Registered No: 03370400

Imparta Limited

Report and Consolidated Financial Statements

31 December 2016

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
69-73 Theobalds Road
London
WC1X 8TA

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

Solicitors
Adams and Remers LLP
Dukes Court
32 Duke Street
St James'
London
SW1Y 6DF

Registered office
14-16 Peterborough Road
London
SW6 3BN

Registered No: 03370400

Directors' report

The directors present their directors' report for the year ended 31 December 2016.

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 did not recommend any dividend payment in 2016 (2015: £200,408).

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 following directors have held office during the whole of the period from 1 January 2016 to the date of this report:

- R J B Barkey
- D Stephen
- P J Williamson
- A P B Isherwood
- J Garcia

Other changes in directors holding office are as follows:

M Abell - appointed 21 January 2016

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. This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

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), law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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

12 September 2017
Richard Barkey
Director

Strategic Report

The directors present their strategic report for the year ended 31 December 2016.

Performance and financial review

2016 was another year of growth for Imparta, with 20% revenue growth year-on-year, driven by our success in winning new business and deepening client relationships in both 2015 and 2016, as well as the success of the Virtual Sales Academy.

Gross profit also grew in absolute terms, but as a percentage of revenue it fell from 80.4% to 73.1%. This in part reflected a decision to sell fewer perpetual licences than in 2015, but in part it was due to issues with our pricing strategy that have since been rectified. In turn this meant that profit growth was lower than it would otherwise have been.

We did see a fall-off in new leads after the referendum result in June 2016, and this lack of incoming leads persisted until October/November. However, leads did pick up towards the end of the year and have remained strong into 2017. There was a corresponding foreign exchange gain during the year thanks to the devaluation of sterling.

The highlight figures for 2016 were:

- Turnover increased by 19.8%, from £7,664,608 to £9,184,999
- Profit before tax increased from £659,720 to £696,610
- Total assets less current liabilities grew by £1,084,428 from £2,713,148 to £3,797,576

During the year to comply with changes in UK Accounting Standards (UK GAAP), the company has transitioned from old UK GAAP to FRS 102 Section 1A.

Future developments

The Group continues to invest in the Virtual Sales Academy and the underlying platform (our i-Coach Academy Management System).

The group also is continuing to invest in marketing, lead generation and sales, as well as the increased operational capacity required to deliver against the requirements of our global client base.

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, though in 2017 we are prioritising our core offering around sales, service and sales through service, with marketing and leadership as important supporting capabilities. Our content in all 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;
- 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.

Independent Auditor's Report

to the members of Imparta Limited (continued)

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;
- 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.
- Brexit. The two main risks arising from Brexit are of additional economic uncertainty as the terms of Brexit become clear, and the possible imposition of trade barriers if agreement is not reached in time. The former is noted above, but our mitigation strategy for the latter includes creating a trading company in mainland Europe if necessary. European companies also tend to be quite risk-averse, so we remain the sales training company of choice - more robust and capable than the smaller local players, but more European (still) than the larger US companies. Finally it's worth noting that in a possible future world where costs do come under pressure, and travel becomes harder, the Virtual Sales Academy is well placed to replace a significant proportion of the face to face training market.

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 and the Virtual Sales Academy®;
- The release of our CRM plugin for account and opportunity management;
- The continued development of our modular course library.

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

12 September 2017
Richard Barkey
Director

Independent Auditor's Report

to the members of Imparta Limited (continued)

We have audited the financial statements of Imparta Limited for the year ended 31 December 2016 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and the related notes. 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), including Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors' is responsible for the other information. The other information comprises the information in the Group Strategic Report and Director's Report, but does not include the financial statements and our Auditors' Report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

to the members of Imparta Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report and Directors' Report.

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; or
- the directors were entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Director's Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the groups' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report

to the members of Imparta Limited (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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
12 September 2017

Group Income Statement
for the year ended 31 December 2016

The directors present the consolidated financial statements for the year ended 31 December 2016.

