Registered No: 03370400

Imparta Limited

Report and Consolidated Financial Statements

31 December 2015

Registered No: 03370400

Directors
R J B Barkey
D Stephen
P J Williamson
A P B Isherwood
J Garcia
M Abell

Auditors
Haines Watts
Chartered Accountants and Statutory Auditors
New Derwent House
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Registered office
14-16 Peterborough Road
London
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Registered No: 03370400

Directors' report

The directors present their directors' report for the year ended 31 December 2015.

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, as well as the enabling discipline of leadership

Dividends

The directors recommend the payment of a dividend of £200,408 (2014: £Nil).

Acquisition of own shares

During 2015, the company completed the buyback of 19,077 Series 'A-1' convertible preference shares from shareholders for a total consideration of £381,540, being 11% of called up share capital.

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	(resigned 27 April 2015)
A P B Isherwood	
A-M White	(resigned 14 May 2015)
J Garcia	

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 Limited, 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.

Directors' report (continued)

Statement of directors' responsibility

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.

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

29 August 2016
Richard Barkey
Director

Strategic report

The directors present their strategic report for the year ended 31 December 2015.

Performance and financial review

2015 was a year of growth in both revenues and profits for Imparta.

Our lead generation activities generated a significantly stronger flow of opportunities than in previous years, and our competitive win rate continued to be extremely high (88% in our core market of sales training). This had an impact on 2015 revenues, but also meant that we entered 2016 with a pipeline some £2m higher than at the same time a year ago.

We also saw continued growth in our wholly owned US subsidiary, Imparta, Inc., where turnover increased by 42% from £1,294,585 to £1,836,036.

At the same time the group's gross margin increased from 77.3% in 2014 to 80.4% in 2015, driven by an increase in the proportion of IP-based and licence sales, following the change in strategic direction implemented during the year.

These factors, along with a steady fixed cost base, drove a 253% increase in profit before tax.

- Turnover increased by 4.5%, from £7,336,965 to £7,664,608
- Profit before tax increased from £187,049 to £659,720
- Total assets less current liabilities grew by £396k, from £2,317,186 to £2,713,148

Future developments

In 2015 Imparta invested heavily in developing a technology based, virtual Sales Academy which will complement our face-to-face training and open up new revenue streams. We believe this to be first to market, and it will be a differentiator to support our growth targets over the coming years. It forms an important part of our strategy to increase IP-based revenues (and hence margin).

The group also is continuing to invest in resources and capability in marketing, lead generation and sales. We expect significant growth in both revenues and profits as a result of the high win rate of projects in the second half of 2015, ongoing strong lead flow and sales of these new products. 2016 is on track to deliver the strongest financial performance in Imparta's history.

Strategy and operations

Imparta's positioning remains as a company that goes beyond training to deliver and measure real performance improvements in sales, marketing and customer service. Our content in these areas is world-class and extensive, as is our approach to making training stick through our Capability Building® System. Our approach to Engagement Management and Client Impact also ensures that clients gain measurable and sustainable benefits from their work with Imparta.

In addition to global rollouts of workshop-based training initiatives, we have an explicit strategy of creating more IP-based content that can be used by clients to deliver results at a lower cost, while also increasing our own margins. This takes three main forms:

- A modular content library containing our world-class content, that can be licenced to clients as individual programmes, or as an entire library of instructor-led training and competencies;
- Other technology-based platforms, including plugins that allow clients to embed our methodology into their CRM systems (these are being launched in early 2016);

Strategic report (continued)

- Imparta's Virtual Sales Academy (VSA). The VSA is a unique offering that integrates traditional e-learning with mini-simulations and on-the-job activities to provide highly-effective learning around sales skills. It also automates many of the functions of a full Academy, from development planning to manager-led role-plays and competency assessments. The launch customer was a major US technology company and we expect to see significant revenues from this product in 2016 and beyond.

