Registered No 03370400

Imparta Limited

Report and Consolidated Financial Statements

31 December 2012

Registered No 03370400

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

Auditors
Davison and Shingleton
Boundary House
91-93 Charterhouse Street
London
EC1M 6HR

Bankers
Lloyds TSB Bank Plc
83 Clarence Street
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Adams and Remers LLP
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Registered office
14-16 Peterborough Road
London
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Registered No 03370400

Directors' report

The directors present their report and consolidated financial statements for the year ended 31 December 2012

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 throughout the recession, an achievement that makes us very unusual in the training industry However, 2012 was a difficult year, with two significant clients that had maintained their investment in training throughout the recession finally cutting their spend The combined impact of this was a revenue reduction of over £1m

We were successful in winning a number of new clients, on an increasingly global basis, but the net impact was that revenues fell back by 8 6%, to £8,102,906 (2011 £8,860,534)

Imparta invested significantly in growth during 2012, including

- The start-up of Imparta, Inc , to build on our significant sales successes in the US and to allow us to compete for North American clients who demand a local presence,
- Investment in additional salespeople, in the UK, US and Australia,
- New technology development, including a new cross-platform simulation engine, a new website designed to drive lead generation and to clarify our positioning around Capability Building, the next generation of our i-Coach learning portal, and account planning tools designed to sit within a client's CRM system,
- Extensions to our Capability Building® System - Imparta's modular toolkit for turning training into an effective change process This is a genuine differentiator for Imparta in the marketplace

Not all of these investments broke even in 2012 Combined with the decrease in revenues, profit before tax fell to £101,124 (2011 £1,105,104) We did however manage to remain profitable for the year

During 2012, the company undertook a capital reconstruction then completed the first tranche of a share buyback designed to provide liquidity to early investors in Imparta The company purchased 11,726 Ordinary shares and 11,608 of 'A' Ordinary shares from shareholders for a total consideration of £700,020, being 11% of called up share capital

This caused a reduction in net assets, although the underlying business was cash generative A second tranche of buyback has been completed in 2013

The directors do not recommend the payment of a dividend (2011 £Nil)

Financial review

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

- Turnover fell by 9%, from £8,860,534 to £8,102,906
- Profit before tax fell from £1,105,104 to £101,124
- Following the share buyback, net assets fell from £3,090,264 to £2,600,991

Events since the balance sheet date

During 2013 the second tranche of share buyback has been completed (note 23)

Directors' report (continued)

Future developments

2013 is likely to be a growth year for the group, and we have taken steps to redesign our cost base to reduce breakeven, so profit performance will be an improvement over 2012

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, and
- A sophisticated set of impact measurement tools

2012 saw a continued expansion of Imparta's global footprint, with delivery capabilities around the world, and this globalisation continues in 2013

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 operates in North America and Asia Pacific and so has exposure to currency risks 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

Research and development activities

As noted above, the group invested significantly in research and development during the period, including

- New technology including our simulation engine, a new website, the next generation of our i-Coach learning portal, and account planning tools designed to sit within a client's CRM system,
- Extensions to our Capability Building® System - Imparta's modular toolkit for turning training into an effective change process,
- Systems to improve our internal processes,
- Extensions to our integrated curriculums, and continuous improvement of our existing Intellectual Property e g our core sales programme, Creating Client Value,

Directors' report (continued)

- Foundation research in our core areas of expertise, including the application of Behavioural Economics techniques to customer service interactions

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 group 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	(resigned 13 November 2012)
R J Barham	
A P B Isherwood	
A-M White	

Indemnity Provisions

The directors are indemnified by the group against all losses, which they may incur in the execution of the duties of their office, other than those arising as a result of their gross negligence or wilful default An insurance policy effecting cover against such liability has been purchased by Imparta Ltd, the parent company

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

Auditors

After the year end on February 4, 2013, following a Board review of audit and consulting costs, Ernst & Young LLP resigned as auditors of the Company On June 10, 2013 Davison and Shingleton were appointed to fill the casual vacancy In accordance with s 485 of the Companies Act 2006, a resolution is to be proposed at a General Meeting for the re-appointment of Davison and Shingleton as auditor of the company

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

28 August 2013
Richard Barkey
Director

Statement of directors' responsibilities

The directors are responsible for preparing the 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 group and the company 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 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 2012, which comprise the group profit and loss account, group statement of total recognised gains and losses, the group and parent company balance sheets, 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 auditors' 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 statement of directors' responsibilities set out on page 5, 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 group'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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of affairs of the group and of the company as at 31 December 2012 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

