

**REGISTERED NUMBER: 11260547 (England and Wales)**

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD 17TH MARCH 2018 TO 30TH JUNE 2019  
FOR  
D A LANGUAGES HOLDINGS LIMITED**

**CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Period 17th March 2018 to 30th June 2019

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Group Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Consolidated Income Statement</b>	<b>7</b>
<b>Consolidated Other Comprehensive Income</b>	<b>8</b>
<b>Consolidated Balance Sheet</b>	<b>9</b>
<b>Company Balance Sheet</b>	<b>10</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>11</b>
<b>Company Statement of Changes in Equity</b>	<b>12</b>
<b>Consolidated Cash Flow Statement</b>	<b>13</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>14</b>

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# **D A LANGUAGES HOLDINGS LIMITED**

## **COMPANY INFORMATION**

for the Period 17th March 2018 to 30th June 2019

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**DIRECTORS:**

Ms C Alvarez  
Mrs A Arya  
Ms D Cheesebrough  
Ms A G Silcock  
Mr M J Taylor  
Mr M Barrington

**SECRETARY:**

Ms A G Silcock

**REGISTERED OFFICE:**

Suite 4a Statham House  
Talbot Road  
Stretford  
Manchester  
M32 0FP

**REGISTERED NUMBER:**

11260547 (England and Wales)

**AUDITORS:**

Kay Johnson Gee Limited  
Chartered Accountants and Statutory Auditors  
1 City Road East  
Manchester  
M15 4PN

**GROUP STRATEGIC REPORT**

for the Period 17th March 2018 to 30th June 2019

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The directors present their strategic report of the company and the group for the period 17th March 2018 to 30th June 2019.

**REVIEW OF BUSINESS**

During the year the trading company saw significant trading growth with sales increasing by 46%. Investment has been made in a bigger management team to enable the business to scale with better financial controls in place. This has led to a good performance against the previous year. The directors anticipate a further increase in both revenue and EBITDA in the forthcoming year.

**KEY PERFORMANCE INDICATORS**

The group considers the below to be the key performance indicators:

	30/6/19 £
Turnover	7,687,903
Gross Profit	3,237,943
Gross Margin %	42.12%
Underlying operating profit before interest, depreciation, impairment & amortisation (EBITDA)	1,030,169
Profit before taxation (PBT)	77,328
PBT %	1.01%

**PRINCIPAL RISKS AND UNCERTAINTIES**

**IT systems**

The group relies on the efficient and uninterrupted operation of its IT system and the internet. System and internet issues can result in impacts to the customer appointment ordering and linguist sourcing process which could result in the inability to fulfil appointments or worse case customers using alternative providers.

The group reduces its exposure to these risks by ensuring that its systems are continuously monitored and updated. Internal systems have strong controls and measures in place to reduce risk of downtime and security breaches. The servers are backed up in a remote location to mitigate the risk of hardware and software failures.

**Financial risk management**

The company has strong controls around cash flow, creditors and debtors to manage these effectively. Its daily controls monitor its working capital position and thus mitigate liquidity risk.

The business' principal financial instruments comprise bank balances, bank loans, trade debtors and creditors and other loans. The main purpose of these instruments is to finance the business' operations and the development of its IT platform.

**ON BEHALF OF THE BOARD:**

Ms A G Silcock - Director

16th December 2019

**REPORT OF THE DIRECTORS**

**for the Period 17th March 2018 to 30th June 2019**

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The directors present their report with the financial statements of the company and the group for the period 17th March 2018 to 30th June 2019.

**INCORPORATION**

The group was incorporated on 16th March 2018 and commenced trading on 1st July 2018.

**DIVIDENDS**

No dividends will be distributed for the period ended 30th June 2019.

**DIRECTORS**

The directors who have held office during the period from 17th March 2018 to the date of this report are as follows:

Ms C Alvarez - appointed 16th May 2018  
Mrs A Arya - appointed 3rd April 2018  
Ms D Cheesebrough - appointed 13th August 2018  
Ms A G Silcock - appointed 1st September 2018  
Mr M J Taylor - appointed 1st September 2018  
Mr M Barrington - appointed 28th June 2019

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 judgements 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group'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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**REPORT OF THE DIRECTORS**

**for the Period 17th March 2018 to 30th June 2019**

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**AUDITORS**

Kay Johnson Gee Limited acquired the audit practice of Kay Johnson Gee LLP and has been appointed as auditor in succession. In accordance with section 485 of the Companies Act 2006, Kay Johnson Gee Limited will be proposed for reappointment.