Principal Risks and Uncertainties

The principal risks to the business are:

- Currency risk. Imparta trades with a number of overseas clients and operates in North America, Europe 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;

- Brexit. We have not yet seen any significant negative impact from the referendum - indeed the exchange rate change has helped us, as a net exporter. We have also taken steps to limit the impact, including writing to all clients, faculty and partners restating our commitment to our global perspective and operations. Nevertheless, there is a risk of a negative impact on the economy in the short- to medium-term, and on the willingness of new European clients to select a British company. We are exploring possible ways to mitigate these risks in advance;

- Economic slowdown. There is a risk of a further global economic slowdown and this could impact Imparta's performance if it were to materialise, although our deep, consultative relationships with core clients protected both revenues and profits during the last recession;

- Reliance on key customers. This is no longer seen as a major risk for Imparta. In the past, major clients have represented a high proportion of revenue. However, our client concentration has fallen significantly as we have won new logo clients. Our biggest customer represented only 8% of revenue in 2015 (2014: 16%), compared to 20% in 2011 and the top 5 customers represented 31% in 2015 (2014: 42%) compared to 66% in 2011.

Research and development activities

The group continued to invest significantly in research and development during the period, including:

- The continued extension of the capabilities of our i-Coach® learning portal

- The creation of a dramatically more effective approach to e-learning, based around i-Coach®, called the Virtual Sales Academy. This involved the creation of entirely new e-learning content and approaches, including what we believe are the world's first non-linear negotiation simulators.

- The continued development of our modular course library.

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

29 August 2016
Richard Barkey
Director

Independent auditors' report

to the members of Imparta Limited

We have audited the financial statements of Imparta Limited for the year ended 31 December 2015, 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. In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015 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 Strategic Report and 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, 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.

Haines Watts

Gary Staunton (Senior Statutory Auditor)
For and on behalf of Haines Watts
Chartered Accountants and Statutory Auditors
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA
31 August 2016

Group profit and loss account

for the year ended 31 December 2015

The directors present the consolidated financial statements for the year ended 31 December 2015.

	Notes	Group 2015 £	Group 2014 £
Turnover	2	7,664,608	7,336,965
Cost of sales		(1,500,001)	(1,667,398)
Gross profit		6,164,607	5,669,567
Research and development costs		(395,111)	(403,885)
Selling and distribution expenses		(3,208,000)	(3,216,342)
Administrative expenses		(1,884,166)	(1,867,532)
Foreign exchange loss		10,418	21,532
Operating profit	3	687,748	203,340
Interest receivable and similar income	5	3,403	5,537
Interest payable and similar charges	6	(31,431)	(21,828)
Profit on ordinary activities before taxation		659,720	187,049
Taxation	7	(51,779)	(29,960)
Profit for the financial year	17	607,941	157,089

All amounts relate to continuing operations.

Group statement of total recognised gains and losses

for the year ended 31 December 2015

The only recognised gains or losses are the profit of £607,941 attributable to the shareholders for the year ended 31 December 2015 (2014: £157,089) and the exchange loss arising on the foreign subsidiary consolidation for the year ended 31 December 2015 of £17,294 (2014: £30,995).

Group and company balance sheets

at 31 December 2015

		Group		Company	
		2015	2014	2015	2014
	Notes	£	£	£	£
Fixed assets					
Intangible assets	9	907,518	732,472	904,281	726,973
Tangible assets	10	51,013	67,662	49,779	66,503
Investments	11	-	-	1	1
		958,531	800,134	954,061	793,477
Current assets					
Stocks	12	12,637	6,391	12,637	6,391
Debtors	13	2,226,812	2,107,414	2,934,611	2,873,369
Cash at bank and in hand		1,123,026	803,400	994,802	694,078
		3,362,475	2,917,205	3,942,050	3,573,838
Creditors: amounts falling due within one year	14	(1,607,858)	(1,400,153)	(1,520,843)	(1,282,910)
Net current assets		1,754,617	1,517,052	2,421,207	2,290,928
Total assets less current liabilities		2,713,148	2,317,186	3,375,268	3,084,405
Creditors: amounts falling due after more than one year					
Loans	15	(819,141)	(431,878)	(819,141)	(431,878)
		1,894,007	1,885,308	2,556,127	2,652,527
Capital and reserves					
Called up share capital	16	3,854	4,331	3,854	4,331
Capital redemption reserve	17	1,632	1,155	1,632	1,155
Profit and loss account	17	1,888,521	1,879,822	2,550,641	2,647,041
Shareholders' funds		1,894,007	1,885,308	2,556,127	2,652,527

