Translate Plus Limited

Annual Report and Financial Statements

for the year ended 31 December 2022

Registered Number: 06674541

Contents

Directors and Other Information

Directors

B Jeannot
N Pruesse
T Hadjis

Secretary

P Muwanga

Registered office

1st Floor
2 Television Centre
101 Wood Lane
London
W12 7FR

Auditor

Mazars LLP
30 Old Bailey
London
EC4M 7AU

Strategic Report
for the year ended 31 December 2022

Principal activity and review of the business

The principal activity of Translate Plus Limited ("the Company") continues to be the provision of translation and related linguistic services to businesses.

The Company's key financial and other performance indicators during the year were as follows:

	2022 £'000	2021 £'000	Change %
Revenue	12,329	10,845	14%
Operating profit	1,704	1,874	(9%)
Profit after tax	1,376	1,500	(8%)
Capital and reserves	1,437	1,561	(8%)
Current assets as a % of current liabilities	153%	185%	(32%)
Average number of employees	40	39	3%

Our remarkable growth trajectory is a testament to the unwavering dedication invested in acquiring new clients while nurturing existing client relationships. Additionally, our strategic focus on expanding our offerings to Publicis Groupe agencies, in line with our business strategy, has propelled our overall revenue growth to an impressive 14%.

Our commitment to sustainable growth has led us to make substantial investments in enhancing our infrastructure and technology. However, these investments, coupled with the impact of inflation, have influenced a decrease of 9% in our operating profit and 8% in profit after tax. Despite this temporary decline, these investments are essential in driving long-term success and ensuring our ability to adapt to a rapidly evolving market.

The ratio of current assets to current liabilities has experienced a significant decrease of 32%, primarily due to the dividend declared of £1.5 million during the reporting period. While this decrease is driven by our dividend policy, we remain steadfast in maintaining a robust balance between assets and liabilities, ensuring our financial stability and capacity to meet our obligations.

To effectively support our expanding business operations, we have bolstered our workforce in all the regions we operate in, whereas the UK has seen an increase of 3% in the total average number of employees. This strategic initiative empowers us to efficiently meet the demands of our growing client base and deliver exceptional services, further solidifying our position as a leader in the industry.

Capital and reserves have decreased by 8% due to the profit after tax generated in the year less dividends paid.

The services offered by the Company have minimal environmental impact. However, the board believes that good environmental practices support the board's strategy by enhancing the reputation of the firm.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are broadly grouped as competitive and financial instrument risk.

Competitive risks

The Company operates in a highly competitive marketplace where margins are continually under pressure. However, the Company is well positioned to maintain its market share.

Strategic Report (continued)
for the year ended 31 December 2022

Principal risks and uncertainties (continued)

Financial instrument risks

The Company has established a risk and financial management framework whose primary objectives are to protect the Company from events that hinder the achievement of the Company's performance objectives.

The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

- *Exposure to liquidity, cash flow and credit risk*

  Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. We aim to mitigate liquidity risk by managing cash generation by our operations and applying cash collection targets.

  Cash flow risk is the risk that inflows and outflows of cash and cash equivalents will not be sufficient to finance the day-to-day operations. We manage cash flow risk by careful negotiation of terms with customers and suppliers.

  Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Our policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

- *Exposure to foreign exchange risk*

  Foreign exchange risk is the risk arising from purchases and sales of goods or services denominated in foreign currencies. Our commercial dealings including intercompany activity are transacted in multiple foreign currencies and therefore expose the Company to a significant level of foreign exchange risk.

  The Company manages this risk through the use of derivatives, namely currency forward contracts and currency swaps, with the overall aim being to minimise the foreign exchange charge or gain.

  As regards intercompany loans/borrowings, these are subject to appropriate hedges if they present significant net exposures to exchange rate risk.

This report was approved by the board and signed on its behalf by:

Theodore Hadjis

T Hadjis
Director

28-Jul-2023

Directors' Report
for the year ended 31 December 2022

The directors present their report and the audited financial statements of Translate Plus Limited ("the Company") for the year ended 31 December 2022.