**ON BEHALF OF THE BOARD:**

Ms A G Silcock - Director

16th December 2019

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF D A LANGUAGES HOLDINGS LIMITED

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### Opinion

We have audited the financial statements of D A Languages Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30th June 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30th June 2019 and of the group's loss for the period 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF D A LANGUAGES HOLDINGS LIMITED**

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### **Matters on which we are required to report by exception**

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

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.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 a Report of the Auditors 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 these financial statements.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **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 a Report of the Auditors 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.

Michael Garrett (Senior Statutory Auditor)  
for and on behalf of Kay Johnson Gee Limited  
Chartered Accountants and Statutory Auditors  
1 City Road East  
Manchester  
M15 4PN

16th December 2019



**CONSOLIDATED INCOME STATEMENT**

for the Period 17th March 2018 to 30th June 2019

	Notes	£
<b>TURNOVER</b>		<b>7,687,903</b>
Cost of sales		<u>(4,449,960)</u>
<b>GROSS PROFIT</b>		<b>3,237,943</b>
Distribution costs		(39,426)
Administrative expenses		<u>(2,796,388)</u>
<b>OPERATING PROFIT</b>	5	<b>402,129</b>
Interest receivable and similar income		<u>687</u>
		<b>402,816</b>
Interest payable and similar expenses	6	<u>(325,488)</u>
<b>PROFIT BEFORE TAXATION</b>		<b>77,328</b>
Tax on profit	7	<u>(85,301)</u>
<b>LOSS FOR THE FINANCIAL PERIOD</b>		<b><u>(7,973)</u></b>
Loss attributable to:		
Owners of the parent		<u>(7,973)</u>

The notes form part of these financial statements

**CONSOLIDATED OTHER COMPREHENSIVE INCOME**

for the Period 17th March 2018 to 30th June 2019

	Notes	£
<b>LOSS FOR THE PERIOD</b>		<b>(7,973)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b><u>(7,973)</u></b>
Total comprehensive income attributable to: Owners of the parent		<b><u>(7,973)</u></b>

**CONSOLIDATED BALANCE SHEET**

30th June 2019

	Notes	£
<b>FIXED ASSETS</b>		
Intangible assets	9	4,859,021
Tangible assets	10	110,850
Investments	11	-
		<u>4,969,871</u>
<b>CURRENT ASSETS</b>		
Debtors	12	1,843,099
Cash at bank and in hand		509,376
		<u>2,352,475</u>
<b>CREDITORS</b>		
Amounts falling due within one year	13	(3,315,481)
<b>NET CURRENT LIABILITIES</b>		<u>(963,006)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,006,865
<b>CREDITORS</b>		
Amounts falling due after more than one year	14	(3,200,000)
<b>PROVISIONS FOR LIABILITIES</b>	17	<u>(14,794)</u>
<b>NET ASSETS</b>		<u>792,071</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	18	4,044
Share premium	19	796,000
Retained earnings	19	(7,973)
<b>SHAREHOLDERS' FUNDS</b>		<u>792,071</u>

The financial statements were approved and authorised for issue by the Board of Directors on 16th December 2019 and were signed on its behalf by:

Ms A G Silcock - Director

**COMPANY BALANCE SHEET**

30th June 2019

	Notes	£
<b>FIXED ASSETS</b>		
Intangible assets	9	-
Tangible assets	10	-
Investments	11	<u>7,640,612</u>
		<u>7,640,612</u>
<b>CURRENT ASSETS</b>		
Debtors	12	96,927
Cash at bank		<u>10,856</u>
		<u>107,783</u>
<b>CREDITORS</b>		
Amounts falling due within one year	13	<u>(3,711,486)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(3,603,703)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,036,909</u>
<b>CREDITORS</b>		
Amounts falling due after more than one year	14	<u>(3,200,000)</u>
<b>NET ASSETS</b>		<u>836,909</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	18	4,044
Share premium		796,000
Retained earnings		<u>36,865</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>836,909</u>
Company's profit for the financial year		<u>36,865</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the Board of Directors on 16th December 2019 and were signed on its behalf by:

Ms A G Silcock - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the Period 17th March 2018 to 30th June 2019

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Total equity £</b>
Deficit for the period	-	(7,973)	-	(7,973)
Total comprehensive income	-	(7,973)	-	(7,973)
Issue of share capital	4,044	-	796,000	800,044
<b>Balance at 30th June 2019</b>	<b>4,044</b>	<b>(7,973)</b>	<b>796,000</b>	<b>792,071</b>

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY**

for the Period 17th March 2018 to 30th June 2019

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Total equity £</b>
Profit for the period	-	36,865	-	36,865
Total comprehensive income	-	36,865	-	36,865
Issue of share capital	4,044	-	796,000	800,044
<b>Balance at 30th June 2019</b>	<b>4,044</b>	<b>36,865</b>	<b>796,000</b>	<b>836,909</b>