The financial statements were approved and authorised by the board and signed on its behalf on 29 August 2016 by

Richard Barkey
Director

Group cash flow statement

for the year ended 31 December 2015

	Notes	Group 2015 £	Group 2014 £
Net cash flow from operating activities	21	950,072	117,916
Returns on investment and servicing of finance			
Interest received	5	3,403	5,537
Interest paid	6	(31,431)	(21,828)
		(28,028)	(16,291)
Taxation			
UK corporation tax paid		(868)	(6,257)
Overseas corporation tax paid		(1,240)	1,022
Overseas withholding tax paid		(3,654)	(3,307)
		(5,762)	(8,542)
Capital expenditure and financial investment			
Payments for purchase of intangible assets	9	(372,176)	(250,852)
Payments for purchase of tangible assets	10	(13,160)	(34,758)
Receipts on sale of tangible fixed assets	21	700	-
		(384,636)	(285,610)
Financing			
Payments to acquire company's own loans	15	-	(9,308)
Director loan	15	387,263	-
Payments to acquire company's own shares	17	(381,540)	-
Dividends – paid 2016	8	(200,408)	-
		(194,685)	(9,308)
(Decrease)/Increase in cash	22	336,961	(201,834)

Notes to the financial statements

at 31 December 2015

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 10 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

1. 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 2015

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. The company makes additional contributions towards this scheme in accordance to the UK auto enrolment pension requirements.

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 2015

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. 59% (2014 - 57%) of turnover is attributable to geographical markets outside the United Kingdom.

3. Operating profit

This is stated after charging:

	Group *2015* £	*Group* *2014* £
Auditors' remuneration - audit services	15,750	15,750
- other services	3,150	3,150
Directors' remuneration (note 4(b))	545,161	491,796
Depreciation of tangible fixed assets (note 9)	29,105	34,080
Amortisation of intangible fixed assets (note 8)	179,814	136,360
Operating lease rentals - land and buildings	142,354	124,303

Notes to the financial statements

at 31 December 2015

4. Directors and Employees

(a) Staff costs including directors' remuneration

	2015	*2014*
	£	*£*
Wages and salaries	3,871,868	4,138,505
Social security costs	431,224	448,516
Other pension costs	20,234	21,081
	4,323,326	4,608,102

Wages and salaries costs include £292,133 (2014: £204,544) 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:

	2015	*2014*
	No.	*No.*
Research and development	13	14
Selling and distribution	35	34
Administrative	19	20
	67	68

(b) Directors' remuneration

	2015	*2014*
	£	*£*
Remuneration	518,161	457,796
Consideration paid to third parties in respect of directors' services	27,000	34,000
	545,161	491,796

Three directors accrued benefits under defined contribution money purchase pension schemes (2014: three).

Two of the directors held share options during the current year (2014: two), though none of the directors exercised these options.

Notes to the financial statements
at 31 December 2015

4. Directors and Employees (continued)

(c) Highest paid director's remuneration

	2015	*2014*
	£	*£*
Remuneration	299,439	222,694
	299,439	222,694

5. Interest Receivable

	2015	*2014*
	£	*£*
Bank interest received	3,403	5,537
	3,403	5,537

6. Interest Payable

	2015	*2014*
	£	*£*
Loan note interest paid	21,554	21,747
Other	9,877	81
	31,431	21,828

Notes to the financial statements
at 31 December 2015

7. Taxation

(a) Tax on profit on ordinary activities

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

	Group 2015	*Group 2014*
	£	*£*
Current tax:		
UK corporation tax on profits of the period	-	876
Foreign tax suffered	4,886	2,284
Current tax charge (note 7(b))	4,886	3,160
Deferred tax:		
Origination and reversal of timing differences (note 7 (d))	46,893	26,800
Total tax (credit) / charge per the profit and loss	51,779	29,960