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

BOUNDARY HOUSE, 91-93 CHARTERHOUSE STREET, LONDON EC1M 6HR TELEPHONE 020-7490 4221 FAX 020-7490 4236 EMAIL mail@dands.co.uk

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, 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

Amanda Shingleton

Amanda Shingleton
Senior Statutory Auditor
For and on behalf of Davison and Shingleton
Statutory Auditors
30 August 2013

Boundary House, 91-93 Charterhouse Street, London EC1M 6HR Telephone 020-7490 4221 Fax 020-7490 4236 Email mail@dands.co.uk

Group profit and loss account

for the year ended 31 December 2012

	Notes	*Group 2012* £	*Group 2011* £
Turnover	2	8,102,906	8,860,534
Cost of sales		(1,945,752)	(2,101,173)
Gross profit		6,157,154	6,759,361
Research and development costs		(463,457)	(435,480)
Selling and distribution expenses		(3,535,503)	(3,197,993)
Administrative expenses		(2,001,248)	(1,935,265)
Foreign exchange loss		(44,949)	(71,875)
Operating profit	3	111,997	1,118,748
Interest receivable and similar income	5	11,186	8,942
Interest payable and similar charges	6	(22,059)	(22,586)
Profit on ordinary activities before taxation		101,124	1,105,104
Taxation	7	108,579	(236,783)
Profit for the financial year	16	209,703	868,321

All amounts relate to continuing operations

Group statement of total recognised gains and losses

for the year ended 31 December 2012

The only recognised gains or losses are the profit of £209,703 attributable to the shareholders for the year ended 31 December 2012 (2011 £868,321) and the exchange gain arising on the foreign subsidiary consolidation for the year ended 31 December 2012 of £1,044 (2011 loss £185)

Group and company balance sheets

at 31 December 2012

		Group		Company	
		2012	2011	2012	2011
	Notes	£	£	£	£
Fixed assets					
Intangible assets	8	555,275	489,250	544,522	486,552
Tangible assets	9	116,579	133,894	114,493	133,289
Investments	10	-	-	1	1
		671,854	623,144	659,016	619,842
Current assets					
Stocks	11	11,726	13,992	11,726	13,992
Debtors	12	2,332,342	2,643,545	2,807,036	2,735,984
Cash at bank and in hand		1,216,684	1,635,794	1,157,356	1,551,237
		3,560,752	4,293,331	3,976,118	4,301,213
Creditors: amounts falling due within one year	13	(1,190,429)	(1,385,025)	(1,141,172)	(1,349,696)
Net current assets		2,370,323	2,908,306	2,834,946	2,951,517
Total assets less current liabilities		3,042,177	3,531,450	3,493,962	3,571,359
Creditors. amounts falling due after more than one year					
Loans	14	(441,186)	(441,186)	(441,186)	(441,186)
		2,600,991	3,090,264	3,052,776	3,130,173
Capital and reserves					
Called up share capital	15	4,903	5,486	4,903	5,486
Share premium account	16	-	5,829,821	-	5,829,821
Capital redemption reserve	16	583	-	583	-
Profit and loss account	16	2,595,505	(2,745,043)	3,047,290	(2,705,134)
Shareholders' funds		2,600,991	3,090,264	3,052,776	3,130,173

The financial statements were approved and authorised by the board and signed on its behalf on 28 August 2013 by

Richard Barkey
Director

Group cash flow statement

for the year ended 31 December 2012

	Notes	Group 2012 £	Group 2011 £
Net cash flow from operating activities	20	506,871	679,764
Returns on investment and servicing of finance			
Interest received	5	11,186	8,942
Interest paid	6	(22,059)	(22,586)
		(10,873)	(13,644)
Taxation			
UK corporation tax paid		(1,359)	(1,862)
Overseas corporation tax paid		(990)	-
Overseas withholding tax paid		(17,729)	(24,327)
		(20,078)	(26,189)
Capital expenditure and financial investment			
Payments for purchase of intangible assets	8	(177,184)	(131,610)
Payments for purchase of tangible assets	9	(20,379)	(107,094)
Receipts on sale of tangible fixed assets	20	1,423	3,400
		(196,140)	(235,304)
Acquisitions and disposals			
Payments to acquire trade and assets of a business		-	(15,389)
		-	(15,389)
Financing			
Payments to acquire company's own shares	16	(700,020)	-
		(700,020)	-
(Decrease)/Increase in cash	21	(420,240)	389,238