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT**

for the Period 17th March 2018 to 30th June 2019

	Notes	£
<b>Cash flows from operating activities</b>		
Cash generated from operations	20	<b>1,084,738</b>
Interest paid		<b>(322,999)</b>
Tax paid		<b>(221,196)</b>
Net cash from operating activities		<b>540,543</b>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiary		<b>(3,457,468)</b>
Net cash on acquisition of subsidiary		<b>118,507</b>
Purchase of tangible fixed assets		<b>(92,937)</b>
Interest received		<b>687</b>
Net cash from investing activities		<b>(3,431,211)</b>
<b>Cash flows from financing activities</b>		
New loans in year		<b>3,100,000</b>
Share issue		<b>300,044</b>
Net cash from financing activities		<b>3,400,044</b>
<b>Increase in cash and cash equivalents</b>		<b>509,376</b>
<b>Cash and cash equivalents at beginning of period</b>	21	<b>-</b>
<b>Cash and cash equivalents at end of period</b>	21	<b>509,376</b>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

for the Period 17th March 2018 to 30th June 2019

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**1. STATUTORY INFORMATION**

D A Languages Holdings Limited is a private company limited by shares, registered in England and Wales. The registered office and principal place of business is Suite 4a Statham House Talbot Road, Stretford, Manchester, M32 0FP.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Basis of consolidation**

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 30th June 2019. A subsidiary entity that is controlled by the parent. The results of the subsidiary undertakings are included in the profit or loss and other comprehensive income from the date that control commences until the date that control ceases. Control is established when the company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the group takes into consideration potential voting rights that currently exercisable.

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the estimated contract costs.

**Goodwill**

Goodwill is the difference between amounts paid on 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 which is currently 10 years.

At each reporting date, the company reviews the carrying amounts to determine whether there is any indication of an impairment loss. If any such exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount is estimated to be less than its carrying amount, an impairment loss is recognised as an expense immediately.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**

for the Period 17th March 2018 to 30th June 2019

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**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

At each reporting date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 15% reducing balance
Leasehold improvements	- 15% reducing balance

**Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Pension costs and other post-retirement benefits**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

**Trade and other debtors and creditors**

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

**Cash and cash equivalents**

Cash and cash equivalents are represented by cash at bank and in hand.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**

for the Period 17th March 2018 to 30th June 2019

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimations and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

**Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future, and by their nature, will rarely equal the related actual outcome.

**4. EMPLOYEES AND DIRECTORS**

	£
Wages and salaries	1,401,298
Social security costs	105,974
Other pension costs	12,895
	<u>1,520,167</u>

The average number of employees during the period was as follows:

Directors	5
Administration	79
	<u>84</u>

	£
Directors' remuneration	<u>213,959</u>

Information regarding the highest paid director is as follows:

	£
Emoluments etc	<u>76,500</u>

**5. OPERATING PROFIT**

The operating profit is stated after charging:

	£
Depreciation - owned assets	12,108
Goodwill amortisation	615,932
Auditors' remuneration	16,125
Auditors' remuneration for non audit work	<u>375</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**

for the Period 17th March 2018 to 30th June 2019

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	£
Bank loan interest	21,882
Other interest paid	303,606
	<u>325,488</u>

**7. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the period was as follows:

	£
Current tax:	
UK corporation tax	108,103
Corporation tax prior years	(37,214)
Total current tax	<u>70,889</u>
Deferred tax	14,412
Tax on profit	<u>85,301</u>

**8. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**9. INTANGIBLE FIXED ASSETS**

**Group**

	Goodwill £
<b>COST</b>	
Additions	5,474,953
At 30th June 2019	<u>5,474,953</u>
<b>AMORTISATION</b>	
Amortisation for period	615,932
At 30th June 2019	<u>615,932</u>
<b>NET BOOK VALUE</b>	
At 30th June 2019	<u>4,859,021</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

for the Period 17th March 2018 to 30th June 2019

## 10. TANGIBLE FIXED ASSETS

## Group

	Improvements to property £	Plant and machinery £	Totals £
<b>COST</b>			
At 17th March 2018	-	36,826	36,826
Additions	41,645	51,292	92,937
At 30th June 2019	41,645	88,118	129,763
<b>DEPRECIATION</b>			
At 17th March 2018	-	6,805	6,805
Charge for period	3,248	8,860	12,108
At 30th June 2019	3,248	15,665	18,913
<b>NET BOOK VALUE</b>			
At 30th June 2019	38,397	72,453	110,850
At 16th March 2018	-	30,021	30,021