(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% (2014: 20%). The differences are reconciled below:

	Group 2015	*Group 2014*
	£	*£*
(Loss) / profit on ordinary activities before tax	659,720	187,049
Profit on ordinary activities before tax multiplied by average standard rate of corporation tax in the UK of 20% (2014: 20%)	131,944	37,410
Effects of:		
Expenses not deductible for tax purposes	8,386	4,496
Depreciation in excess of capital allowances	2,196	3,090
Foreign taxes on overseas income	1,514	872
Withholding tax suffered	3,372	1,412
(Utilisation)/carry forward of tax losses	(142,526)	(44,120)
Current tax charge for the year (note 7(a))	4,886	3,160

Notes to the financial statements

at 31 December 2015

7. Taxation (continued)

(c) Factors that may affect future tax charges:

The group has estimated trading losses in the UK of £588,721 (2014: £1,076,098) 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 £254,023 (2014: £224,340) and in the United States of America of £400,622 (2014: £536,886) 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	
	2015	2014
	£	£
At 1 January	154,222	181,022
Credited/(charged) to the profit and loss account during the year	(46,893)	(26,800)
At 31 December	107,329	154,222

The deferred tax included in the balance sheet is as follows:

	Group	
	2015	*2014*
	£	*£*
Decelerated capital allowances	8,053	8,741
Tax losses	99,276	145,481
Deferred tax asset (note 12)	107,329	154,222

8. Dividends

	2015	*2014*
	£	*£*
Final dividend	200,408	-

Notes to the financial statements

at 31 December 2015

9. Intangible fixed assets

Group

	Goodwill costs	*Platform development*	*Patents and trademarks*	*Formation costs*	*Total*
	£	£	£	£	£
Cost:					
At 31 December 2014	288,415	976,430	13,366	7,023	1,285,234
Exchange Adjustments	-	35	(143)	(94)	(202)
Additions	-	356,948	15,228	-	372,176
Write off	-	(119,391)	-	-	(119,391)
At 31 December 2015	288,415	1,214,022	28,451	6,929	1,537,817
Amortisation:					
At 31 December 2014	72,104	468,032	6,736	5,890	552,762
Exchange Adjustments	-	17	(61)	(159)	(203)
Provided during the year	14,421	162,416	2,402	575	179,814
Write off	-	(102,074)	-	-	(102,074)
At 31 December 2015	86,525	528,391	9,077	6,306	630,299
Net book value:					
At 31 December 2015	201,890	685,631	19,374	623	907,518
At 30 December 2014	216,311	508,398	6,630	1,133	732,472

Company

	Goodwill costs	*Platform development*	*Patents and trademarks*	*Formation costs*	*Total*
	£	£	£	£	£
Cost:					
At 31 December 2014	288,415	969,197	10,882	-	1,268,494
Additions	-	356,948	15,229	-	372,177
Write off	-	(119,391)	-	-	(119,391)
At 31 December 2015	288,415	1,206,754	26,111	-	1,521,280
Amortisation:					
At 31 December 2014	72,104	463,757	5,660	-	541,521
Provided during the year	14,421	160,963	2,168	-	177,552
Write off	-	(102,074)	-	-	(102,074)
At 31 December 2015	86,525	522,646	7,828	-	616,999
Net book value:					
At 31 December 2015	201,890	684,108	18,283	-	904,281
At 30 December 2014	216,311	505,440	5,222	-	726,973

