	856,267
		<u>3,980,896</u>	<u>4,169,294</u>
CREDITORS amounts falling due within one year	11	<u>(3,834,843)</u>	<u>(4,114,284)</u>
NET CURRENT ASSETS		<u>146,053</u>	<u>55,010</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,459,148</u>	<u>1,051,507</u>
CREDITORS amounts falling due after more than one year	12	(1,212,610)	(705,123)
PROVISIONS FOR LIABILITIES			
Deferred tax	13	(9,434)	(17,149)
NET ASSETS		<u>237,104</u>	<u>329,235</u>
CAPITAL AND RESERVES			
Called up share capital	14	1,000	1,000
Profit and loss account	15	236,104	328,235
SHAREHOLDERS' FUNDS	16	<u>237,104</u>	<u>329,235</u>

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



P Nash
Director

The notes on pages 10 to 22 form part of these financial statements

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED
REGISTERED NUMBER. 2197452

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Intangible assets	8	700,000	800,000
Tangible assets	9	508,675	150,015
		<u>1,208,675</u>	<u>950,015</u>
CURRENT ASSETS			
Debtors	10	2,883,234	2,902,173
Cash at bank and in hand		550,988	732,959
		<u>3,434,222</u>	<u>3,635,132</u>
CREDITORS amounts falling due within one year	11	<u>(3,361,299)</u>	<u>(3,576,808)</u>
NET CURRENT ASSETS		<u>72,923</u>	<u>58,324</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,281,598</u>	<u>1,008,339</u>
CREDITORS amounts falling due after more than one year	12	(1,212,610)	(705,123)
PROVISIONS FOR LIABILITIES			
Deferred tax	13	(9,434)	(17,149)
NET ASSETS		<u>59,554</u>	<u>286,067</u>
CAPITAL AND RESERVES			
Called up share capital	14	1,000	1,000
Profit and loss account	15	58,554	285,067
SHAREHOLDERS' FUNDS	16	<u>59,554</u>	<u>286,067</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 08 October 2012

P Nash
P Nash
Director

The notes on pages 10 to 22 form part of these financial statements

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £	2010 £
Net cash flow from operating activities	18	1,473,354	(208,595)
Returns on investments and servicing of finance	19	(52,243)	(44,933)
Taxation		(15,452)	(25,632)
Capital expenditure and financial investment	19	(1,432,205)	(47,816)
Equity dividends paid		(108,444)	-
CASH OUTFLOW BEFORE FINANCING		(134,990)	(326,976)
Financing	19	60,324	34,732
DECREASE IN CASH IN THE YEAR		(74,666)	(292,244)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 £	2010 £
Decrease in cash in the year	(74,666)	(292,244)
Cash inflow from increase in debt and lease financing	(60,324)	(34,732)
MOVEMENT IN NET DEBT IN THE YEAR	(134,990)	(326,976)
Net debt at 1 January 2011	(657,532)	(330,556)
NET DEBT AT 31 DECEMBER 2011	(792,522)	(657,532)

The notes on pages 10 to 22 form part of these financial statements

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

I 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 any 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

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 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.

1.7 Operating leases

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

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1 ACCOUNTING POLICIES (continued)

1 8 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 9 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 10 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

79.23% of the company's turnover (2010 - 53.2%) 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 2011**

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Amortisation - intangible fixed assets	950,000	400,000
Depreciation of tangible fixed assets		
- owned by the group	165,607	78,823
Auditors' remuneration	10,000	10,000
Auditors' remuneration - non-audit	3,500	11,500
Operating lease rentals		
- plant and machinery	-	1,877
- other operating leases	455,386	163,975
Difference on foreign exchange	(4,948)	(361,462)
Pension costs	46,914	7,639
	<u> </u>	<u> </u>

Auditors fees for the company were £10,000 (2010 - £10,000)

4 STAFF COSTS

Staff costs including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	4,288,597	2,901,866
Social security costs	636,559	464,645
Other pension costs	46,914	40,599
	<u> </u>	<u> </u>
	<u>4,972,070</u>	<u>3,407,110</u>

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

	2011 No	2010 No
	<u>120</u>	<u>145</u>

5 DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments	<u>15,353</u>	<u>11,512</u>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

6 INTEREST PAYABLE

	2011 £	2010 £
On bank loans and overdrafts	52,508	44,996
On other loans	(264)	-
	<u>52,244</u>	<u>44,996</u>