Results and dividends

The Company recorded a profit after tax for the year of £1,376,000 (2021: £1,500,000). A dividend of £1,500,000 (2021: £5,115,000) was declared and paid during the year.

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the Strategic report on pages 2 to 3. These matters relate to the principal activity and financial risks.

Future developments

The directors do not foresee any material changes to the nature of the business in the foreseeable future.

Directors

The directors of the Company who served during the year and up to the date of signing the financial statements were:

B Jeannot
N Pruesse
T Hadjis

Directors' indemnity

The directors confirm that no qualifying third party indemnity provision in favour of any directors of the Company, as defined by Section 236 of the Companies Act 2006, either by the Company or by any other party, was in force at the time of the signing of the report, and that no such provision had been in force at any time in the year.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that 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.

Employees' engagement

The Company places considerable value on its engagement with employees and has continued its previous practice of keeping them informed on matters affecting them as employees and in various factors affecting the performance of the Company through electronic communication. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

Directors' Report (continued)
for the year ended 31 December 2022

Going concern

The Company has access to considerable financial resources together with long standing relationships with key clients and suppliers. The directors have prepared detailed budgets and financial forecasts taking into account expected future trading performance. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue to meet its obligations as they fall due for the foreseeable future being a period of at least twelve months from signing of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Disclosure of information to the auditor

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 auditor is unaware; and
- each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This information is given and should be interpreted in accordance with s418 of the Companies Act 2006.

This report was approved by the board of directors and signed on its behalf by:

Theodore Hadjis

T Hadjis
Director

28-Jul-2023

Statement of Directors' Responsibilities
for the year ended 31 December 2022

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. 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

Independent Auditor's Report to the members of Translate Plus Limited
for the year ended 31 December 2022

Opinion

We have audited the financial statements of Translate Plus Limited (the 'Company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information

Independent Auditor's Report to the members of Translate Plus Limited (continued)
for the year ended 31 December 2022

Other information (continued)

and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the members of Translate Plus Limited (continued)
for the year ended 31 December 2022

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: UK tax legislation, employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition, which we pointed to cut-off and completeness assertions and significant one-off or unusual transactions. .

Independent Auditor's Report to the members of Translate Plus Limited (continued)

for the year ended 31 December 2022

Auditor's responsibilities for the audit of the financial statements (continued)

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Rachel Lawton (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

28 July 2023

Statement of Comprehensive Income
for the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Revenue	3	12,329	10,845
Administrative expenses		(10,625)	(8,971)
Operating profit	4	1,704	1,874
Interest receivable and similar income	7	1	-
Profit before taxation		1,705	1,874
Taxation	8	(329)	(374)
Profit after taxation		1,376	1,500
Other comprehensive income		-	-
Total comprehensive income for the year		1,376	1,500

The Company's revenue and operating profit all relate to continuing operations.

The notes on pages 14 to 25 form part of these financial statements.

Balance Sheet
At 31 December 2022

	Notes	2022 £'000	2021 £'000
Non-current assets			
Deferred tax	8	5	-
Property, plant and equipment	9	37	62
		42	62
Current assets			
Trade and other receivables	10	4,007	2,731
Cash and cash equivalents		113	526
		4,120	3,257
Current liabilities			
Trade and other payables	11	(2,691)	(1,758)
		(2,691)	(1,758)
Net current assets		1,429	1,499
Total assets less current liabilities		1,471	1,561
Non-current liabilities			
Provisions	12	(34)	-
		(34)	-
Net assets		1,437	1,561
Capital and reserves			
Share capital	13	51	51
Share premium	14	10	10
Retained earnings	14	1,376	1,500
Total equity		1,437	1,561

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

Theodore Hadjis

T Hadjis
Director

28-Jul-2023

The notes on pages 14 to 25 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2022

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
At 1 January 2021	51	10	5,115	5,176
Profit for the year	-	-	1,500	1,500
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	1,500	1,500
Dividends paid	-	-	(5,115)	(5,115)
At 31 December 2021	51	10	1,500	1,561
Profit for the year	-	-	1,376	1,376
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	1,376	1,376
Dividends paid	-	-	(1,500)	(1,500)
At 31 December 2022	51	10	1,376	1,437

The notes on pages 14 to 25 form part of these financial statements.