Notes to the financial statements

at 31 December 2012

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 group financial statements incorporate the financial statements of the company and entities controlled by it (its subsidiary undertakings)

All the subsidiary undertakings have been included in the group financial statements using the acquisition method of accounting Accordingly the group income statement and the group statement of cash flows include the results and cash flows of the subsidiary undertakings

The results of any subsidiaries acquired or disposed of during the year are included in the group income statement from the effective date of acquisition/formation or up to the effective date of disposal, as appropriate

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 the company's 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 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 if required make 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
Office equipment	-	20% straight line per annum
Computer equipment	-	20% and 33% 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

Notes to the financial statements
at 31 December 2012

1. Accounting policies (continued)

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' financial statements 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

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 when licences are made available to the client in accordance with the contract, statement of work or wording on 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 rateably 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

Notes to the financial statements

at 31 December 2012

1. Accounting policies (continued)

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 exception

- 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

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 62% (2011 - 54%) of turnover is attributable to geographical markets outside the United Kingdom

3. Operating profit

This is stated after charging

	Group 2012 £	*Group 2011 £*
Auditors' remuneration - audit services	17,500	25,000
- other services	21,544	1,650
Directors' remuneration (note 4(b))	580,914	555,929
Depreciation of tangible fixed assets (note 9)	37,254	26,073
Amortisation of intangible fixed assets (note 8)	110,134	127,229
Operating lease rentals - land and buildings	182,537	162,284

Notes to the financial statements

at 31 December 2012

4. Directors and Employees

(a) Staff costs including directors' remuneration

	2012	*2011*
	£	*£*
Wages and salaries	4,255,181	4,034,421
Social security costs	500,205	431,455
Other pension costs	22,791	13,304
	4,778,177	4,479,180

Wages and salaries costs include £129,020 (2011 £105,698) 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

	2012	*2011*
	No	*No*
Research and development	14	10
Selling and distribution	44	39
Administrative	18	17
	76	66

(b) Directors' remuneration

	2012	*2011*
	£	*£*
Remuneration	546,914	539,929
Consideration paid to third parties in respect of directors' services	34,000	16,000
	580,914	555,929

One of the directors is accruing benefits under defined contribution money purchase pension schemes (2011 one)

Two of the directors held share options during the current year (2011 two), though none of the directors exercised these options

Notes to the financial statements
at 31 December 2012

4. Directors and Employees (continued)

(c) Highest paid director's remuneration

	2012	*2011*
	£	*£*
Remuneration	238,118	289,574
	238,118	289,574

5. Interest Receivable

	2012	*2011*
	£	*£*
Bank interest received	11,186	8,942
	11,186	8,942

6. Interest Payable

	2012	*2011*
	£	*£*
Loan note interest paid	22,059	22,059
Bank interest paid	-	527
	22,059	22,586

Notes to the financial statements

at 31 December 2012

7. Taxation

(a) Tax on profit on ordinary activities

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

	Group 2012 £	*Group 2011 £*
Current tax		
UK corporation tax on profits of the period	6,441	2,350
Adjustments in respect of previous periods	-	1
Foreign tax suffered	18,719	24,327
Current tax charge (note 7(b))	25,160	26,678
Deferred tax		
Origination and reversal of timing differences (note 7 (d))	(133,739)	210,105
Total tax (credit) / charge per the profit and loss	(108,579)	236,783

(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% (2011 21%) The differences are reconciled below

	Group 2012 £	*Group 2011 £*
Profit on ordinary activities before tax	101,124	1,105,104
Profit on ordinary activities before tax multiplied by average standard rate of corporation tax in the UK of 20% (2011 20 24%)	20,225	223,673
Effects of		
Expenses not deductible for tax purposes	8,794	6,174
Depreciation in excess of capital allowances	6,342	(6,201)
Foreign tax expensed under s112 TIOPA 2012	(1,976)	(4,924)
Foreign taxes on overseas income	9,904	24,327
Withholding tax suffered	7,851	-
Rate differences on foreign taxes	(321)	-
(Utilisation)/carry forward of tax losses	(79,092)	(226,245)
Other timing differences	53,433	9,873
Prior year adjustment	-	1
Current tax charge for the year (note 7(a))	25,160	26,678