Notes to the financial statements

at 31 December 2015

10. Tangible fixed assets

Group

	Fixtures and fittings £	*Office equipment* £	*Computer equipment* £	*Total* £
Cost:				
At 31 December 2014	327,052	72,165	228,855	628,072
Exchange Adjustments	(12)	-	70	58
Additions	-	-	13,160	13,160
Disposals	-	(3,717)	(52,416)	(56,133)
At 31 December 2015	327,040	68,448	189,669	585,157
Depreciation:				
At 31 December 2014	313,998	44,231	202,181	560,410
Exchange Adjustments	(4)	-	21	17
Provided during the year	2,276	11,708	15,121	29,105
Disposals	-	(3,718)	(51,670)	(55,387)
At 31 December 2015	316,270	52,221	165,653	534,144
Net book value:				
At 31 December 2015	10,770	16,227	24,016	51,013
At 30 December 2014	13,054	27,934	26,674	67,662

Company

	Fixtures and fittings £	*Office equipment* £	*Computer equipment* £	*Total* £
Cost:				
At 31 December 2014	326,851	72,165	224,677	623,693
Additions	-	-	12,247	12,247
Disposals	-	(3,717)	(52,416)	(56,133)
At 31 December 2015	326,851	68,448	184,508	579,807
Depreciation:				
At 31 December 2014	313,935	44,231	199,024	557,190
Provided during the year	2,257	11,708	14,261	28,226
Disposals	-	(3,717)	(51,671)	(55,388)
At 31 December 2015	316,192	52,222	161,614	530,028
Net book value:				
At 31 December 2015	10,659	16,226	22,894	49,779
At 30 December 2014	12,916	27,934	25,653	66,503

Notes to the financial statements

at 31 December 2015

11. Fixed assets investments

	Group	Company
	£	£
As at 30 December 2014 & 31 December 2015	-	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. is incorporated in the United States of America.

12. Stocks

	Group		Company	
	2015	*2014*	*2015*	*2014*
	£	£	£	£
Course materials	12,637	6,391	12,637	6,391

13. Debtors

	Group		Company	
	2015	*2014*	*2015*	*2014*
	£	£	£	£
Trade debtors	1,108,734	1,758,334	901,230	1,505,671
Other debtors	32,334	33,526	31,849	33,143
Prepayments and accrued income	978,415	161,332	496,139	132,516
Deferred tax (note 7 (d))	107,329	154,222	107,329	154,222
Amounts owed by subsidiary undertakings	-	-	1,398,064	1,047,817
	2,226,812	2,107,414	2,934,611	2,873,369

Notes to the financial statements

at 31 December 2015

14. Creditors: amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	183,002	296,059	172,934	260,570
Corporation Tax	-	876	-	876
Other tax and social security cost	185,147	289,887	182,892	287,859
Other creditors	204,368	-	204,368	-
Deferred income	553,994	514,720	536,331	452,734
Accruals	481,347	298,611	424,318	280,871
	1,607,858	1,400,153	1,520,843	1,282,910

15. Loans

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Wholly repayable within two - five years:				
5% convertible loan notes, wholly repayable from 30 April 2010 (see below)	431,878	431,878	431,878	431,878
5% Director loan, wholly repayable 22 June 2017 (see below)	387,263	-	387,263	-
	819,141	431,878	819,141	431,878

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.

On 22 June 2015 the company entered into a 5% unsecured loan agreement with a Non-Executive Director (the lender) raising £387,263. The purpose of the loan was to raise funds for the share buyback of 19,077 Series 'A-1' convertible preference shares of 2.5 pence each. The lender has the right to convert all or part of the principle amount outstanding for the time being of the loan up to a maximum of £100,000 into fully paid Ordinary shares in the capital of the company at a price of £20 per share at any time on or after 22 June 2015 up to and including the final repayment date. The company has the right to repay part or all of the loan at any time up to the final repayment date of 22 June 2017.

Notes to the financial statements

at 31 December 2015

16. Share capital

Allotted, called up and fully paid	*2015* *No.*	*2014* *No.*	*2015* *£*	*2014* *£*
Ordinary shares of 2.5 pence each	132,846	132,846	3,321	3,321
Ordinary 'A' shares of 2.5 pence each	21,314	21,314	533	533
Series 'A-1' convertible preference shares of 2.5 pence each	-	19,077	-	477
	154,160	173,237	3,854	4,331

During the year the company completed the share buyback of 19,077 Series 'A-1' convertible preference shares for a total consideration of £381,540.