	Notes	*Group 2016 £*	*Group 2015 £*
Turnover	2	9,184,999	7,664,608
Cost of sales		(2,474,142)	(1,500,001)
Gross profit		6,710,857	6,164,607
Research and development costs		(502,670)	(395,111)
Selling and distribution expenses		(3,401,923)	(3,208,000)
Administrative expenses		(2,329,950)	(1,884,166)
Foreign exchange loss		257,623	10,418
Operating profit	3	733,937	687,748
Interest receivable and similar income	5	3,817	3,403
Interest payable and similar charges	6	(41,144)	(31,431)
Profit on ordinary activities before taxation		696,610	659,720
Taxation		513,760	(51,779)
Profit for the financial year		1,210,370	607,941

All amounts relate to continuing operations.

Group and Company statement of other comprehensive income

for the year ended 31 December 2016

Group statement of other comprehensive income

	Notes	2016 £	2015 £
Profit for the financial year		1,210,370	607,941
Exchange differences on retranslation of subsidiary undertakings		(125,943)	(17,294)
Total other comprehensive income/(loss)		1,084,427	590,647
Total other comprehensive income for the year		1,084,427	590,647

Company statement of other comprehensive income

	Notes	2016 £	2015 £
Profit for the financial year		1,035,006	485,548
Total other comprehensive income / (loss)		1,035,006	485,548
Total other comprehensive income for the year		1,035,006	485,548

Group statement of financial position

for the year ended 31 December 2016

		Group		*Company*	
		2016	*2015*	*2016*	*2015*
	Notes	*£*	*£*	*£*	*£*
Fixed assets					
Intangible assets	8	960,243	907,518	959,089	904,281
Tangible assets	9	46,799	51,013	43,900	49,779
Investments	10	-	-	1	1
		1,007,042	958,531	1,002,990	954,061
Current assets					
Stocks	11	11,497	12,637	11,497	12,637
Debtors	12	2,341,760	2,226,812	2,918,498	2,934,611
Cash at bank and in hand		1,602,388	1,123,026	1,524,403	994,802
		3,955,645	3,362,475	4,335,672	3,942,050
Creditors: amounts falling due within one year	13	(1,165,111)	(1,607,858)	(1,047,114)	(1,520,843)
Net current assets		2,790,534	1,754,617	3,407,284	2,421,207
Total assets less current liabilities		3,797,576	2,713,148	4,410,274	3,375,268
Creditors: amounts falling due after more than one year					
Loans	14	(819,141)	(819,141)	(819,141)	(819,141)
		2,978,435	**1,894,007**	**3,591,133**	**2,556,127**
Capital and reserves					
Called up share capital	15	3,854	3,854	3,854	3,854
Capital redemption reserve		1,632	1,632	1,632	1,632
Profit and loss account	16	2,972,949	1,888,521	3,585,647	2,550,641
Shareholders' funds		**2,978,435**	**1,894,007**	**3,591,133**	**2,556,127**

The notes on page 13 to 27 form part of these financial statements.

The financial statements were approved and authorised by the board and signed on its behalf on 12 September 2017 by

Richard Barkey
Director

Group statement of cash flows

for the year ended 31 December 2016

	Notes	*Group 2016 £*	*Group 2015 £*
Cash flow from operating activities	21	717,568	950,072
Interest received	5	3,817	3,403
Corporation Tax refund/(paid)		264,732	(868)
Overseas Taxation Paid		(13,201)	(4,894)
Net cash flow from operating activities		**972,916**	**947,713**
Investing activities			
Payments for purchase of intangible assets	8	(304,022)	(372,176)
Payments for purchase of tangible assets	9	(22,503)	(13,160)
Receipts on sale of tangible fixed assets		906	700
Net cash flow from investing activities		**(325,619)**	**(384,636)**
Financing activities			
Interest paid	6	(41,144)	(31,431)
Purchase of own shares		-	(381,540)
Loan from director	14	-	387,263
Dividends paid	7	-	(200,408)
Net cash flow from financing activities		**(41,144)**	**(226,116)**
Net (Decrease)/Increase in cash and cash equivalents		606,153	336,961
Effect of exchange rates on cash and cash equivalents		(126,791)	(17,335)
Cash and cash equivalents at 1 January		1,123,026	803,400
Cash and cash equivalents at 31 December		**1,602,388**	**1,123,026**

Group	2016 £	2015 £
Cash and cash equivalents consists of:		
Cash at bank and in hand	1,602,388	1,123,026
Cash and cash equivalents at 31 December	**1,602,388**	**1,123,026**

Group statement of cash flows
for the year ended 31 December 2016

Company

Cash and cash equivalents consists of:

Cash at bank and in hand	1,524,403	994,802
Cash and cash equivalents at 31 December	**1,524,403**	**994,802**

Notes to the financial statements

at 31 December 2016

1. Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

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 purchase 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.