Notes to the financial statements

at 31 December 2012

7. Taxation (continued)

(c) Factors that may affect future tax charges

The group has estimated trading losses in the UK of £1,078,588 (2011 £1,560,321) 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 its subsidiary undertakings in Australia of £128,322 (2011 £35,619) and in the United States of America of £326,078 (2011 Nil) carried forward A deferred tax asset has not been recognised in respect of these losses

(d) Deferred tax

The movement in the deferred tax asset is as follows

	Group	
	2012 £	2011 £
At 1 January	37,897	248,002
Credited/ (charged) to the profit and loss account during the year	133,739	(210,105)
At 31 December	171,636	37,897

The deferred tax included in the balance sheet is as follows

	Group	
	2012 *£*	*2011* *£*
Decelerated capital allowances	11,636	9,589
Tax losses	160,000	16,525
Other timing differences	-	11,783
Deferred tax asset (note 12)	171,636	37,897

Notes to the financial statements

at 31 December 2012

8. Intangible fixed assets

Group

	Goodwill costs	Platform development	Patents and trademarks	Formation costs	Total
	£	£	£	£	£
Cost					
At 1 January 2012	288,415	507,304	13,995	5,396	815,110
Exchange Adjustments	-	-	(81)	(141)	(222)
Additions	-	174,576	-	2,608	177,184
Write off	-	(33,930)	-	-	(33,930)
At 31 December 2012	288,415	647,950	13,914	7,863	958,142
Amortisation					
At 1 January 2012	28,841	288,812	2,812	5,396	325,861
Exchange Adjustments	-	-	(11)	(141)	(152)
Provided during the year	14,421	93,843	1,392	478	110,134
Write off	-	(32,976)	-	-	(32,976)
At 31 December 2012	43,262	349,679	4,193	5,733	402,867
Net book value					
At 31 December 2012	245,153	298,271	9,721	2,130	555,275
At 31 December 2011	259,574	218,492	11,184	-	489,250

Company

	Goodwill costs	Platform development	Patents and trademarks	Formation costs	Total
	£	£	£	£	£
Cost					
At 1 January 2012	288,415	507,304	10,882	-	806,601
Additions	-	166,781	-	-	166,781
Write off	-	(33,930)	-	-	(33,930)
At 31 December 2012	288,415	640,155	10,882	-	939,452
Amortisation					
At 1 January 2012	28,841	288,812	2,396	-	320,049
Provided during the year	14,421	92,348	1,088	-	107,857
Write off	-	(32,976)	-	-	(32,976)
At 31 December 2012	43,262	348,184	3,484	-	394,930
Net book value					
At 31 December 2012	245,153	291,971	7,398	-	544,522
At 31 December 2011	259,574	218,492	8,486	-	486,552

Notes to the financial statements

at 31 December 2012

9. Tangible fixed assets

Group

	Fixtures and fittings	*Office equipment*	*Computer equipment*	*Total*
	£	£	£	£
Cost				
At 1 January 2012	365,012	53,152	180,197	598,361
Exchange Adjustments	(6)	-	(26)	(32)
Additions	1,085	-	19,294	20,379
Disposals	-	-	(1,843)	(1,843)
At 31 December 2012	366,091	53,152	197,622	616,865
Depreciation				
At 1 January 2012	309,928	15,201	139,338	464,467
Exchange Adjustments	-	-	(16)	(16)
Provided during the year	6,249	8,854	22,151	37,254
Disposals	-	-	(1,419)	(1,419)
At 31 December 2012	316,177	24,055	160,054	500,286
Net book value				
At 31 December 2012	49,914	29,097	37,568	116,579
At 31 December 2011	55,084	37,951	40,859	133,894

Company

	Fixtures and fittings	*Office equipment*	*Computer equipment*	*Total*
	£	£	£	£
Cost				
At 1 January 2012	364,760	53,152	179,217	597,129
Additions	1,085	-	16,842	17,927
Disposals	-	-	(1,843)	(1,843)
At 31 December 2012	365,845	53,152	194,216	613,213
Depreciation				
At 1 January 2012	309,926	15,201	138,713	463,840
Provided during the year	6,224	8,854	21,221	36,299
Disposals	-	-	(1,419)	(1,419)
At 31 December 2012	316,150	24,055	158,515	498,720
Net book value				
At 31 December 2012	49,695	29,097	35,701	114,493
At 31 December 2011	54,834	37,951	40,504	133,289

