

Registered No 3370400

Imparta Limited

Report and Financial Statements

31 December 2011

FRIDAY



LD5 "L1HG54AH"
14/09/2012 #104
COMPANIES HOUSE

Imparta Limited

Registered No 3370400

Directors

R J B Barkey
D Stephen
P J Williamson
M G Hay
C D Melia
R J Barham
A P B Isherwood
A-M White

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

Lloyds TSB Bank Plc
83 Clarence Street
Kingston upon Thames
Surrey
KT1 1RE

Solicitors

Dechert
160 Queen Victoria Street
London
EC4V 4QQ

Wedlake Bell Solicitors
16 Bedford Street
Convent Garden
London
WC2E 9HF

Registered office

14-16 Peterborough Road
London
SW6 3BN

Registered No 3370400

Directors' report

The directors present their report and financial statements for the year ended 31 December 2011

Principal activities

The principal activity continued to be the development and delivery of capability building solutions that combine traditional workshops with sophisticated multimedia-based training, coaching and reinforcement to create measurable and sustainable impact for our clients. The group has a global reach, and focuses on the main customer-facing parts of our clients' organisations: sales, marketing and customer service.

Results and dividends

Imparta grew strongly in 2011, with several existing clients asking us to work with them even more closely to build skills in support of their business strategy. We were also successful in winning a number of important new clients. This performance was underpinned by our own internal Sales Academy, to which we attribute a number of new account wins.

Group revenue increased by approx 33% to £8,860,534, (2010: £6,659,159). Profit before tax also grew significantly, increasing by approx 255% to £1,105,104 (2010: £310,860).

The company is investing in additional sales, marketing and product development resource for 2012 in order to maintain momentum in what is likely to be a difficult year in macro-economic terms.

The directors do not recommend the payment of a dividend (2010: £Nil).

Financial review

The group's key financial performance indicators during the year were as follows:

- Turnover grew by 33%, from £6,659,159 to £8,860,534,
- Profit before tax grew by 255%, from £310,860 to £1,105,104,
- Net assets grew by 39% from £2,222,128 to £3,090,264.

Strategy and operations

Our positioning remains as a company that goes beyond training to deliver, and measure, real performance improvements in sales and marketing and customer service. Our content in these areas is extensive, and thoroughly researched.

At the heart of Imparta's delivery approach is our Capability Building® System. This is a collection of tools that covers assessment, change management and performance management to deliver tangible results from client engagements. The Capability Building® System includes:

- Assessment tools covering business needs and staff attitudes and competencies,
- Tools for internal communication,
- Online learning (often used as pre-work for workshops), including animated tutorials and sophisticated simulations,
- A wide range of workshops that can be delivered globally,
- Reinforcement and application tools and a powerful approach to coaching,
- A sophisticated set of impact measurement tools.

2011 also saw a continued expansion of Imparta's global footprint, and we have the ability to deliver global Academies for the world's largest and most successful companies. This expansion continues into 2012, with the opening of Imparta Inc. in the USA. Imparta works closely with organisations such as Telefonica O2, HP, Lloyds TSB, General Electric, Barclays, Fuji Xerox, a large, undisclosed paper and packaging company, and the WPP Group.

Directors' report (continued)

Principal Risks and Uncertainties

The principal risks to the business are

- **Reliance on key customers** Imparta serves its clients in depth, so major clients represent a high proportion of revenue compared to more transactional businesses. Our approach is to manage this risk by growing the business and adding new clients rather than by limiting the size of any one account.
- **Currency risk.** Imparta trades with a number of overseas clients and has exposure to currency risk e.g. with the Eurozone. We aim to limit this exposure by matching the currency of any costs incurred to the currency in which revenue is earned, and by converting surplus funds to sterling on a regular basis.