## 11. FIXED ASSET INVESTMENTS

## Company

	Shares in group undertakings £
<b>COST</b>	
Additions	7,640,612
At 30th June 2019	7,640,612
<b>NET BOOK VALUE</b>	
At 30th June 2019	7,640,612

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal Activity
D A Languages Limited	England & Wales	Ordinary	100%	Translation services

The company acquired D A Languages Limited on 16th May 2018 and took effective control from start of the financial year for D A Languages Limited of 1st July 2018. The registered address of the company and principal place of business is Suite 4a Stratham House, Talbot Road, Stretford, Manchester M32 0FP.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**

for the Period 17th March 2018 to 30th June 2019

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group £	Company £
Trade debtors	985,211	-
Other debtors	93,223	93,223
Prepayments and accrued income	764,665	3,704
	<u>1,843,099</u>	<u>96,927</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group £	Company £
Bank loans and overdrafts (see note 15)	402,489	402,489
Trade creditors	558,613	-
Amounts owed to group undertakings	-	1,635,535
Tax	94,035	-
Social security and other taxes	31,120	-
VAT	409,138	-
Other creditors	28,132	22,286
Deferred consideration	1,600,000	1,600,000
Accrued expenses	191,954	51,176
	<u>3,315,481</u>	<u>3,711,486</u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group £	Company £
Other loans (see note 15)	<u>3,200,000</u>	<u>3,200,000</u>

**15. LOANS**

An analysis of the maturity of loans is given below:

	Group £	Company £
Amounts falling due within one year or on demand:		
Bank loans	<u>402,489</u>	<u>402,489</u>
Amounts falling due between one and two years:		
Shareholders loan	<u>3,200,000</u>	<u>3,200,000</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**

for the Period 17th March 2018 to 30th June 2019

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	Group £	Company £
Bank loans	402,489	402,489
Shareholder Loan	<u>2,700,000</u>	<u>2,700,000</u>
	<u><b>3,102,489</b></u>	<u><b>3,102,489</b></u>

The shareholder loan is secured by a fixed and floating charge over all the property and undertaking of the company.

The bank borrowings are secured by a fixed and floating charge over all the property and undertaking of the company.

**17. PROVISIONS FOR LIABILITIES**

	Group £
Deferred tax	<u><b>14,794</b></u>
<b>Group</b>	
	<b>Deferred tax</b>
	£
Provided during period	<u><b>14,794</b></u>
Balance at 30th June 2019	<u><b>14,794</b></u>

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	£
Number:	Class:		
300,000	Ordinary A	£0.01	3,000
100,000	Ordinary B	£0.01	1,000
4,444	Ordinary D	£0.01	<u>44</u>
			<u><b>4,044</b></u>

The Ordinary A and Ordinary B carry equal voting rights. The Ordinary D shares are non-voting. All shares have full rights to dividends and distributions.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**

for the Period 17th March 2018 to 30th June 2019

**19. RESERVES**

**Group**

	Retained earnings £	Share premium £	Totals £
Deficit for the period	(7,973)		(7,973)
Bonus share issue	-	796,000	796,000
At 30th June 2019	<u>(7,973)</u>	<u>796,000</u>	<u>788,027</u>

**20. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	£
Profit before taxation	77,328
Depreciation charges	12,108
Goodwill amortisation	615,932
Finance costs	325,488
Finance income	(687)
	<u>1,030,169</u>
Increase in trade and other debtors	(467,664)
Increase in trade and other creditors	522,233
<b>Cash generated from operations</b>	<u><b>1,084,738</b></u>

**21. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Period ended 30th June 2019**

	30/6/19 £	17/3/18 £
Cash and cash equivalents	<u>509,376</u>	<u>-</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**

for the Period 17th March 2018 to 30th June 2019

**22. ACQUISITION OF SUBSIDIARY**

<b>Total proceeds</b>	<b>7,640,612</b>
Net assets acquired:	
	<b>£</b>
Properties	1,583,144
Other tangible fixed assets	30,021
Trade and other debtors	1,375,434
Cash at bank	118,507
Trade and other creditors	(696,723)
Corporation tax liability	(244,724)
Net assets acquired	<u>2,165,659</u>
<b>Goodwill on acquisition</b>	<b><u>5,474,953</u></b>
<b>Total proceeds satisfied by:</b>	
Cash	3,457,468
Issues of shares	500,000
Loan notes	500,000
Deferred consideration	1,600,000
Property disposals	<u>1,583,144</u>
	<b><u>7,640,612</u></b>



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