Notes to the financial statements
at 31 December 2012

10. Fixed assets investments

	Group £	Company £
As at 1 January & 31 December 2012	-	1

Subsidiary undertakings	Class of holding	Percentage held	Status
Imparta Pty Ltd	Ordinary	100%	Trading
Imparta, Inc	Ordinary	100%	Trading

The above trading companies are involved in sales and marketing training services

Imparta Pty Ltd is incorporated in Australia

Imparta, Inc was incorporated during the year in the United States of America

11. Stocks

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Course materials	11,726	13,992	11,726	13,992

12. Debtors

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	1,961,639	2,432,611	1,879,390	2,239,784
Other debtors	34,208	29,636	33,840	29,636
Prepayments and accrued income	164,859	143,401	158,648	139,435
Deferred tax (note 7 (d))	171,636	37,897	171,636	37,897
Amounts owed by subsidiary undertakings	-	-	563,522	289,232
	2,332,342	2,643,545	2,807,036	2,735,984

The amounts owed by subsidiary undertakings are unsecured, have no fixed repayment date and bear interest at 8% per annum

Notes to the financial statements
at 31 December 2012

13. Creditors: amounts falling due within one year

	Group		Company	
	2012	*2011*	*2012*	*2011*
	£	*£*	*£*	*£*
Trade creditors	226,336	171,533	218,985	162,811
Corporation Tax	7,431	2,350	6,441	2,350
Other tax and social security cost	199,521	286,999	184,631	265,941
Other creditors	1,300	36,431	1,300	36,121
Deferred income	410,600	438,082	410,600	438,082
Accruals	345,241	449,630	319,215	444,391
	1,190,429	1,385,025	1,141,172	1,349,696

14. Loans

	Group		Company	
	2012	*2011*	*2012*	*2011*
	£	*£*	*£*	*£*
Wholly repayable within two - five years				
5% convertible loan notes, wholly repayable from 30 April 2010 (see below)	441,186	441,186	441,186	441,186

	Group		Company	
	2012	*2011*	*2012*	*2011*
	£	*£*	*£*	*£*
Amounts repayable				
Within five years (note 22)	441,186	441,186	441,186	441,186

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 2012

15. Share capital

Allotted, called up and fully paıd	*2012*	*2011*	*2012*	*2011*
	No	*No*	*£*	*£*
Ordınary shares of 2 5 pence each	143,619	155,345	3,591	3,884
Ordınary 'A' shares of 2 5 pence each	33,392	45,000	835	1,125
Serıes 'A-1' convertıble preference shares of 2 5 pence each	19,077	19,077	477	477
	196,088	219,422	4,903	5,486

Durıng the year the company completed the first tranche of a share buyback comprısıng 11,726 ordınary Shares and 11,608 ordınary 'A' shares for total consıderatıon of £700,020 (note 16)

Series A-1 shares

The serıes A-1 convertıble preference shares of 2 5 pence each shall convert ınto ordınary shares of 2 5 pence on a one to one basıs ımmedıately prıor to and condıtıonal upon the occurrence of an Exıt by the company, as contemplated ın the Artıcles of Assocıatıon

Warrants

The company currently has a total of 7,500 warrants ın exıstence, made up as follows

- Revenue warrants - Up to 7,500 revenue warrants had been earned by GE Capıtal Equıty Holdıngs, Inc at the balance sheet date These warrants have not yet been ıssued and have a strıke prıce of £66 67 and a cashless exercıse optıon on Exıt

Share options

The company operates a share optıon scheme under whıch optıons to subscrıbe for the company's shares have been granted to certaın employees Optıons granted expıre ten years from date of grant but cannot be exercısed untıl the company has made an Exıt

Optıons exercıse prıce	*Grant date*	*Expıry date*	*1 January 2012 £*	*Granted durıng the year £*	*Cancelled and lapsed durıng the year £*	*31 December 2012 £*
£30 00	30 June 2005	30 June 2015	300	-	-	300
	28 July 2004	28 July 2014	665	-	-	665
	23 June 2004	23 June 2014	1,500	-	-	1,500
	30 Aprıl 2006	30 Aprıl 2016	50	-	-	50
	29 September 2007	29 September 2017	3,650	-	-	3,650
	27 August 2008	27 August 2018	1,450	-	-	1,450
	30 March 2009	30 March 2019	200	-	-	200
	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
			13,117	-	-	13,117