Going Concern

The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

Directors

The directors during the year were as follows

R J B Barkey
D Stephen
P J Williamson
M G Hay
C D Melia
R J Barham
A P B Isherwood
A-M White (appointed 28 April 2011)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

In accordance with s. 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for re-appointment of Ernst & Young LLP as auditor of the Company.

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



10th September 2012
Richard Barkey
Director

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 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 proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 auditors' report

to the members of Imparta Limited

We have audited the financial statements of Imparta Limited for the year ended 31 December 2011 which comprise the Group Profit and Loss Account, Group Statement of total recognised gains and losses, the Group and Parent Company Balance Sheet, the Group Cash Flow Statement and the related notes 1 to 24. 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).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatement or inconsistencies we consider the implication in our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2011 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of Imparta Limited (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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, or

Ernst & Young LLP

Gordon Cullen (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

14/9/12

Group profit and loss account

for the year ended 31 December 2011

	Notes	Group 2011 £	Group 2010 £
Turnover	2	8,860,534	6,659,159
Cost of sales		(2,101,173)	(1,704,528)
Gross profit		6,759,361	4,954,631
Research and development costs		(435,480)	(474,484)
Selling and distribution expenses		(3,197,993)	(2,578,549)
Administrative expenses		(1,920,968)	(1,546,931)
Foreign exchange loss		(71,875)	(19,408)
Other operating expense	3	(8,150)	(1,624)
Operating profit	4	1,124,895	333,635
Interest receivable and similar income	6	8,942	6,776
Interest payable and similar charges	7	(28,733)	(29,551)
Profit on ordinary activities before taxation		1,105,104	310,860
Taxation	8	(236,783)	92,121
Profit for the financial year	17	868,321	402,981

All amounts relate to continuing operations

Statement of total recognised gains and losses

for the year ended 31 December 2011

The only recognised gains or losses are the profit of £868,321 attributable to the shareholders for the year ended 31 December 2011 (2010 £402,981) and the exchange losses arising on the foreign subsidiary consolidation for the year ended 31 December 2011 of £185 (2010 £6,340)

Group and company balance sheet

at 31 December 2011

	<i>Notes</i>	<i>Group</i>		<i>Company</i>	
		<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
		<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Fixed assets					
Intangible assets	9	489,250	481,009	486,552	478,701
Tangible assets	10	133,894	53,858	133,289	53,180
Investments	11	-	-	1	1
		<u>623,144</u>	<u>534,867</u>	<u>619,842</u>	<u>531,882</u>
Current assets					
Stocks	12	13,992	26,399	13,992	26,399
Debtors	13	2,643,545	2,197,892	2,735,984	2,313,668
Cash at bank and in hand		1,635,794	1,246,750	1,551,237	1,183,408
		<u>4,293,331</u>	<u>3,471,041</u>	<u>4,301,213</u>	<u>3,523,475</u>
Creditors, amounts falling due within one year	14	1,385,025	1,342,594	1,349,696	1,326,635
Net current assets		<u>2,908,306</u>	<u>2,128,447</u>	<u>2,951,517</u>	<u>2,196,840</u>
Total assets less current liabilities		<u>3,531,450</u>	<u>2,663,314</u>	<u>3,571,359</u>	<u>2,728,722</u>
Creditors: amounts falling due after more than one year					
Loans	15	441,186	441,186	441,186	441,186
		<u>3,090,264</u>	<u>2,222,128</u>	<u>3,130,173</u>	<u>2,287,536</u>
Capital and reserves					
Called up share capital	16	5,486	5,486	5,486	5,486
Share premium account	17	5,829,821	5,829,821	5,829,821	5,829,821
Profit and loss account	17	(2,745,043)	(3,613,179)	(2,705,134)	(3,547,771)
Shareholders' funds		<u>3,090,264</u>	<u>2,222,128</u>	<u>3,130,173</u>	<u>2,287,536</u>

The financial statements were approved and authorised by the board and signed on its behalf on 10th September 2012