Notes to the financial statements
for the year ended 31 December 2022

1. Accounting policies

1.1. Basis of preparation

Translate Plus Limited ("the Company") is a private company limited by shares incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of the registered office is 1st Floor, 2 Television Centre, 101 Wood Lane, London W12 7FR. These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") and in accordance with the applicable provisions of the Companies Act 2006.

Basis of measurement

The financial statements have been prepared under the historical cost convention except for certain financial instruments which are measured at fair value. The Company's functional and presentational currency is Pound Sterling.

Going concern

The Company has access to considerable financial resources together with long standing relationships with key clients and suppliers. The directors have prepared detailed budgets and financial forecasts taking into account expected future trading performance. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue to meet its obligations as they fall due for the foreseeable future being a period of at least twelve months from signing of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Notes to the financial statements
for the year ended 31 December 2022

1. Accounting policies (continued)

1.1. Basis of preparation (continued)

Disclosure exemptions applied

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements as permitted by FRS 101:

(i) The requirements of IFRS 2 'Share-based Payment' paragraphs 45(b) and 46 to 52 relating to certain disclosure requirements on share-based payments;

(ii) The requirement of IFRS 7 'Financial Instruments: Disclosures' relating to the disclosure of financial instruments and the nature and extent of risks arising from such instruments;

(iii) The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers';

(iv) The applicable requirements of IAS 1 'Presentation of Financial Statements' relating to the disclosure of comparative information in respect of the number of shares outstanding at the beginning and end of the year (IAS 1.79(a)(iv)), the reconciliation of the carrying amount of property, plant and equipment (IAS 16.73(e)) and the reconciliation of the carrying amount of intangible assets (IAS 38(118)(e));

(v) The requirements of IAS 1 'Presentation of Financial Statements' paragraph 16, the requirement to make an explicit and unreserved statement of compliance with IFRS;

(vi) The requirements of IAS 1 'Presentation of Financial Statements' paragraphs 38A to 40D relating to disclosures of comparative information;

(vii) The requirement of IAS 1 'Presentation of Financial Statements' paragraphs 134 to 136 relating to the disclosure of capital management policies and objectives;

(viii) The requirements of IAS 7 'Statement of Cash Flows' and IAS 1 'Presentation of Financial Statements' paragraph 10(d) and 111 relating to the presentation of a Cash Flow Statement;

(ix) The requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31 relating to the disclosure of standards, amendments and interpretations in issue but not yet effective;

(x) The requirements of IAS 24 'Related Party Disclosures' paragraph 17 and 18(a) relating to the disclosure of key management personnel compensation and relating to the disclosure of related party transactions entered into between the Company and other wholly-owned subsidiaries of the group; and

(xi) The requirements of IAS 36 'Impairment of Assets' paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) relating to certain disclosure requirements of impairment testing.

For the disclosure exemptions listed in points (i) to (ii) and (x), the equivalent disclosures are included in the consolidated financial statements of the group, Publicis Groupe S.A. which the Company is consolidated into.

Notes to the financial statements
for the year ended 31 December 2022

1. Accounting policies (continued)

1.1. Basis of preparation (continued)

Changes in accounting policies

New and amended standards and interpretations adopted

The following standards and interpretations have been adopted by the Company as they are mandatory for the year ended 31 December 2022:

	UK effective date Periods beginning on or after
Annual Improvements to IFRS Standards 2018–2020	1 January 2022

The adoption of the standards and interpretations above has not had a material impact on the Company's financial statements.

1.2. Accounting principles

Revenue recognition

The Company's revenue stems from contracts with clients to provide translation and related linguistic services to businesses.

