



The Directors
thebigword Holdings Limited
Link Up House
Ring Road
Lower Wortley
Leeds
LS12 6AB

21 December 2011

Dear Sirs



**STATEMENT OF INDEPENDENT AUDITORS TO THEBIGWORD HOLDINGS LIMITED
FOR THE PURPOSES OF SECTIONS 92(1)(b) AND (c) OF THE COMPANIES ACT 2006**

We have examined the balance sheet and related notes of thebigword Holdings Limited as at 31 May 2011 which formed part of the financial statements for the year then ended which were audited by us

Respective responsibilities of directors and auditors

The company's directors are responsible for the preparation of the balance sheet and related notes

It is our responsibility to

- 1 report on whether the balance sheet has been properly prepared in accordance with the provisions of the Companies Act 2006, and
- 2 form an independent opinion concerning the relationship between the company's net assets and its called-up share capital and undistributable reserves at the balance sheet date

This statement, including the opinion, has been prepared for and only for the company in accordance with section 92 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Opinion concerning proper preparation of balance sheet

In our opinion the balance sheet and related notes as at 31 May 2011 have been properly prepared in accordance with the provisions of the Companies Act 2006

Statement on net assets

In our opinion, at 31 May 2011 the amount of the company's net assets (within the meaning given to that expression by section 831(2) of the Companies Act 2006) was not less than the aggregate of its called-up share capital and undistributable reserves

Registered Number 5551907

thebigword Holdings Limited
Annual report and financial statements
for the year ended 31 May 2011

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thebigword Holdings Limited

Annual report and financial statements for the year ended 31 May 2011

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thebigword Holdings Limited

Directors and advisers

Directors

L J Gould

M Gould

J Gould

D Myers (resigned 30/08/2011)

D Cheesebrough (appointed 30/08/2011)

Secretary

D Myers (resigned 31/08/2011)

D Cheesebrough (appointed 31/08/2011)

Registered Office

Link Up House

Ring Road

Lower Wortley

Leeds

LS12 6AB

Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Benson House

33 Wellington Street

Leeds

LS1 4JP

Solicitors

DLA Piper UK LLP

Princes Exchange

Princes Square

Leeds

LS1 4BY

Bankers

Lloyds TSB Bank plc

31/32 Park Row

Leeds

LS1 5JD

HSBC Bank plc

29 King Street

Leeds

LS1 2HL

thebigword Holdings Limited

Directors' report for the year ended 31 May 2011

The directors present their report and the audited financial statements of the company for the year ended 31 May 2011

Principal activities

The group's principal activity during the year continued to be the provision of language translation and interpreting services and the development of technology solutions. The company did not trade during the year.

Review of business and future developments

thebigword has reported another impressive year in 2011, with a 22% increase in EBITDA to £2.7m (2010 £2.2m). Turnover has stabilised after 3 years of intense growth but a positive focus on costs has seen an improvement in margins and profitability, despite the challenging market conditions.

The directors are pleased to report a 4% increase in turnover to £40.1m (2010 £38.4m), which represents an outstanding compound annual growth rate of 30% from the £14.1m turnover achieved in 2007. The group has continued to improve automation and expand the capacity of its systems to enable it to continue to capitalise on opportunities in both the translation and interpreting businesses. After allowing for exceptional items, depreciation and amortisation, operating profit is £1.7m (2010 £0.7m).

Growth continues to be derived from increased customer penetration and market consolidation in both the translation and interpreting businesses in both public and private sectors across all the group's major geographical markets. The directors were particularly pleased to become the leading provider of face-to-face language interpreting for all UK Government departments – the biggest single piece of business in thebigword's 30-year history.

The directors remain confident that the group has managed carefully through the recent global economic downturn and that it remains well-positioned to continue as one of the leading full-service providers of cost-effective language solutions to meet the increasingly global requirements of our customers. thebigword's Translation Management System was recently ranked joint 1st by the Common Sense Advisory (industry advisors to the language services sector) and the group intends to remain at the forefront through its continued investment in people, systems and technology.

Through its Technology Division, thebigword currently has under development exciting new technology platforms, including a successor to LanguageDirector 2.0, to improve efficiency in the delivery of both translation and interpreting services.