Richard Barkey
Director

Group cash flow statement

for the year ended 31 December 2011

	Notes	Group 2011 £	Group 2010 £
Net cash flow from operating activities	20	685,911	239,588
Returns on investment and servicing of finance			
Interest received	6	8,942	6,776
Interest paid	7	(28,733)	(29,551)
		(19,791)	(22,775)
Taxation			
UK corporation tax paid (including advance corporation tax)		(1,862)	(3,476)
Overseas withholding tax paid		(24,327)	(7,700)
		(26,189)	(11,176)
Capital expenditure and financial investment			
Payments for purchase of intangible assets	9	(131,610)	(160,634)
Payments for purchase of tangible assets	10	(107,094)	(40,437)
Receipts on sale of tangible fixed assets		3,400	-
		(235,304)	(201,071)
Acquisitions and disposals			
Payments to acquire trade and assets of a business		(15,389)	(140,628)
Increase/(Decrease) in cash		389,237	(136,062)

Notes to the financial statements

at 31 December 2011

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Basis of consolidation

The directors present the group financial statements which consolidate the financial statements of the company and its subsidiary undertaking for the year ended 31 December 2011. The subsidiary undertaking was acquired during 2006. Under the Companies Act 2006 section 408, the company is exempt from presenting its own profit and loss account.

Intangible assets

Costs incurred in the creation of company software platforms that meet the criteria required for capitalisation in terms of UK GAAP are treated collectively as an intangible asset and amortised over an estimated useful economic life of 5 years, commencing from the date the asset is brought into use for commercial purposes.

Costs incurred in relation to the investigation and formation of subsidiaries are treated collectively as an intangible asset and are amortised over an estimated useful economic life of 3 years.

Costs incurred in relation to patents and trademarks are treated collectively as an intangible asset and are amortised over an estimated useful economic life of 5 years.

Costs incurred in relation to the acquisition of Procter Consultancy Limited are treated collectively as an intangible asset and are amortised over an estimated useful economic life of 20 years.

On an annual basis the director's review the intangible fixed assets for indications of impairment and put in place provisions to reduce the carrying value to the fair value of the assets.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates per annum calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	-	10% straight line per annum
Computer equipment	-	20% and 33% straight line per annum
Office equipment	-	20% straight line per annum
Production equipment	-	20% straight line per annum

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Fixed asset investments are stated at cost less provision for impairment. The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences arising on these transactions are taken to profit and loss account. Subsidiaries denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences arising on consolidation are taken to reserves.

Notes to the financial statements

at 31 December 2011

1. Accounting policies (continued)

Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred

Leasing commitments

Costs incurred in respect of operating leases are charged on a straight line basis over the term of the lease. Leasing arrangements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit so as to give a constant periodic rate of charge on the remaining balance outstanding at each accounting period.

Pension contributions

There is a provision made in the financial statements in relation to pensions that are contractually provided for in employee service agreements. Where the pension relates to a director, the cost of this has been included as part of directors' emoluments in the notes to the financial statements.

The company operates a stakeholder pension scheme that is open to all employees. No additional contributions are made by the company towards this scheme.

Revenue recognition

The company generates the following types of revenue

Licence fees

Licence fees are earned under software license agreements to end-users. Revenues from perpetual licenses to end-users are recognised upon shipment of the invoice if collection of the resulting receivable is probable, the fee is fixed and determinable, and there are no significant post-delivery obligations. If an acceptance period is required, revenues are recognised upon the earlier of customer acceptance or the expiration of the acceptance period. Revenues from licences for a defined or finite period are recognised evenly over this period.

Course fees

The company facilitates learning programmes. Revenue from such courses is generally recognised ratably as the courses take place.