7 TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	-	49,662
Adjustments in respect of prior periods	-	4,938
	<u>-</u>	<u>54,600</u>
Foreign tax on income for the year	16,569	15,333
Total current tax	<u>16,569</u>	<u>69,933</u>
Deferred tax (see note 13)		
Origination and reversal of timing differences	(7,715)	(2,510)
Tax on profit on ordinary activities	<u>8,854</u>	<u>67,423</u>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

7 TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - *lower than*) the standard rate of corporation tax in the UK of 28% (2010 - 28%). The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>25,167</u>	<u>301,378</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 - 28%)	7,047	84,386
Effects of		
Expenses not deductible for tax purposes other than goodwill amortisation and impairment	3,048	31,816
Capital allowances for year in excess of depreciation	8,049	(18,052)
Utilisation of tax losses	44,177	-
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	(20,974)	(17,850)
Unrelieved tax losses carried forward	920	-
Difference relating to variances on Corporation Tax rates in foreign territories	(25,698)	(15,305)
Current tax charge for the year (see note above)	<u>16,569</u>	<u>69,933</u>

Factors that may affect future tax charges

The company has tax losses of £3,287 available to offset against taxable profits in future periods

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

8 INTANGIBLE FIXED ASSETS

Group	Goodwill £
Cost	
At 1 January 2011	1,200,000
Additions	850,000
	<hr/>
At 31 December 2011	2,050,000
	<hr/>
Amortisation	
At 1 January 2011	400,000
Charge for the year	950,000
	<hr/>
At 31 December 2011	1,350,000
	<hr/>
Net book value	
At 31 December 2011	700,000
	<hr/>
<i>At 31 December 2010</i>	<i>800,000</i>
	<hr/>
	<hr/>
Company	
Cost	
At 1 January 2011	1,200,000
Additions	850,000
	<hr/>
At 31 December 2011	2,050,000
	<hr/>
Amortisation	
At 1 January 2011	400,000
Charge for the year	950,000
	<hr/>
At 31 December 2011	1,350,000
	<hr/>
Net book value	
At 31 December 2011	700,000
	<hr/>
<i>At 31 December 2010</i>	<i>800,000</i>
	<hr/>
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ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

9 TANGIBLE FIXED ASSETS

Group	L/Term Leasehold Property £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost						
At 1 January 2011	50,645	86,997	62,185	162,024	207,560	569,411
Additions	64,560	266,939	-	17,199	241,124	589,822
Disposals	-	-	-	(4,246)	(3,371)	(7,617)
At 31 December 2011	115,205	353,936	62,185	174,977	445,313	1,151,616
Depreciation						
At 1 January 2011	45,849	65,306	32,866	62,763	166,130	372,914
Charge for the year	10,605	32,100	6,581	24,724	91,597	165,607
At 31 December 2011	56,454	97,406	39,447	87,487	257,727	538,521
Net book value						
At 31 December 2011	58,751	256,530	22,738	87,490	187,586	613,095
At 31 December 2010	4,796	21,691	29,319	99,261	41,430	196,497

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

Group	2011 £	2010 £
Motor vehicles	-	29,319

Company	L/Term Leasehold Property £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost						
At 1 January 2011	50,167	86,997	28,355	121,697	204,189	491,405
Additions	-	266,939	-	-	228,026	494,965
At 31 December 2011	50,167	353,936	28,355	121,697	432,215	986,370
Depreciation						
At 1 January 2011	45,809	65,306	28,355	35,790	166,130	341,390
Charge for the year	1,571	32,100	-	15,117	87,517	136,305
At 31 December 2011	47,380	97,406	28,355	50,907	253,647	477,695
Net book value						
At 31 December 2011	2,787	256,530	-	70,790	178,568	508,675
At 31 December 2010	4,358	21,691	-	85,907	38,059	150,015

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

10 DEBTORS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	2,218,495	2,067,182	1,667,854	1,430,395
Amounts owed by group undertakings	-	-	325,537	354,619
Other debtors	740,388	702,662	695,085	692,143
Prepayments and accrued income	387,260	543,183	194,758	425,016
	3,346,143	3,313,027	2,883,234	2,902,173

11 CREDITORS

Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	1,065,671	1,212,519	1,065,671	1,212,519
Net obligations under finance leases and hire purchase contracts	-	21,842	-	-
Trade creditors	1,590,818	1,362,778	1,524,473	1,474,963
Amounts owed to group undertakings	-	-	51,013	-
Corporation tax	56,253	56,782	49,434	49,662
Social security and other taxes	482,447	535,249	211,419	257,724
Other creditors	467,292	144,548	360,680	124,283
Accruals and deferred income	172,362	780,566	98,609	457,657
	3,834,843	4,114,284	3,361,299	3,576,808

