

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
SIGN LANGUAGE INTERACTIONS LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Consolidated Income Statement	8
Consolidated Other Comprehensive Income	9
Consolidated Balance Sheet	10
Company Balance Sheet	11
Consolidated Statement of Changes in Equity	12
Company Statement of Changes in Equity	13
Consolidated Cash Flow Statement	14
Notes to the Consolidated Cash Flow Statement	15
Notes to the Consolidated Financial Statements	16

SIGN LANGUAGE INTERACTIONS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS:

J Rodriguez
V Vega
M W King

SECRETARY:

C Williams

REGISTERED OFFICE:

39 Durham Street
Unit 4
GLASGOW
G41 1BS

REGISTERED NUMBER:

SC261069 (Scotland)

AUDITORS:

Thomson Cooper
Statutory Auditor
3 Castle Court
Carnegie Campus
Dunfermline
KY11 8PB

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL ACTIVITIES

The group develops and markets products and services dedicated to removing barriers that deaf, deafened and hard of hearing people face in their everyday lives.

REVIEW OF BUSINESS

During the year, the group has expanded and invested in key areas to support future business growth. Profitability has been strongly increased this year in comparison because last year involved substantial investment in hiring strategic and operational personnel and significant expenditure on the engineering development of new technology and platform launches. All of last years and this years investments and activities sets a solid business foundation for future years.

The directors are confident that the group's broad client base and range of products and services provide a strong platform for future growth.

KEY FINANCIAL PERFORMANCE INDICATORS

Turnover increased by 35% to £9,565,181.

The gross profit percentage remained the same as last year at 60%.

Operating profit was £1,562,392 compared to £31,790. The increase is largely attributed to the above mentioned investment in personnel and engineering development costs in the prior year.

Other highlights in the year include:

An increase in net assets from £1,981,629 to £3,226,196

Capital investment of £72,815

PRINCIPAL RISKS AND UNCERTAINTIES

The group operates in an innovative and competitive global market. The group manages the risks associated with that market with a commitment to:

Innovation and product improvement

Expanding its product and service range

Retaining existing customers and acquiring new ones

Management of margins and costs

Maintaining a skilled and efficient workforce

GOING CONCERN

The directors continue to adopt the going concern basis in preparing the financial statements.

The group has a strong net current asset and net asset position and expected to continue trading profitably, generating substantial cash inflows. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

ON BEHALF OF THE BOARD:

M W King - Director

28 August 2023

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2022.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2022.

DIRECTORS

The directors who have held office during the period from 1 January 2022 to the date of this report are as follows:

A Dewey - resigned 18 July 2022
R S Wood - resigned 31 March 2022
Ms J Yuen - resigned 29 April 2022
J Rodriguez - appointed 31 March 2022
V Vega - appointed 29 April 2022
M W King - appointed 18 July 2022

FINANCIAL INSTRUMENTS

The company's activities expose it to a number of financial risks - primarily risks of changes in foreign currency exchange rates and credit risk.

Foreign currency exchange rate risk

The company purchases goods and services from key suppliers in (principally) US dollars and also Euros. At any point in time, the company is exposed to movements in exchange rates on the net foreign denominated asset or liability position at that time.

Credit risk

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtor balances are monitored closely on an ongoing basis and provision is made for any doubtful debts where necessary.

The company's bank deposits are held by banks with high credit ratings assigned by international credit rating agencies.

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). 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.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Thomson Cooper, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

M W King - Director

28 August 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SIGN LANGUAGE INTERACTIONS LIMITED

Opinion

We have audited the financial statements of Sign Language Interactions Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 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 Consolidated Cash Flow Statement, 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 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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 group's and the parent 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 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 this gives rise to a material misstatement in the financial statements themselves. 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 SIGN LANGUAGE INTERACTIONS LIMITED

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SIGN LANGUAGE INTERACTIONS LIMITED

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.

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

We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error and then performed audit procedures responsive to those risks.

From our general and sector experience and through discussion with the directors, we identified areas of laws and regulations that could reasonably be expected to have a material impact on the financial statements.

We discussed the company's policies and procedures regarding the compliance with laws and regulations with the directors and considered the internal controls established to mitigate risks of fraud or non-compliance with laws or regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related Companies legislation) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We also performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

We addressed the risk of fraud through management override of controls, reviewing the appropriateness of journal entries and other adjustments, assessed accounting estimates for potential bias and reviewed any significant unusual transactions.