Service fees

Services consist of support arrangements, consulting, tailoring and development services. Support agreements generally call for the company to provide technical support and provide certain rights to software updates to customers. Revenue on technical support and software update rights is recognised evenly over the term of the support agreement. The company provides consulting and tailoring services to its customers, revenue from such services is generally recognised as the services are performed.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Notes to the financial statements

at 31 December 2011

1. Accounting policies (continued)

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2. Turnover

Turnover in respect of continuing activities represents amounts receivable for services net of VAT and trade discounts 54% (2010 - 46%) of turnover is attributable to geographical markets outside the United Kingdom

3. Other operating expense

	<i>Group</i>	<i>Group</i>
	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Write off of intangible fixed assets	(11,535)	(1,353)
Write off of tangible fixed assets	(15)	(271)
Gain on disposal of tangible fixed assets	3,400	-
	<u>(8,150)</u>	<u>(1,624)</u>

4. Operating profit

This is stated after charging

	<i>Group</i>	<i>Group</i>
	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Auditors' remuneration - audit services (current year)	25,000	20,000
- other services (current year)	1,650	7,680
Depreciation of tangible fixed assets - owned	26,073	3,312
- leased	972	18,393
Amortisation of intangible fixed assets	127,229	143,598
Operating lease rentals - land and buildings	162,284	132,527
	<u>162,284</u>	<u>132,527</u>

Notes to the financial statements

at 31 December 2011

5. Directors and Employees

(a) Staff Costs including directors' remuneration

	2011 £	2010 £
Wages and Salaries	4,036,925	3,227,625
Social security costs	431,455	348,718
Other pension costs	10,800	10,133
	<u>4,479,180</u>	<u>3,586,476</u>

Wages and Salaries costs include £105,698 (2010 £17,027) which relate to the costs capitalised for the development of intangible fixed assets

The average monthly number of employees during the year was made up as follows

	2011 No	2010 No
Research and development	10	11
Selling and distribution	39	31
Administrative	17	14
	<u>66</u>	<u>56</u>

(b) Directors' emoluments

	2011 £	2010 £
Aggregate emoluments in respect of qualifying services	536,329	438,583
	<u>536,329</u>	<u>438,583</u>

(c) Highest paid director's emoluments

	2011 £	2010 £
Aggregate emoluments in respect of qualifying services	277,574	179,667
Pension costs	10,800	10,133
	<u>288,374</u>	<u>189,800</u>

Notes to the financial statements

at 31 December 2011

6. Interest Receivable

	2011	2010
	£	£
Bank interest received	8,942	6,776
	<u>8,942</u>	<u>6,776</u>

7. Interest Payable

	2011	2010
	£	£
Office furniture lease interest paid	6,674	6,539
Loan note interest paid	22,059	22,059
Bank interest paid	-	952
Corporation tax interest paid	-	1
	<u>28,733</u>	<u>29,551</u>

8. Taxation

(a) Tax on profit on ordinary activities

The tax charge / (credit) is made up as follows

	Group 2011 £	Group 2010 £
<i>Current tax</i>		
UK corporation tax on profits of the period	2,350	1,861
Adjustments in respect of previous periods	1	(10)
Foreign tax suffered	24,327	7,700
Current tax charge (note 8(b))	<u>26,678</u>	<u>9,551</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	210,105	(101,672)
	<u>210,105</u>	<u>(101,672)</u>
Total tax charge / (credit) per the profit and loss	<u>236,783</u>	<u>(92,121)</u>

Notes to the financial statements

at 31 December 2011

8. Taxation (continued)

(b) Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the average standard rate of corporation tax in the UK for small companies of 20% (2010 21%). The differences are reconciled below

	<i>Group</i> 2011 £	<i>Group</i> 2010 £
Profit on ordinary activities before tax	1,105,104	310,860
Profit on ordinary activities before tax multiplied by average standard rate of corporation tax in the UK of 20.24% (2010 21%)	223,673	65,281
<i>Effects of</i>		
Expenses not deductible for tax purposes	6,174	3,746
Depreciation in excess of capital allowances	(6,201)	(88)
Foreign tax expensed under s112 TIOPA 2012	(4,924)	-
Foreign taxes on overseas income	24,327	7,700
Utilisation of brought forward tax losses	(226,247)	(73,968)
Other timing differences	9,873	2,128
Prior year adjustment	1	(10)
Tax losses carried forward	-	4,762
Current tax charge for the year (note 8(a))	26,678	9,551

(c) Factors that may affect future tax charges

The group has estimated trading losses in the UK of £1,560,321 (2010 £2,644,550) that are available indefinitely for offset against future taxable profits of the same trade. A deferred tax asset has been recognised to the extent that it is expected that these losses may be recovered.