Statement of compliance

The Group transitioned from previously extant UK GAAP to FRS 102 section 1A as at 1 January 2016. The financial statements have been prepared in accordance with the provisions of FRS 102 Section 1A small entities and the Companies Act 2006.

There was no material recognition or measurement difference arising on adoption of FRS 102 section1A.

Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Intangible assets - goodwill

Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful life. The Group establishes a reliable estimate of the useful life of goodwill. This estimate is based on a variety of factors such as the expected use of the acquired business, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. 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.

Notes to the financial statements

at 31 December 2016

1.0 Accounting policies (continued)

(c) Intangible assets - other

Costs incurred in the creation of the company's software platforms that meet the criteria required for capitalisation in terms of FRS 102 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.

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 (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis 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

Other 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.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. The company has convertible loan notes and entered into a new deed of variation for the existing loan agreement. Details of these transactions are found under note 14 on page 23. Interest is payable on a quarterly and annual basis.

Notes to the financial statements

at 31 December 2016

1.0 Accounting policies (continued)

Foreign currencies

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

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences arising on these transactions are taken to the income statement. 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. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

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.

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

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

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the expenses recognised that are recoverable.

The company generates service revenue from licence fees, course fees and service fees. The policies adopted for the recognition of turnover from services rendered are as follows:

Licence fees

Licence fees are earned under software license agreements to end-users.

Turnover 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-

Notes to the financial statements

at 31 December 2016

1.0 Accounting policies (continued)

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.

The company generates the following types of service revenue:

Course fees

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

Service fees

Services consist of support arrangements, consulting, tailoring and development services. When the outcome of a transaction can be estimated reliably, turnover from service fees is recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to service performed.

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.

Interest and dividends receivable

Interest income is recognised using the effective interest method and dividend income is recognised as the company's right to receive payment is established.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Tax

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

Notes to the financial statements
at 31 December 2016

2. Turnover

Turnover in respect of continuing activities represents amounts receivable for services net of VAT and trade discounts. 63% (2015 - 59%) of turnover is attributable to geographical markets outside the United Kingdom.

3. Operating Profit

This is stated after charging:

		Group 2016	Group 2015
Auditors remuneration	- audit services (current year)	15,750	15,750
	- other services (current year)	76,775	3,150
Directors Remuneration		677,474	545,161
Depreciation of tangible fixed assets	- owned	26,954	29,105
Ammortisation of intangible fixed assets		250,907	179,814
Operating lease rentals	- land and buildings	157,090	142,354

4. Directors and Employees

(a) Staff costs including directors' remuneration

	2016 £	*2015* £
Wages and salaries	4,517,024	3,871,868
Social security costs	501,484	431,224
Other pension costs	30,396	20,234
	5,048,904	4,323,326

Wages and salaries costs include £208,994 (2015: £292,133) which relate to the costs capitalised for the development of intangible fixed assets.

The average monthly number of employees, including directors, during the year was made up as follows:

	2016 *No.*	*2015* *No.*
Research and development	17	13
Selling and distribution	33	35
Administrative	19	19
	69	67

Notes to the financial statements
at 31 December 2016

5. Interest Receivable and other finance income

	2016	2015
	£	£
Bank interest received	3,817	3,403
	3,818	3,403

6. Interest Payable and other finance expense

	2016	2015
	£	£
Loan note interest paid	21,634	21,554
Other	19,510	9,877
	41,144	31,431

7. Dividends

	2016	2015
	£	£
Final dividend	-	200,408

8. Intangible fixed assets
Group

	Goodwill costs	Platform development	Patents and trademarks	Formation costs	Total
	£	£	£	£	£
Cost:					
At 31 December 2015	288,415	1,214,022	28,451	6,929	1,537,817
Exchange Adjustments	-	1,378	425	1,299	3,102
Additions	-	292,156	11,866	-	304,022
Write off	-	(7,086)	-	-	(7,086)
At 31 December 2016	288,415	1,500,470	40,742	8,228	1,837,855
Amortisation:					
At 31 December 2015	86,525	528,391	9,707	6,306	630,299
Exchange Adjustments	-	1,088	226	1,178	2,492
Provided during the year	14,420	232,304	3,497	687	250,908
Write off	-	(6,087)	-	-	(6,087)
At 31 December 2016	100,945	755,696	12,800	8,171	877,612
Net book value:					
At 31 December 2016	187,470	744,774	27,942	57	960,243
At 30 December 2015	201,890	685,631	19,374	623	907,518