Bank loans and overdrafts amounting to **£1,065,671** (2010 - **£1,212,519**) are secured against the assets of the company

12 CREDITORS

Amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	361,604	279,438	361,604	279,438
Other creditors	851,006	425,685	851,006	425,685
	1,212,610	705,123	1,212,610	705,123

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

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

13 DEFERRED TAXATION

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
At beginning of year	17,149	19,659	17,149	19,659
Released during the year	(7,715)	(2,510)	(7,715)	(2,510)
At end of year	<u>9,434</u>	<u>17,149</u>	<u>9,434</u>	<u>17,149</u>

The provision for deferred taxation is made up as follows

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Accelerated capital allowances	<u>9,434</u>	<u>17,149</u>	<u>9,434</u>	<u>17,149</u>

14 SHARE CAPITAL

	2011	2010
	£	£
Allotted, called up and fully paid		
10,000 Ordinary shares of £0.10 each	<u>1,000</u>	<u>1,000</u>

15 RESERVES

	Profit and loss account £
Group	
At 1 January 2011	328,235
Profit for the year	16,313
Dividends - Equity capital	(108,444)
At 31 December 2011	<u>236,104</u>
	Profit and loss account £
Company	
At 1 January 2011	285,067
Loss for the year	(118,069)
Dividends - Equity capital	(108,444)
At 31 December 2011	<u>58,554</u>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Group		
Opening shareholders' funds	329,235	<i>151,280</i>
Profit for the year	16,313	<i>233,955</i>
Dividends (Note 17)	(108,444)	<i>(56,000)</i>
	237,104	<i>329,235</i>
Closing shareholders' funds	237,104	<i>329,235</i>
	2011	2010
	£	£
Company		
Opening shareholders' funds	286,067	<i>202,197</i>
(Loss)/profit for the year	(118,069)	<i>139,870</i>
Dividends (Note 17)	(108,444)	<i>(56,000)</i>
	59,554	<i>286,067</i>
Closing shareholders' funds	59,554	<i>286,067</i>

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 (loss)/profit for the year dealt with in the accounts of the company was £118,069 (2010 - £139,870)

17 DIVIDENDS

	2011	2010
	£	£
Dividends paid on equity capital	108,444	<i>56,000</i>

18 NET CASH FLOW FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating profit	77,411	<i>346,311</i>
Amortisation of intangible fixed assets	950,000	<i>400,000</i>
Depreciation of tangible fixed assets	165,607	<i>78,823</i>
Loss on disposal of tangible fixed assets	-	<i>2,210</i>
Increase in debtors	(34,761)	<i>(392,945)</i>
Increase/(decrease) in creditors	315,097	<i>(642,994)</i>
	1,473,354	<i>(208,595)</i>
Net cash inflow/(outflow) from operating activities	1,473,354	<i>(208,595)</i>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

19 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	-	63
Interest paid	(52,243)	(44,996)
Net cash outflow from returns on investments and servicing of finance	(52,243)	(44,933)
	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(850,000)	-
Sale of intangible fixed assets	-	39,585
Purchase of tangible fixed assets	(589,822)	(87,401)
Sale of tangible fixed assets	7,617	-
Net cash outflow from capital expenditure	(1,432,205)	(47,816)
	2011 £	2010 £
Financing		
New secured loans	82,167	12,890
(Repayment of)/new finance leases	(21,843)	21,842
Net cash inflow from financing	60,324	34,732

20 ANALYSIS OF CHANGES IN NET DEBT

	1 January 2011 £	Cash flow £	Other non-cash changes £	31 December 2011 £
Cash at bank and in hand	856,267	(221,514)	-	634,753
Bank overdraft	(1,212,519)	146,848	-	(1,065,671)
	(356,252)	(74,666)	-	(430,918)
Debt				
Debts due within one year	(21,842)	(60,324)	82,166	-
Debts falling due after more than one year	(279,438)	-	(82,166)	(361,604)
Net debt	(657,532)	(134,990)	-	(792,522)

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

21 CONTINGENT LIABILITIES

The company is currently in negotiations with H M Revenue and Customs over the allowability of the amortisation charge for Corporation tax purposes relating to the acquisition of the subsidiary companies from Linguanet AG. As at the date of signing the accounts, it is not known whether any adjustment to the Corporation tax liability is required, and if it is, whether the adjustment would be deemed to be material.

Once the negotiations have been concluded, any required adjustment to the liability will be accounted for in the next available accounts.