The group also has estimated trading losses in Australia of £35,619 (2010 £61,197) carried forward. A deferred tax asset has not been recognised in respect of these losses.

Notes to the financial statements

at 31 December 2011

8. Taxation (continued)

(d) Deferred tax

The deferred tax included in the balance sheet is as follows

	<i>Group</i>	
	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Decelerated capital allowance	9,589	17,080
Tax losses	16,525	228,895
Other timing differences	11,783	2,027
Deferred tax asset (note 13)	<u>37,897</u>	<u>248,002</u>

9. Intangible fixed assets

Group

	<i>Goodwill costs</i>	<i>Platform development</i>	<i>Patents and trademarks</i>	<i>Formation costs</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Cost					
At 1 January 2011	273,026	634,837	10,116	5,781	923,760
Exchange Adjustments	-	-	4	15	19
Additions	15,389	127,466	4,145	-	147,000
Write off	-	(254,999)	(270)	(400)	(255,669)
At 31 December 2011	<u>288,415</u>	<u>507,304</u>	<u>13,995</u>	<u>5,396</u>	<u>815,110</u>
Amortisation					
At 1 January 2011	13,651	422,203	1,640	5,257	442,751
Exchange Adjustments	-	-	-	14	14
Provided during the year	15,190	110,072	1,442	525	127,229
Write off	-	(243,463)	(270)	(400)	(244,133)
At 31 December 2011	<u>28,841</u>	<u>288,812</u>	<u>2,812</u>	<u>5,396</u>	<u>325,861</u>
Net book value					
At 31 December 2011	<u>259,573</u>	<u>218,492</u>	<u>11,184</u>	<u>-</u>	<u>489,250</u>
At 31 December 2010	<u>259,375</u>	<u>212,634</u>	<u>8,476</u>	<u>524</u>	<u>481,009</u>

Notes to the financial statements

at 31 December 2011

9. Intangible fixed assets (continued)

Company

	<i>Goodwill costs £</i>	<i>Platform development £</i>	<i>Patents and trademarks £</i>	<i>Formation costs £</i>	<i>Total £</i>
Cost					
At 1 January 2011	273,026	634,837	8,208	400	916,471
Additions	15,389	127,466	2,944	-	145,799
Write off	-	(254,999)	(270)	(400)	(255,669)
At 31 December 2011	288,415	507,304	10,882	-	806,601
Amortisation					
At 1 January 2011	13,651	422,203	1,576	340	437,770
Provided during the year	15,190	110,072	1,090	60	126,412
Write off	-	(243,463)	(270)	(400)	(244,133)
At 31 December 2011	28,841	288,812	2,396	-	320,049
Net book value					
At 31 December 2011	259,574	218,492	8,486	-	486,552
At 31 December 2010	259,375	212,634	6,632	60	478,701