The directors continue to see positive and growing trading in almost all of the group's global markets and key client sectors. Organisations of all sizes are expected to continue to invest in using language services to manage customer markets and services using both the spoken and written word.

thebigword Holdings Limited

Principal risks and uncertainties

The group's borrowings are limited to working capital facilities and long term mortgage funding in respect of the group's new head office premises. Management regularly monitor the group's exposure to movements in interest rates on such facilities to ensure that appropriate hedging instruments are utilised. Overall, however, the modest scale of such facilities means the group is not particularly exposed to movements in interest rates.

The group both buys and sells in foreign currencies, providing exposure to movements in exchange rates where there are inflows and outflows in individual currencies. For significant net exposures, particularly in respect of the US Dollar and the Euro, the Directors pursue a hedging strategy to minimise exchange gains and losses.

The group transacts with its clients on credit terms and so has exposure to the risk of defaulted debts. However, a large proportion of the client base comprises of blue-chip private-sector and public-sector clients, which significantly reduces this exposure. The group also follows proactive and robust credit management policies, designed to minimise overdue accounts and the corresponding risk of bad debts.

Results and dividends

The Group's profit for the year is £1.0m (2010: £0.3m). A final dividend of £1.1m was authorised and declared on 1 September 2011 (2010: £nil).

Employees

As an Equal Opportunities employer, the Group wishes to ensure that no employee or applicant for employment with the Group suffers unjustifiable discrimination because of their disability. The Group will therefore follow procedures designed to provide that all employees are treated on the basis of their relative merits and abilities.

In particular the Group will not discriminate in the recruitment of employees, terms and conditions afforded to employees, promotion, training or any other benefit afforded to employees or disciplining of employees in a way that does or may discriminate against disabled employees.

When employees become disabled during their employment, steps will be taken, through re-training or re-development if necessary, to enable employees to remain in employment with the Group whenever possible.

Overseas branches

The group has overseas branches in Germany and Denmark, as well as subsidiary operations in the United States of America, Japan and China.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

L J Gould

M Gould

J Gould

D Cheesebrough (appointed 30/08/2011)

thebigword Holdings Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and parent company 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 group and the company and of the profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

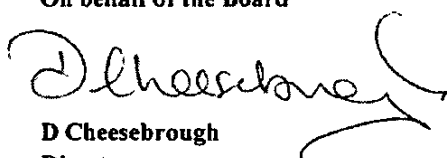
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board



D Cheesbrough

Director

October 2011

thebigword Holdings Limited

Independent auditors' report to the members of thebigword Holdings Limited

We have audited the group and parent company financial statements of thebigword Holdings Limited for the year ended 31 May 2011 which comprise the Consolidated profit and loss account, the Statement of recognised gains and losses, the Group and Company balance sheets, the Consolidated cash flow statement, the Reconciliation of operating profit to net cashflow from operating activities, the accounting policies and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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 annual report and financial statements 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 May 2011 and of the group's profit and cash flows 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.

thebigword Holdings Limited

Independent auditors' report to the members of thebigword Holdings Limited (continued)

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



Michael Thornton (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
3 | October 2011

thebigword Holdings Limited

Consolidated profit and loss account for the year ended 31 May 2011

	Note	2011 £'000	2010 £'000
Turnover	1	40,143	38,448
Cost of sales		(21,341)	(21,930)
Gross profit		18,802	16,518
Administrative expenses (including depreciation, amortisation and exceptional items)		(17,078)	(15,803)
EBITDA *		2,673	2,186
Exceptional items	2	(31)	(1,049)
Depreciation and amortisation		(918)	(422)
Operating profit	2	1,724	715
Interest receivable	5	1	-
Interest payable and similar charges	5	(90)	(56)
Profit on ordinary activities before taxation		1,635	659
Tax on profit on ordinary activities	6	(644)	(335)
Retained profit for the year	16	991	324

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

All items dealt with in arriving at operating profit above relate to continuing operations

* "EBITDA" means earnings before exceptional items, interest, tax, depreciation and amortisation

Statement of total recognised gains and losses for the year ended 31 May 2011

	2011 £'000	2010 £'000
Profit for the financial year	991	324
Foreign exchange movement	12	(54)
Total recognised gains for the year	1,003	270