22 PENSION COMMITMENTS

The group has agreed to make contributions to the personal pension fund of an employee of **£46,914** (2010 **£7,639**).

23 OPERATING LEASE COMMITMENTS

At 31 December 2011 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2011	2010	2011	2010
Group	£	£	£	£
Expiry date:				
After more than 5 years	204,000	96,000	-	-

At 31 December 2011 the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2011	2010	2011	2010
Company	£	£	£	£
Expiry date:				
After more than 5 years	204,000	96,000	-	-

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 **£108,444**.

25 RELATED PARTY TRANSACTIONS

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

The company also paid consultancy services totalling **£21,158** 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 2011 the company owed Kyma Consulting sarl **£21,158**.

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

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 snc	Italy	100	Ordinary shares
Alpha Estonia	Estonia	100	Ordinary shares

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**COMPANY DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Page	2011 £	2010 £
TURNOVER	24	12,337,080	8,250,438
Cost of sales	24	(10,329,764)	(5,985,435)
		<hr/>	<hr/>
GROSS PROFIT		2,007,316	2,265,003
Gross profit %		16.3 %	27.5 %
LESS OVERHEADS			
Administration expenses	24	(2,081,078)	(2,028,381)
		<hr/>	<hr/>
OPERATING (LOSS)/PROFIT		(73,762)	236,622
Finance costs	25	(52,022)	(44,661)
		<hr/>	<hr/>
(LOSS)/PROFIT FOR THE YEAR		(125,784)	191,961
		<hr/>	<hr/>

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 £	2010 £
TURNOVER		
Sales	12,337,080	8,250,438
	2011 £	2010 £
COST OF SALES		
Translation costs	4,889,606	1,848,303
Salaries	2,607,275	1,932,071
National insurance	273,497	198,987
Staff pension costs	22,918	7,639
Sound recording	68	8,435
Courier and delivery services	-	2,593
Page layout	11,979	21,044
Travelling	10,497	8,164
Overseas production	2,513,924	1,958,199
	10,329,764	5,985,435
	2011 £	2010 £
ADMINISTRATION EXPENSES		
Directors' remuneration	15,353	11,512
Salaries	125,965	231,863
National insurance	488	30,265
Staff welfare	33,322	28,965
Entertainment of visitors	10,886	7,659
Travelling	106,791	90,250
Sales and marketing services	408,948	439,524
Stationery printing and computer supplies	3,256	25,733
Postage	5,198	1,912
Telephone	22,853	11,102
Computer costs	82,378	126,780
Office running costs	22,099	11,217
Sales and marketing	129,826	208,008
Subscriptions	935	1,361
Legal and professional fees	2,107	650
Auditors' remuneration	10,000	10,000
Auditors' remuneration - non-audit	3,500	11,500
Accountancy fees	18,947	14,790
Equipment hire	1,148	-
Bank charges	46,743	15,059
Bad debts	(398,757)	432,861
Difference on foreign exchange	38,289	(358,667)
Rent rates and services	399,628	99,168
Light and heat	24,448	17,821
Sub-total carried forward	1,114,351	1,469,333

ALPHA CALLIGRAPHIC RESEARCH CAMBRIDGE LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011	2010
	£	£
ADMINISTRATION EXPENSES (continued)		
Sub-total brought forward	1,114,351	<i>1,469,333</i>
Repairs and maintenance	31,832	<i>127,503</i>
Sundry expenses	2,660	<i>670</i>
Depreciation - plant and machinery	32,100	<i>8,700</i>
Depreciation - motor vehicles	-	<i>1,417</i>
Depreciation - computer equipment	87,517	<i>36,491</i>
Depreciation - office equipment	15,117	<i>15,117</i>
Amortisation - intangible fixed assets	950,000	<i>400,000</i>
Depreciation - leasehold property	1,571	<i>3,829</i>
Profit/loss on sale of intangible assets	-	<i>40,415</i>
Overheads recharged to subsidiaries	(218,389)	<i>(165,069)</i>
Insurances	6,258	<i>3,539</i>
Books and periodicals	495	<i>267</i>
Internet costs	25,058	<i>18,104</i>
Recruitment costs	24,737	<i>27,127</i>
Training	-	<i>260</i>
Relocation costs	7,771	<i>4,998</i>
Office set up and closure costs	-	<i>35,680</i>
	2,081,078	<i>2,028,381</i>
	2011	2010
	£	£
Finance costs		
Bank overdraft interest paid	52,022	<i>44,661</i>