Notes to the financial statements

at 31 December 2011

10. Tangible fixed assets

Group

	<i>Fixtures and fittings</i>	<i>Office equipment</i>	<i>Production equipment</i>	<i>Computer equipment</i>	<i>Total</i>
	£	£	£	£	£
Cost					
At 1 January 2011	503,074	39,501	7,403	334,426	884,404
Exchange Adjustments	-	-	-	3	3
Additions	45,133	38,462	-	23,498	107,093
Disposals	(183,195)	(24,811)	(7,403)	(177,730)	(393,139)
At 31 December 2011	365,012	53,152	-	180,197	598,361
Depreciation					
At 1 January 2011	488,657	34,791	7,403	299,695	830,546
Exchange Adjustments	-	-	-	1	1
Provided during the year	4,452	5,221	-	17,372	27,045
Disposals	(183,181)	(24,811)	(7,403)	(177,730)	(393,125)
At 31 December 2011	309,928	15,201	-	139,338	464,467
Net book value					
At 31 December 2011	55,084	37,951	-	40,859	133,894
At 31 December 2010	14,417	4,710	-	34,731	53,858

Company

	<i>Fixtures and fittings</i>	<i>Office equipment</i>	<i>Production equipment</i>	<i>Computer equipment</i>	<i>Total</i>
	£	£	£	£	£
Cost					
At 1 January 2011	503,074	39,501	7,403	333,450	883,428
Additions	44,881	38,462	-	23,498	106,841
Disposals	(183,195)	(24,811)	(7,403)	(177,731)	(393,140)
At 31 December 2011	364,760	53,152	-	179,217	597,129
Depreciation					
At 1 January 2011	488,657	34,791	7,403	299,397	830,248
Provided during the year	4,450	5,221	-	17,046	26,717
Disposals	(183,181)	(24,811)	(7,403)	(177,730)	(393,125)
At 31 December 2011	309,926	15,201	-	138,713	463,840
Net book value					
At 31 December 2011	54,834	37,951	-	40,504	133,289
At 31 December 2010	14,417	4,710	-	34,053	53,180

Notes to the financial statements

at 31 December 2011

10. Tangible fixed assets (continued)

Included in fixtures and fittings are assets held under finance leases with a net book value of £Nil at the year-end (2010 - £972)

11. Fixed assets investments

	<i>Group</i> £	<i>Company</i> £
As at 1 January & 31 December 2011	-	1

	Class Of	Percentage	
Subsidiary Holding	holding	held	
Imparta Pty Ltd	Ordinary	100%	Trading

The above trading company is involved in sales and marketing training services

The subsidiary is incorporated in Australia

12. Stocks

	<i>Group</i>		<i>Company</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	£	£	£	£
Course materials	13,992	26,399	13,992	26,399

13. Debtors

	<i>Group</i>		<i>Company</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	£	£	£	£
Trade debtors	2,432,611	1,739,316	2,239,784	1,720,037
Other debtors	29,636	67,671	29,636	67,614
Prepayments and accrued income	143,401	142,903	139,435	142,181
Deferred tax (note 8)	37,897	248,002	37,897	248,002
Amounts owed by subsidiary undertakings	-	-	289,232	135,834
	<u>2,643,545</u>	<u>2,197,892</u>	<u>2,735,984</u>	<u>2,313,668</u>

Notes to the financial statements

at 31 December 2011

14. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Trade creditors	171,533	143,348	162,811	139,815
Other tax and social security cost	286,999	222,562	265,941	217,005
Other creditors	36,431	44,189	36,121	43,746
Deferred income	438,082	663,756	438,082	661,769
Accruals	449,630	266,878	444,391	262,439
Corporation Tax	2,350	1,861	2,350	1,861
	<u>1,385,025</u>	<u>1,342,594</u>	<u>1,349,696</u>	<u>1,326,635</u>

15. Loans

	<i>Group</i>		<i>Company</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Wholly repayable within two - five years				
5% convertible loan notes, wholly repayable				
from 30 April 2010 (see below)	<u>441,186</u>	<u>441,186</u>	<u>441,186</u>	<u>441,186</u>
	<i>Group</i>		<i>Company</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Amounts repayable				
Within five years	<u>441,186</u>	<u>441,186</u>	<u>441,186</u>	<u>441,186</u>

The company issued 11,029 5% convertible unsecured loan notes of £40 each ('loan notes') on 30 April 2004, raising a total of £441,186. The purpose of the issue was to raise additional funds for growth purposes. The loan notes are convertible on the later of 30 April 2010 and the fifth business day following the redemption by the company of all series A-1 shares and the payment of all outstanding dividends or interest payable to the holders of the series A-1 shares as detailed above, subject to a final redemption date of 30 April 2020. The loan notes are convertible into ordinary shares at the rate of £0.025 nominal for every £40 nominal of loan notes converted.