Revenue recognised from contracts with clients comprises fees, commission, performance-based bonuses, and reimbursement of third-party costs incurred on behalf of clients and is stated exclusive of VAT, sales taxes and trade discounts. Fees are usually calculated on the basis of an hourly rate plus overheads and a margin. Contracts are short-term in nature, generally under one year, and the Company typically has right to payment to the end of the contract or as a minimum for the work performed to date.

Performance obligations

Revenue is recognised when a performance obligation is satisfied in accordance with the terms of the contractual arrangement. Generally, the promised services in a contract are not considered distinct and are accounted for as a single performance obligation. The promised services are only distinct if the client can benefit from the services on its own and if the Company's promise to transfer these services is separately identifiable from other promises in the contract. As such, these services are recognised as separate performance obligations.

Variable considerations of the transaction price

Some contracts include incentives that are subject to qualitative or quantitative performance criteria. These variable components are only included in the transaction price when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Performance-based incentives are typically only recognised when the performance criteria specified in the contract have been met and the client has confirmed its agreement.

Notes to the financial statements
for the year ended 31 December 2022

1. Accounting policies (continued)

1.2. Accounting principles (continued)

Revenue recognition (continued)

Revenue recognition

Almost all the Company's revenue is recognised over time because the client simultaneously receives and consumes the benefit of the services or an asset is generated with no alternative use and for which the Company is entitled to payment for the work done to date.

For the majority of fee arrangements, revenue is recognised over time based on internal measurement which best describes the level of effort spent on the project, usually calculated using an input method on the basis of hours worked and direct external costs incurred on the project to date. For retainer arrangements with a dedicated team, the Company considers that its performance obligation is to be ready at all times to make resources available to the client. In this instance, revenue is recognised on a straight-line basis over the term of the contract.

"Agent" vs. "Principal" Considerations

When third party suppliers are involved in providing services to clients, the Company considers that it is acting as "Principal" if at least one of the following criteria is satisfied:

- The Company obtains control of the asset or service before transferring it to the client;
- The Company has the ability to direct the supplier(s);
- The Company incorporates or combines the work of suppliers to deliver the promised goods or services to the client.

When the Company acts as "Principal", the revenue is recognised for the gross amount invoiced to the client. When the Company acts as "Agent", revenue is recognised net of the pass through costs to clients, which means that revenue recorded is solely comprised of fees or commission. In any case, out of pocket expenses reimbursed by clients (transport, hotels, meals, etc.) are always recognised in revenue.

Contract modifications

On occasion, the client may ask for changes to the scope of the services in the course of the contract. These changes are generally negotiated as new contracts encompassing the additional needs with the related compensation.

Foreign currency transactions

Transactions denominated in foreign currencies are translated into sterling at the actual exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate applicable at the reporting date. All differences arising are recognised in the Statement of Comprehensive Income. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the Statement of Comprehensive Income.

Notes to the financial statements
for the year ended 31 December 2022

1. Accounting policies (continued)

1.2. Accounting principles (continued)

Pensions

The Company operates a defined contribution scheme for its employees. Contributions to the defined contribution scheme are recognised in the Statement of Comprehensive Income in the period in which they become payable.

Interest income and expense

Interest income arises from balances with group undertakings. Interest expense arises from financing activities. Interest income and expense are recognised in the Statement of Comprehensive Income using the effective interest method.

Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to an item of income or expense recognised as other comprehensive income or to an item directly recognised in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the Balance Sheet date except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Cost comprises the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated present value future costs of dismantling and removing the items.

Notes to the financial statements
for the year ended 31 December 2022

1. Accounting policies (continued)

1.2. Accounting principles (continued)

Property, plant and equipment (continued)

Depreciation is provided at rates calculated to write off the cost of assets on a straight-line basis over its estimated useful life, as follows:

Furniture and equipment	-	5 years
Computer equipment	-	4 years

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying value of the asset and are recognised in the Statement of Comprehensive Income.