We reviewed available regulatory and legal correspondence, available board minutes and enquired of the directors regarding any pending litigation or known instances of irregularities, including fraud.

Owing to the inherent limitations of an audit: there is an unavoidable risk that we may not detected all material misstatements in the financial statements, even though we have properly planned and performed our audit and we cannot be expected to detect non-compliance with all laws and regulations.

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 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.

Andrew Croxford (Senior Statutory Auditor)
for and on behalf of Thomson Cooper
Statutory Auditor
3 Castle Court
Carnegie Campus
Dunfermline
KY11 8PB

30 August 2023

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
TURNOVER	3	9,565,181	7,086,546
Cost of sales		<u>3,821,883</u>	<u>2,833,612</u>
GROSS PROFIT		5,743,298	4,252,934
Administrative expenses		<u>4,442,744</u>	<u>4,364,106</u>
		1,300,554	(111,172)
Other operating income		<u>261,838</u>	<u>142,962</u>
OPERATING PROFIT	5	1,562,392	31,790
Interest receivable and similar income	6	<u>230</u>	<u>318</u>
PROFIT BEFORE TAXATION		1,562,622	32,108
Tax on profit	7	<u>318,055</u>	<u>20,619</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,244,567</u>	<u>11,489</u>
Profit attributable to:			
Owners of the parent		<u>1,244,567</u>	<u>11,489</u>

The notes form part of these financial statements

CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		1,244,567	11,489
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		-	-
FOR THE YEAR		<u>1,244,567</u>	<u>11,489</u>
Total comprehensive income attributable to: Owners of the parent		<u>1,244,567</u>	<u>11,489</u>

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	9		797,630		912,266
Tangible assets	10		104,429		128,117
Investments	11		-		-
			<u>902,059</u>		<u>1,040,383</u>
CURRENT ASSETS					
Debtors	12	3,932,150		978,016	
Cash at bank and in hand		<u>5,152,477</u>		<u>4,917,274</u>	
		9,084,627		5,895,290	
CREDITORS					
Amounts falling due within one year	13	<u>6,736,148</u>		<u>4,929,702</u>	
NET CURRENT ASSETS			<u>2,348,479</u>		<u>965,588</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,250,538		2,005,971
PROVISIONS FOR LIABILITIES	17		<u>24,342</u>		<u>24,342</u>
NET ASSETS			<u>3,226,196</u>		<u>1,981,629</u>
CAPITAL AND RESERVES					
Called up share capital	18		2		2
Retained earnings	19		<u>3,226,194</u>		<u>1,981,627</u>
SHAREHOLDERS' FUNDS			<u>3,226,196</u>		<u>1,981,629</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 August 2023 and were signed on its behalf by:

M W King - Director

COMPANY BALANCE SHEET
31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		50,499		20,616
Investments	11		<u>1,574,805</u>		<u>1,574,805</u>
			<u>1,625,304</u>		<u>1,595,421</u>
CURRENT ASSETS					
Debtors	12	1,479,346		445,241	
Cash at bank		<u>1,090,965</u>		<u>1,201,967</u>	
		<u>2,570,311</u>		<u>1,647,208</u>	
CREDITORS					
Amounts falling due within one year	13	<u>3,237,068</u>		<u>3,078,824</u>	
NET CURRENT LIABILITIES			<u>(666,757)</u>		<u>(1,431,616)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			958,547		163,805
PROVISIONS FOR LIABILITIES	17		<u>3,917</u>		<u>3,917</u>
NET ASSETS			<u>954,630</u>		<u>159,888</u>
CAPITAL AND RESERVES					
Called up share capital	18		2		2
Retained earnings	19		<u>954,628</u>		<u>159,886</u>
SHAREHOLDERS' FUNDS			<u>954,630</u>		<u>159,888</u>
Company's profit/(loss) for the financial year			<u>794,742</u>		<u>(81,817)</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 by the Board of Directors and authorised for issue on 28 August 2023 and were signed on its behalf by:

M W King - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	2	1,970,138	1,970,140
Changes in equity			
Total comprehensive income	-	11,489	11,489
Balance at 31 December 2021	<u>2</u>	<u>1,981,627</u>	<u>1,981,629</u>
Changes in equity			
Total comprehensive income	-	1,244,567	1,244,567
Balance at 31 December 2022	<u>2</u>	<u>3,226,194</u>	<u>3,226,196</u>

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	2	241,703	241,705
Changes in equity			
Total comprehensive income	-	(81,817)	(81,817)
Balance at 31 December 2021	<u>2</u>	<u>159,886</u>	<u>159,888</u>
Changes in equity			
Total comprehensive income	-	794,742	794,742
Balance at 31 December 2022	<u>2</u>	<u>954,628</u>	<u>954,630</u>

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(730,835)	247,530
Tax paid		<u>(4,290)</u>	<u>(333,085)</u>
Net cash from operating activities		<u>(735,125)</u>	<u>(85,555)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(72,815)	(137,053)
Interest received		<u>230</u>	<u>318</u>
Net cash from investing activities		<u>(72,585)</u>	<u>(136,735)</u>
Cash flows from financing activities			
Loan repayments in year		(100,000)	(100,000)
Increase in inter-group creditor		<u>1,142,913</u>	<u>3,892,395</u>
Net cash from financing activities		<u>1,042,913</u>	<u>3,792,395</u>
Increase in cash and cash equivalents		<u>235,203</u>	<u>3,570,105</u>
Cash and cash equivalents at beginning of year	2	4,917,274	1,347,169
Cash and cash equivalents at end of year	2	<u>5,152,477</u>	<u>4,917,274</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022 £	2021 £
Profit before taxation	1,562,622	32,108
Depreciation charges	211,138	166,066
Finance income	(230)	(318)
	<u>1,773,530</u>	<u>197,856</u>
Increase in trade and other debtors	(2,954,133)	(159,985)
Increase in trade and other creditors	449,768	209,659
Cash generated from operations	<u>(730,835)</u>	<u>247,530</u>

2. 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:

Year ended 31 December 2022

	31.12.22 £	1.1.22 £
Cash and cash equivalents	<u>5,152,477</u>	<u>4,917,274</u>

Year ended 31 December 2021

	31.12.21 £	1.1.21 £
Cash and cash equivalents	<u>4,917,274</u>	<u>1,347,169</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22 £	Cash flow £	At 31.12.22 £
Net cash			
Cash at bank and in hand	<u>4,917,274</u>	<u>235,203</u>	<u>5,152,477</u>
	<u>4,917,274</u>	<u>235,203</u>	<u>5,152,477</u>
Debt			
Debts falling due within 1 year	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>
	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>
Total	<u>4,817,274</u>	<u>335,203</u>	<u>5,152,477</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. STATUTORY INFORMATION

Sign Language Interactions Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the pound sterling, rounded to the nearest pound.

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 incorporate the financial statements of the parent company, Sign Language Interactions Limited and its 100% subsidiaries Interpreter Now Ltd and Significan't (UK) Limited. No members of the group have been excluded from consolidation. All inter-group balances, transactions, income and expenses are eliminated on consolidation. The consolidated accounts are prepared using uniform accounting policies.

The consolidated financial statements incorporate the results of business combinations using the purchase method. The results of acquired subsidiaries are included in the consolidated statement of comprehensive income from the date that control is obtained.

The cost of a business combination is measured at the aggregate of the fair value (at the date of exchange) of assets given, liabilities incurred or assumed and equity instruments issued by the group in exchange for control of the acquiree, plus costs attributable to the business combination.

Any excess of the cost of the business over the group's share of the net fair value of the identifiable assets and liabilities is recognised as goodwill.

Related party exemption

The group has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover and other income

Turnover is measured at the fair value of the consideration received or receivable net of vat and trade discounts. The policies adopted for the recognition of turnover are as follows:

Rendering of services

Turnover from translation services is recognised when the work has been completed. When the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

Interest receivable

Interest income is recognised in the period when interest is received.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Fixtures and fittings - 33.33% on cost

Computer equipment - 33.33% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, 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 year 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.

Foreign currencies

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Goodwill

Goodwill, which has arisen on consolidation is being amortised on a straight-line basis over 10 years. In arriving at a 10-year amortisation period, the directors have considered, the nature of the business, customer retention rates, the stability of the business and related cash flows.