Notes to the financial statements

at 31 December 2011

16. Share capital

Allotted, called up and fully paid

	2011 No	2010 No	2011 £	2010 £
Ordinary shares of 2 5 pence each	155,345	155,345	3,884	3,884
Ordinary 'A' shares of 2 5 pence each	45,000	45,000	1,125	1,125
Series 'A-1' convertible preference shares of 2 5 pence each	19,077	19,077	477	477
	<u>219,422</u>	<u>219,422</u>	<u>5,486</u>	<u>5,486</u>

Series A-1 shares

The series A-1 convertible preference shares of 2 5 pence each shall convert into ordinary shares of 2 5 pence on a one to one basis immediately prior to and conditional upon the occurrence of an Exit by the company, as contemplated in the Articles of Association

Warrants

The company currently has a total of 7,500 warrants in existence, made up as follows

- Revenue warrants - Up to 7,500 revenue warrants had been earned by GE Capital Equity Holdings, Inc at the balance sheet date, 364 of which were earned during 2011. These warrants have not yet been issued and have a strike price of £66.67 and a cashless exercise option on exit.

Share options

The company operates an Enterprise Managed Incentive (EMI) scheme under which options to subscribe for the company's shares have been granted to certain employees. Options granted expire ten years from date of grant but cannot be exercised until the company has made an exit.

Options exercise price	Grant date	Expiry date	1 January 2011 £	Granted during the year £	Cancelled and lapsed during 31 December the year £	2011 £
£30.00	30 June 2005	30 June 2015	300			300
	28 July 2004	28 July 2014	905		(240)	665
	23 June 2004	23 June 2014	1,500			1,500
	30 April 2006	30 April 2016	200		(150)	50
	29 September 2007	29 September 2017	4,010		(360)	3,650
	27 August 2008	27 August 2018	1,450			1,450
	30 March 2009	30 March 2019	200			200
	20 October 2009	20 October 2019	350		(350)	-
	27 November 2009	27 November 2019	1,000		(1,000)	-
	9 August 2010	9 August 2020	1,150			1,150
£12.80	28 July 2004	28 July 2014	2,653			2,653
£0.025	28 July 2004	28 July 2014	1,499			1,499
			<u>15,217</u>	<u>-</u>	<u>(2,100)</u>	<u>13,117</u>

Notes to the financial statements

at 31 December 2011

16. Share capital (continued)

The following options were granted in unapproved share option schemes. Options granted expire ten years from date of grant but cannot be exercised until the company has made an exit.

<i>Option exercise price</i>	<i>Grant date</i>	<i>Expiry date</i>	<i>1 January 2011</i>	<i>Granted during the year</i>	<i>Cancelled and lapsed during the year</i>	<i>31 December 2011</i>
			£	£	£	£
£0.025	6 December 2004	6 December 2014	750	-	-	750
			750	-	-	750

17. Reconciliation of shareholders' funds and statement of movements on reserves

Group

	<i>Share capital</i>	<i>Share premium account</i>	<i>Profit and loss account</i>	<i>Total</i>
	£	£	£	£
At 31 December 2010	5,486	5,829,821	(3,613,179)	2,222,128
Exchange losses arising on foreign subsidiary consolidation	-	-	(185)	(185)
Profit for the year	-	-	868,321	868,321
At 31 December 2011	5,486	5,829,821	(2,745,043)	3,090,264