Trade and other receivables

Trade receivables are recognised at the initial amount of the invoice, except for longer-term debtors explained below. Trade receivables presenting a risk of non-recovery are subject to impairment. Such allowances are determined, on a case-by-case basis, using various criteria such as difficulties in recovering the receivables, the existence of any disputes and claims, or the financial position of the debtor. Due to the nature of the Company's activities, trade receivables are of a short-term nature and are measured at amortised cost using the effective interest method. Nevertheless, any trade and other receivables of a longer-term nature will be recognised at their discounted value.

Contract assets

Contract assets consist of revenue recorded when a performance obligation has been satisfied but not yet invoiced. Contract assets are transferred to trade receivables when the right to consideration becomes unconditional and the service is invoiced to the client in accordance with the terms of the contract.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Contract liabilities

Contract liabilities correspond to deferred income. These are considerations received or invoiced to clients for which the Company has an obligation to provide goods or services.

Contract liabilities do not include client advances for external costs incurred on behalf of clients and that are directly pass-through to the clients when the Company acts as "Agent". Such advances are recorded under Trade payables.

Provisions for liabilities

Provisions are recognised when the Company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present

Notes to the financial statements
for the year ended 31 December 2022

1. Accounting policies (continued)

1.2. Accounting principles (continued)

Provisions for liabilities (continued)

value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Dividends paid

Dividends are recognised when they become legally payable. Interim dividends to equity shareholders are recognised when paid. Final dividends to equity shareholders are recognised when approved by the shareholders at the annual general meeting.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain critical accounting judgements and estimates regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The judgements and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Critical accounting judgement

Revenue recognition

Revenue is recognised on the basis of the satisfaction of performance obligations and the stage of completion of projects ongoing at the year-end. Judgement is required to determine the satisfaction of performance obligations and the value and timing of recognition. Variable revenue is only recognised when it is highly probable that a significant reversal in the amount of cumulative revenue recognised to date will not occur. Revenue from projects ongoing at the year-end is recognised on an internal measurement which best describes the level of effort spent on the project, usually calculated using an input method on the basis of hours worked and direct external costs incurred on the project to date. Due to the subjective nature of these judgements, changes could materially affect the timing and extent of revenue and contract assets recognised in these financial statements.

Notes to the financial statements
for the year ended 31 December 2022

3. Revenue

The activities of the Company during the year were to provide translation and related linguistic services to businesses. The directors believe that such activities comprise a unified class of business which cannot be further analysed into segments.

An analysis of revenue by geographical market is given below:

	2022 £'000	2021 £'000
United Kingdom	4,460	3,968
Europe	6,279	5,862
USA	1,253	663
Asia	166	145
Rest of the world	171	207
	12,329	10,845

4. Operating profit

The operating profit is stated after charging:

	2022 £'000	2021 £'000
Loss on transactions denominated in foreign currency	3	66
Depreciation of property, plant and equipment (see Note 9)	25	25
Auditor's remuneration	15	14

5. Employees

Staff costs were as follows:

	2022 £'000	2021 £'000
Wages and salaries	1,626	1,411
Social security costs	182	150
Pension costs	43	36
	1,851	1,597

The average monthly number of persons employed by the Company during the year was:

	2022 No.	2021 No.
Production	32	30
Administration	8	9
	40	39

Notes to the financial statements
for the year ended 31 December 2022

6. Directors' remuneration

The directors of the Company are also directors of a number of subsidiaries of the ultimate parent undertaking. The directors do not believe that it is practicable to apportion the remuneration between remuneration as directors of the Company and their remuneration as directors of the fellow subsidiary companies. The directors' remuneration is therefore disclosed in the financial statements of the fellow subsidiaries that make the remuneration payments.

The directors directly remunerated by the Company was as follows:

	2022 £'000	2021 £'000
Emoluments	-	34

There were no (2021: None) directors who were members of a money purchase pension scheme during the year.