Investments in subsidiaries

Investment in subsidiaries are measured at cost less impairment.

The directors do not believe there has been any impairment since the date of acquisition.

Software development costs

Expenditure on software and development costs are written off in the year in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES - continued

Financial instruments

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in administrative expenses.

Cash on the balance sheet comprises cash in hand and cash at bank

Judgements in applying accounting policies 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 as assets, liabilities, revenues and expenses for the year. The key sources of estimation uncertainty are as follows:

Depreciation and amortisation of tangible and intangible fixed assets:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The expected lives of assets and their residual values are assessed regularly and may vary depending on a number of factors including technological innovation, product life cycles, future market conditions and maintenance programmes.

Intangible assets, including goodwill, are amortised over their expected useful lives. These estimates are based on a variety of factors such as expected product life cycles, customer retention rates, and levels of cash generation.

Impairment of assets:

Tangible fixed assets, intangible fixed assets, fixed asset investments, stock and debtors are all reviewed for evidence of impairment.

In connection with fixed assets (tangible, intangible and investments) factors taken into consideration include the economic viability, the expected future financial performance of the asset and, where appropriate, the viability and expected future performance of related cash generating units.

Trade debtors are reviewed for evidence of impairment. Factors considered include ageing, past recovery rates, customer creditworthiness, and the stage and expected outcome of any recovery proceedings

Going Concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	2022	2021
	£	£
Rendering of services	9,565,181	7,086,546
	<u>9,565,181</u>	<u>7,086,546</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022****3. TURNOVER - continued**

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	8,968,831	6,845,563
Europe	596,350	240,983
	<u>9,565,181</u>	<u>7,086,546</u>

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	3,172,690	2,197,917
Social security costs	371,938	231,841
Other pension costs	90,512	58,578
	<u>3,635,140</u>	<u>2,488,336</u>

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

	2022	2021
Directors	2	1
Management	22	13
Administration	27	18
Interpreters	37	33
	<u>88</u>	<u>65</u>

	2022	2021
	£	£
Directors' remuneration	300,453	324,516
Directors' pension contributions	<u>8,961</u>	<u>8,931</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2022	2021
Money purchase schemes	<u>2</u>	<u>1</u>

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2022	2021
	£	£
Hire of plant and machinery	1,566	1,538
Other operating leases	95,807	65,103
Depreciation - owned assets	96,503	51,430
Goodwill amortisation	114,636	114,636
Auditors' remuneration	13,562	23,536
Foreign exchange differences	(21,807)	30,400
Impairment of debtors	<u>36,151</u>	<u>816</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022****6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2022	2021
	£	£
Deposit account interest	230	28
Corporation tax interest	-	290
	<u>230</u>	<u>318</u>

7. TAXATION**Analysis of the tax charge**

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

	2022	2021
	£	£
Current tax:		
UK corporation tax	318,055	4,351
Deferred tax	-	16,268
Tax on profit	<u>318,055</u>	<u>20,619</u>

UK corporation tax has been charged at 19 % (2021 - 19 %).

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
Profit before tax	<u>1,562,622</u>	<u>32,108</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	296,898	6,101
Effects of:		
Expenses not deductible for tax purposes	14,422	22,322
Capital allowances in excess of depreciation	-	(7,804)
Depreciation in excess of capital allowances	6,735	-
Total tax charge	<u>318,055</u>	<u>20,619</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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

9. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1 January 2022
and 31 December 2022

1,159,694

AMORTISATION

At 1 January 2022
Amortisation for year
At 31 December 2022

247,428

114,636

362,064

NET BOOK VALUE

At 31 December 2022
At 31 December 2021

797,630

912,266

10. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2022	694	229,276	45,567	275,537
Additions	-	12,260	60,555	72,815
At 31 December 2022	<u>694</u>	<u>241,536</u>	<u>106,122</u>	<u>348,352</u>
DEPRECIATION				
At 1 January 2022	694	110,505	36,221	147,420
Charge for year	-	70,756	25,747	96,503
At 31 December 2022	<u>694</u>	<u>181,261</u>	<u>61,968</u>	<u>243,923</u>
NET BOOK VALUE				
At 31 December 2022	<u>-</u>	<u>60,275</u>	<u>44,154</u>	<u>104,429</u>
At 31 December 2021	<u>-</u>	<u>118,771</u>	<u>9,346</u>	<u>128,117</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