Company

	<i>Share capital</i>	<i>Share premium account</i>	<i>Profit and loss account</i>	<i>Total</i>
	£	£	£	£
At 31 December 2010	5,486	5,829,821	(3,547,771)	2,287,536
Profit for the year	-	-	842,637	842,637
At 31 December 2011	5,486	5,829,821	(2,705,134)	3,130,173

Notes to the financial statements

at 31 December 2011

18. Other financial commitments

At 31 December 2011, the company had annual commitments under non-cancellable operating leases for Land and buildings as follows

	<i>Group</i>		<i>Company</i>	
	<i>2011</i>	<i>2010</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Operating leases which expire In under 5 years	179,140	179,140	179,140	179,140

19. Related party transactions

During the year the Group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December with other related parties, are as follows

	<i>Sales to related party</i>	<i>Purchases from related party</i>	<i>Amounts owed by related party</i>	<i>Amounts owed to related party</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<i>Related party</i>				
Directors				
2011	3,400	2,530	3,400	2,530
2010	-	-	-	-

Terms and conditions of transactions with related parties

Sales and purchases between the company and its Directors are made at normal market prices and both amounts have been settled in 2012

Notes to the financial statements

at 31 December 2011

20. Reconciliation of operating profit to net cash flow from operating activities

	<i>Group</i>	<i>Group</i>
	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Operating Profit	1,124,895	333,635
Loss on disposal of intangible assets	11,536	1,353
Loss on disposal of tangible assets	15	727
Receipt on sale of tangible fixed assets	(3,400)	-
Depreciation of tangible assets	27,045	21,705
Amortisation of intangible assets	127,229	143,598
Decrease / (Increase) in stock	12,407	(16,180)
(Increase) in trade debtors	(693,295)	(436,514)
Decrease / (Increase) in other receivables	37,537	(4,668)
Increase / (Decrease) in trade creditors	28,185	(43,214)
Increase in other payables	56,680	52,828
(Decrease) / Increase in deferred income	(225,675)	42,944
Increase in accruals	182,752	143,374
Net cash flow from operating activities	<u>685,911</u>	<u>239,588</u>

21. Reconciliation of net cash flow to movement in net funds

	<i>Group</i>	<i>Group</i>
	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Movement in cash in the period	389,237	(136,062)
Exchange differences	(193)	(6,657)
Movement in net funds in the period	<u>389,044</u>	<u>(142,719)</u>
Net funds at 1 January	805,564	948,283
Net funds at 31 December	<u>1,194,608</u>	<u>805,564</u>

Notes to the financial statements

at 31 December 2011

22. Analysis of net funds

	At 1 Jan 2011	Cash flow	At 31 Dec 2011
	£	£	£
Cash at bank	1,246,750	389,044	1,635,794
Debt due in over a year	(441,186)	=	(441,186)
	<u>805,564</u>	<u>389,044</u>	<u>1,194,608</u>

23. Post Balance Sheet Events

A. Capital Reduction

On 26 April 2012, the management of the company filed for a reduction of capital of Imparta Limited, whereby the balance of the share premium account, totalling £5,829,821, was transferred to the profit and loss account. The effect of the reduction of capital has resulted in share capital reduction of £5,829,821 to £5,486 and an increase in the profit and loss reserve by £5,829,821.

B. Share buyback programme

In April 2012, following a review by the board of the company's capital structure and cash generation capabilities, the company commenced a share buyback programme, which may return up to £1,385,550 of cash to shareholders. It is intended that the share buyback will be made in a number of tranches and the Board anticipates that the share buyback will be completed by 30th June 2013. The first tranche of the buyback involving the company purchasing 23,334 shares from shareholders for a total consideration of £700,020 was completed in May 2012.

C. Imparta Inc

The company incorporated Imparta, Inc, a 100% wholly owned subsidiary in the United States of America in February 2012. Imparta, Inc commenced trading in February 2012 and the company is involved in sales and marketing training services.

24. Controlling Party

In the opinion of the Directors the ultimate controlling party is Mr R J Barkey.