
GLOBAL LINGO LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

GLOBAL LINGO LIMITED
REGISTERED NUMBER: 05771718

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	5	79,626	74,663
		<u>79,626</u>	<u>74,663</u>
Current assets			
Debtors: amounts falling due within one year	6	706,328	526,385
Cash at bank and in hand		89,207	200,386
		<u>795,535</u>	<u>726,771</u>
Creditors: amounts falling due within one year	7	(428,236)	(411,216)
Net current assets		<u>367,299</u>	<u>315,555</u>
Total assets less current liabilities		<u>446,925</u>	<u>390,218</u>
Provisions for liabilities			
Deferred tax	8	(6,340)	(5,288)
		<u>(6,340)</u>	<u>(5,288)</u>
Net assets		<u><u>440,585</u></u>	<u><u>384,930</u></u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		439,585	383,930
		<u><u>440,585</u></u>	<u><u>384,930</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2017.

GLOBAL LINGO LIMITED
REGISTERED NUMBER: 05771718

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2016

A D Trotter

Director

The notes on pages 3 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. General information

Global Lingo Limited is a private company limited by shares and registered in England and Wales. The address of its registered office is Southbank House, Black Prince Road, London, SE1 7SJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The company provides Transcription services to a variety of large and small companies inside and outside the UK. The company recognises revenue on the provision of the final transcription to its customers.

The company provides Translation services to a variety of large and small companies inside and outside the UK. The company recognises revenue on the provision of the final translation to its customers.

The company provides Interpreting services to a variety of large and small companies inside and outside the UK. The company recognises revenue on the provision of the final interpretation to its customers.

The company provides Minute-Taking services to a variety of large and small companies inside and outside the UK. The company recognises revenue on the provision of the final minutes to its customers.

For contracts in progress at the year end that have not been invoiced, a stage of completion is estimated and income is accrued accordingly.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Other fixed assets	-
	4% -33% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of income and retained earnings.

2.4 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Exchange differences resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised through profit or loss in the period in which they arise.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.6 Dividends

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

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

2.10 Interest income

Interest income is recognised in the statement of income and retained earnings using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position 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 balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Share Capital

Ordinary shares are classed as equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3. Judgments 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 for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Accruals

The company makes an estimate of accrued income and costs for projects that were on-going at the year end. The key estimate is the projects stage of completion, which is calculated using detailed budgets and cost reports.

Tangible assets

Tangible assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending upon a number of factors. In re-assessing the assets' lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

4. Employees

The average monthly number of employees, including directors, during the year was 13 (2015 - 15).

GLOBAL LINGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

5. Tangible fixed assets

	Other fixed assets £
Cost or valuation	
At 1 January 2016	97,558
Additions	17,102
Disposals	(7,648)
At 31 December 2016	<u>107,012</u>
Depreciation	
At 1 January 2016	22,895
Charge for the year on owned assets	10,640
Disposals	(6,149)
At 31 December 2016	<u>27,386</u>
Net book value	
At 31 December 2016	<u><u>79,626</u></u>
At 31 December 2015	<u><u>74,663</u></u>

6. Debtors

	2016 £	2015 £
Trade debtors	452,256	441,741
Other debtors	184,379	18,087
Prepayments and accrued income	69,693	66,557
	<u><u>706,328</u></u>	<u><u>526,385</u></u>

GLOBAL LINGO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

7. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	136,112	117,477
Corporation tax	15,128	35,984
Other taxation and social security	92,459	81,296
Other creditors	4,844	50,539
Accruals and deferred income	179,693	125,920
	<u>428,236</u>	<u>411,216</u>

8. Deferred taxation

	2016 £
At beginning of year	(5,288)
Charged to profit or loss	(1,052)
At end of year	<u><u>(6,340)</u></u>

The provision for deferred taxation is made up as follows:

	2016 £
Accelerated capital allowances	<u><u>6,340</u></u>

9. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the company to the sum and amounted to £1,973 (2015: £2,250).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

10. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	50,430	22,472
Later than 1 year and not later than 5 years	18,911	-
	<u>69,341</u>	<u>22,472</u>

11. Related party transactions

At the reporting date A D Trotter, a director, owed the company £1,754 (2015: was owed £42,173). Interest has been charged at the standard rate of interest on the overdrawn balance amounting to £140.

The company is exempt from disclosing other related party transactions as they are with companies that are wholly owned within the group.

12. Controlling party

The company is under the control of Global Lingo Holdings Limited (Company number: 08671644). The address of its registered office is Melbourne House, 1 South Parade, London, W4 1JU.

First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.