10. TANGIBLE FIXED ASSETS - continued

Company

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2022	28,468	38,034	66,502
Additions	1,100	60,555	61,655
At 31 December 2022	<u>29,568</u>	<u>98,589</u>	<u>128,157</u>
DEPRECIATION			
At 1 January 2022	17,198	28,688	45,886
Charge for year	6,026	25,746	31,772
At 31 December 2022	<u>23,224</u>	<u>54,434</u>	<u>77,658</u>
NET BOOK VALUE			
At 31 December 2022	<u>6,344</u>	<u>44,155</u>	<u>50,499</u>
At 31 December 2021	<u>11,270</u>	<u>9,346</u>	<u>20,616</u>

11. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2022 and 31 December 2022	<u>1,574,805</u>
NET BOOK VALUE	
At 31 December 2022	<u>1,574,805</u>
At 31 December 2021	<u>1,574,805</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Interpreter Now Ltd

Registered office: England

Nature of business: Non trading

Class of shares:	%
Ordinary	holding 100.00

Significan't (UK) Limited

Registered office: England

Nature of business: Interpreting services

Class of shares:	%
Ordinary	holding 100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

11. FIXED ASSET INVESTMENTS - continued

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	3,841,556	939,666	1,013,094	206,657
Amounts owed by group undertakings	-	-	393,518	221,211
Other debtors	6,922	13,351	4,000	10,000
Prepayments	83,672	24,999	68,734	7,373
	<u>3,932,150</u>	<u>978,016</u>	<u>1,479,346</u>	<u>445,241</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Other loans (see note 14)	-	100,000	-	100,000
Trade creditors	498,044	312,894	132,920	76,053
Amounts owed to group undertakings	5,035,308	3,892,395	2,591,438	2,711,636
Tax	318,055	4,290	194,510	-
Value added tax	382,661	235,617	213,427	146,425
Other creditors	243,194	224,761	-	-
Accrued expenses	258,886	159,745	104,773	44,710
	<u>6,736,148</u>	<u>4,929,702</u>	<u>3,237,068</u>	<u>3,078,824</u>

14. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year or on demand:				
Other loans	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable	operating leases
	2022	2021
	£	£
Within one year	52,390	48,742
Between one and five years	<u>73,070</u>	<u>66,608</u>
	<u>125,460</u>	<u>115,350</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

15. LEASING AGREEMENTS - continued

Company

	Non-cancellable	operating leases
	2022	2021
	£	£
Within one year	33,890	34,196
Between one and five years	40,024	66,608
	<u>73,914</u>	<u>100,804</u>

16. FINANCIAL INSTRUMENTS

The carrying amount of the group's financial instruments are as follows:

	2022	2021
£		
Financial assets measured at amortised cost		
Cash at bank and in hand	5,152,477	4,917,274
Trade and other debtors	3,932,150	978,016
Financial liabilities measured at amortised cost		
Trade creditors	498,044	312,894
Other creditors & accruals	5,537,388	4,276,901
The net gains and losses attributable to the company's financial instruments are as follows:		
Financial assets measured at amortised cost	36,151	816

17. PROVISIONS FOR LIABILITIES

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Deferred tax	<u>24,342</u>	<u>24,342</u>	<u>3,917</u>	<u>3,917</u>
Group				
				Deferred tax
				£
Balance at 1 January 2022				<u>24,342</u>
Balance at 31 December 2022				<u>24,342</u>
Company				
				Deferred tax
				£
Balance at 1 January 2022				<u>3,917</u>
Balance at 31 December 2022				<u>3,917</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
2	Ordinary Shares	£1	<u>2</u>	<u>2</u>

19. RESERVES

Group

	Retained earnings £
At 1 January 2022	1,981,627
Profit for the year	<u>1,244,567</u>
At 31 December 2022	<u>3,226,194</u>

Company

	Retained earnings £
At 1 January 2022	159,886
Profit for the year	<u>794,742</u>
At 31 December 2022	<u>954,628</u>

20. ULTIMATE PARENT COMPANY

Sorenson Communications LLC (incorporated in United States of America) was regarded by the directors as being the company's parent company.

On 23 March 2022, the Ultimate Parent Company became Ariel Alternatives LLC, based in the United States of America.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.