7. Interest receivable and similar income

	2022 £'000	2021 £'000
Intercompany interest receivable	1	-

8. Taxation

(a) Analysis of charge for the year

	2022 £'000	2021 £'000
Current tax		
Corporation tax	334	374
Total current tax	334	374
Deferred tax		
Adjustment in respect of previous periods	(4)	-
Change in tax rate	(1)	-
Total deferred tax (see Note 8(c))	(5)	-
Tax on profit on ordinary activities (see Note 8(b))	329	374

Notes to the financial statements
for the year ended 31 December 2022

8. Taxation (continued)

(b) Factors affecting tax charge for the year

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%). The differences are reconciled below:

	2022 £'000	2021 £'000
Profit on ordinary activities before taxation	1,705	1,874
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	324	356
Expenses not deductible for tax purposes	10	18
Adjustment in respect of previous periods	(4)	-
Remeasurement of deferred tax for changes in tax rates	(1)	-
Total tax charge (see Note 8(a))	329	374

(c) Deferred taxation

	Accelerated capital allowances £'000	Other temporary differences £'000	Total £'000
At 1 January and 31 December 2021	-	-	-
(Debit) / credit to profit and loss	2	(1)	1
Deferred tax in respect of prior year	2	1	3
Changes in tax rates	1	-	1
At 31 December 2022	5	-	5

(d) Factors that may affect future tax charges

The UK Government announced plans to increase the standard rate of corporation tax from 19% to 25% from 1 April 2023. This change was substantively enacted by the year end and therefore has been reflected in the calculation of deferred tax above.

Notes to the financial statements
for the year ended 31 December 2022

9. Property, plant and equipment

	Furniture and equipment £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January and 31 December 2022	12	136	148
Depreciation			
At 1 January 2022	9	77	86
Charge for the year	1	24	25
At 31 December 2022	10	101	111
Net book value			
At 31 December 2022	2	35	37
At 31 December 2021	3	59	62

10. Trade and other receivables

	2022 £'000	2021 £'000
Trade receivables	1,722	1,381
Amounts owed by group undertakings	1,267	451
Prepayments	40	14
Contract assets	965	774
Other receivables	13	111
	4,007	2,731

11. Trade and other payables

	2022 £'000	Restated 2021 £'000
Trade payables	679	648
Amounts owed to group undertakings	967	8
Other taxation and social security costs	261	238
Accruals	531	531
Contract liabilities	65	107
Payments on account	179	218
Other payables	9	8
	2,691	1,758

A reclassification adjustment has been recognised in respect to corporation tax and amounts owed to group undertakings as at 31 December 2021.This reclassification aids comparability for readers of the financial statements and there is no impact on the reported profit after tax or net assets in the prior year.

Notes to the financial statements
for the year ended 31 December 2022

12. Provisions

	Other £'000	Total £'000
At 1 January 2022	-	-
Additions	34	34
At 31 December 2022	34	34

13. Share capital

	2022 £'000	2021 £'000
Allotted, called up and fully paid		
51,251 (2021: 51,251) ordinary shares of £1 each	51	51

14. Reserves

Share premium

This represents the difference between the issue price and the nominal value of the shares issued.

Retained earnings

This reserve represents the cumulative profits and losses of the Company less amounts distributed to shareholders.

15. Related party transactions

The Company has taken advantage of the exemption under FRS 101 not to disclose transactions with Group undertakings as it is a subsidiary undertaking which is 100% controlled by the ultimate parent undertaking.

	Receivables		Services	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Beacon Communications KK	1	-	73	-
Leo Burnett Neo Comunicacao Ltda	1	-	2	-
MMS Communications Viertnam Company Ltd	-	-	1	-
Publicis Conseil S.A.	-	-	5	-
TCC Minanawe MKTG Ltd	-	-	3	-

16. Ultimate parent undertaking and controlling party

The immediate parent undertaking is MMS UK Holdings Limited, a company incorporated in England and Wales. The ultimate parent undertaking, controlling party and the parent undertaking of the largest and smallest group to include the Company in its group financial statements is Publicis Groupe S.A., incorporated in France. Copies of its consolidated financial statements are available from 133 Avenue des Champs Elysees, 75008 Paris, France.