Share options

The company operates a share option 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*	*31 December 2014 No.*	*Granted during the year No.*	*Cancelled and lapsed during the year No.*	*31 December 2015 No.*
£0.025	27 February 2013	27 February 2023	8,318	-	-	8,318
£12.80	27 February 2013	27 February 2023	2,653	-	-	2,653
£30.00	27 February 2013	27 February 2023	5,765	-	(1,250)	4,515
£15.00	30 September 2015	30 September 2025	-	7,213	-	7,213
			16,736	7,213	(1,250)	22,699

Notes to the financial statements

at 31 December 2015

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.

Option exercise price	*Grant date*	*Expiry date*	*31 December 2014 No.*	*Granted during the year No.*	*Cancelled and lapsed during the year No.*	*31 December 2015 No.*
£30.00	27 August 2013	27 August 2023	1,500	-	-	1,500
			1,500	-	-	1,500

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

Group

	Share capital	*Capital redemption reserve*	*Profit and loss account*	*Total*
	£	*£*	*£*	*£*
At 31 December 2014	4,331	1,155	1,879,822	1,885,308
Share buyback	(477)	477	(381,540)	(381,540)
Exchange losses arising on foreign subsidiary consolidation	-	-	(17,294)	(17,294)
Profit for the year	-	-	607,941	607,941
Dividends payable	-	-	(200,408)	(200,408)
At 31 December 2015	3,854	1,632	1,888,521	1,894,007

Company

	Share capital	*Capital redemption reserve*	*Profit and loss account*	*Total*
	£	*£*	*£*	*£*
At 31 December 2014	4,331	1,155	2,647,041	2,652,527
Share buyback	(477)	477	(381,540)	(381,540)
Profit for the year		-	485,548	485,548
Dividends payable	-	-	(200,408)	(200,408)
At 31 December 2015	3,854	1,632	2,550,641	2,556,127

Notes to the financial statements

at 31 December 2015

18. 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 £20,234 (2014: £21,081). The unpaid pension contributions outstanding at the year end included in accruals (note 13) were £2 (2014: £17).

19. Other financial commitments

At 31 December 2015, the company had annual commitments under non-cancellable operating leases for land and buildings as follows:

	Group		*Company*	
	2015	*2014*	*2015*	*2014*
	£	*£*	*£*	*£*
Operating leases which expire:				
In under 5 years	150,000	125,000	150,000	125,000

20 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				
2015	-	39,079	-	387,263
2014	-	33,041	-	1,568

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 2015

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

	Group 2015 £	Group 2014 £
Operating Profit	687,748	203,340
Loss on disposal of intangible assets	17,317	-
Loss on disposal of tangible assets	746	29,882
Gain on sale of tangible fixed assets	(700)	-
Depreciation of tangible assets	29,105	34,080
Amortisation of intangible assets	179,814	136,360
Decrease / (Increase) in stock	(6,246)	1,546
Decrease / (Increase) in trade debtors	649,599	(541,189)
(Increase) / Decrease in other receivables	(815,891)	13,998
Increase in trade creditors	(113,056)	(16,448)
(Decrease) / Increase in other payables	99,627	62,014
(Decrease) in deferred income	39,274	184,811
(Decrease) / Increase in accruals	182,735	9,522
Net cash flow from operating activities	950,072	117,916

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

	Group 2015 £	Group 2014 £
Movement in cash in the period	336,961	(201,834)
Movement in borrowings	(387,263)	9,308
Exchange differences	(17,335)	(31,167)
Movement in net funds in the period	(67,637)	(223,693)
Net funds at 31 December	371,522	595,215
Net funds at 31 December	303,885	371,522

Notes to the financial statements
at 31 December 2015

23. Analysis of net funds

	At 31Dec 2014	*Cash flow*	*At 31 Dec 2015*
	£	*£*	*£*
Cash at bank	803,400	319,626	1,123,026
Debt due in over a year (note 15)	(431,878)	(387,263)	(819,141)
	371,522	(67,637)	303,885

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

24. Controlling Party

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