Notes to the financial statements

at 31 December 2012

15. 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

Option exercise price	*Grant date*	*Expiry date*	*1 January 2012* £	*Granted during the year* £	*Cancelled and lapsed during the year* £	*31 December 2012* £
£0 025	6 December 2004	6 December 2014	750	-	-	750
			750	-	-	750

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

Group

	Share capital £	*Share premium account* £	*Capital redemption reserve* £	*Profit and loss account* £	*Total* £
At 31 December 2011	5,486	5,829,821	-	(2,745,043)	3,090,264
Capital reduction	-	(5,829,821)	-	5,829,821	-
Share buyback	(583)	-	583	(700,020)	(700,020)
Exchange losses arising on foreign subsidiary consolidation	-	-	-	1,044	1,044
Profit for the year	-	-	-	209,703	209,703
At 31 December 2012	4,903	-	583	2,595,505	2,600,991

Company

	Share capital £	*Share premium account* £	*Capital redemption reserve* £	*Profit and loss account* £	*Total* £
At 31 December 2011	5,486	5,829,821	-	(2,705,134)	3,130,173
Capital reduction	-	(5,829,821)	-	5,829,821	-
Share buyback	(583)	-	583	(700,020)	(700,020)
Profit for the year	-	-	-	622,623	622,623
At 31 December 2012	4,903	-	583	3,047,290	3,052,776

Notes to the financial statements

at 31 December 2012

17. Pensions

The company contributes to the defined contribution money purchase personal pension schemes of certain employees

The pension charge for the year represents contributions payable by the company to the schemes and amounted to £22,791, (2011 £13,304) The unpaid pension contributions outstanding at the year end included in other creditors (note 7) were £Nil (2011 £Nil)

18. Other financial commitments

At 31 December 2012, the company had annual commitments under non-cancellable operating leases for land and buildings as follows

	Group		*Company*	
	2012	*2011*	*2012*	*2011*
	£	*£*	*£*	*£*
Operating leases which expire				
In under 5 years	230,740	179,140	230,740	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

Related party	*Sales to related party £*	*Purchases from related party £*	*Amounts owed by related party £*	*Amounts owed to related party £*
Directors				
2012	-	96,776	-	-
2011	3,400	112,405	3,400	2,530

Terms and conditions of transactions with related parties

Sales and purchases between the company and its Directors are made at normal market prices

Transactions with subsidiary undertakings

Advantage has been taken of the exemptions available under Financial Reporting Standard 8 regarding transactions with the entities that are part of the group on the grounds that the consolidated financial statements of the group are publically available

Notes to the financial statements

at 31 December 2012

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

	Group *2012* £	*Group* *2011* £
Operating Profit	111,997	1,118,748
Loss on disposal of intangible assets	955	11,536
Loss on disposal of tangible assets	424	15
Gain on sale of tangible fixed assets	(1,423)	(3,400)
Depreciation of tangible assets	37,254	27,045
Amortisation of intangible assets	110,134	127,229
Decrease in stock	2,266	12,407
Decrease / (Increase) in trade debtors	470,972	(693,295)
(Increase) / Decrease in other receivables	(26,030)	37,537
Increase in trade creditors	54,804	28,185
(Decrease) / Increase in other payables	(122,609)	56,680
(Decrease) in deferred income	(27,482)	(225,675)
(Decrease) / Increase in accruals	(104,391)	182,752
Net cash flow from operating activities	506,871	679,764

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

	Group *2012* £	*Group* *2011* £
Movement in cash in the period	(420,240)	389,238
Exchange differences	1,130	(194)
Movement in net funds in the period	(419,110)	389,044
Net funds at 1 January	1,194,608	805,564
Net funds at 31 December	775,498	1,194,608

Notes to the financial statements
at 31 December 2012

22. Analysis of net funds

	At 1 Jan 2012	*Cash flow*	*At 31 Dec 2012*
	£	*£*	*£*
Cash at bank	1,635,794	(419,110)	1,216,684
Debt due in over a year (note 14)	(441,186)	-	(441,186)
	1,194,608	(419,110)	775,498

The company's bankers have a fixed and floating charge over all the company's property and assets

23. Events since the Balance Sheet date

Share buyback programme

In May 2013, the company completed the second and final tranche of the share buyback involving the company purchasing 22,851 shares from shareholders for a total consideration of £685,530

24. Controlling Party

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