Notes to the financial statements

at 31 December 2016

Company

	Goodwill costs	*Platform development*	*Patents and trademarks*	*Formation costs*	*Total*
	£	*£*	*£*	*£*	*£*
Cost:					
At 31 December 2015	288,415	1,206,754	26,111	-	1,521,280
Additions	-	292,156	11,866	-	304,022
Write off	-	(7,086)	-	-	(7,086)
At 31 December 2016	288,415	1,491,824	37,977	-	1,818,216
Amortisation:					
At 31 December 2015	86,525	522,646	7,828	-	616,999
Provided during the year	14,420	230,574	3,221	-	248,215
Write off	-	(6,087)	-	-	(6,087)
At 31 December 2016	100,945	747,133	11,049	-	859,127
Net book value:					
At 31 December 2016	187,470	744,691	26,928	-	959,089
At 30 December 2015	201,890	684,108	18,283	-	904,281

Notes to the financial statements

at 31 December 2016

9. Tangible fixed assets

Group

	Fixtures and fittings £	*Office equipment* £	*Computer equipment* £	*Total* £
Cost:				
At 31 December 2015	327,040	68,448	189,669	585,157
Exchange Adjustments	35	-	990	1,025
Additions	-	4,176	18,327	22,503
Disposals	-	(6,226)	(23,686)	(29,911)
At 31 December 2016	327,040	66,397	182,256	578,773
Depreciation:				
At 31 December 2015	316,270	52,221	165,653	534,144
Exchange Adjustments	14	-	771	785
Provided during the year	2,275	7,921	16,759	26,955
Disposals	-	(6,226)	(23,686)	(29,911)
At 31 December 2016	316,560	53,918	157,354	531,974
Net book value:				
At 31 December 2016	8,515	12,480	24,902	46,799
At 30 December 2015	10,770	16,227	24,016	51,013

Company

	Fixtures and fittings £	*Office equipment* £	*Computer equipment* £	*Total* £
Cost:				
At 31 December 2015	326,851	68,448	184,508	579,807
Additions	-	4,175	15,899	20,074
Disposals	-	(6,226)	(19,923)	(26,149)
At 31 December 2016	326,851	66,397	180,484	573,732
Depreciation:				
At 31 December 2015	316,192	52,222	161,614	530,028
Provided during the year	2,254	7,921	15,778	29,953
Disposals	-	(6,226)	(19,923)	(26,149)
At 31 December 2016	318,446	53,917	157,469	529,832
Net book value:				
At 31 December 2016	8,405	12,480	23,016	43,900
At 30 December 2015	10,659	16,226	22,894	49,779

Notes to the financial statements

at 31 December 2016

10. Fixed assets investments

	Group	Company
	£	£
As at 30 December 2015 & 31 December 2016	-	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.

11. Stocks

	Group		Company	
	2016	*2015*	*2016*	*2015*
	£	£	£	£
Course materials	11,497	12,637	11,497	12,637

12. Debtors

	Group		Company	
	2016	*2015*	*2016*	*2015*
	£	£	£	£
Trade debtors	1,227,622	1,108,734	793,487	901,230
Other debtors	34,479	32,334	31,825	31,849
Corporation Tax	143,505	-	143,505	-
Deferred tax	226,053	107,329	226,054	107,329
Prepayments and accrued income	710,101	978,415	416,472	496,139
Amounts owed by subsidiary undertakings	-	-	1,307,155	1,398,064
	2,341,760	2,226,812	2,918,498	2,934,611

Notes to the financial statements
at 31 December 2016

13. Creditors: amounts falling due within one year

	Group		Company	
	2016	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*
Trade creditors	219,280	183,002	191,289	172,934
Corporation Tax	-	-	-	-
Other tax and social security cost	138,196	185,147	137,722	182,892
Other creditors	8,145	204,368	8,145	204,368
Deferred income	467,750	553,994	420,909	536,331
Accruals	331,740	481,347	289,049	424,318
	1,165,111	1,607,858	1,047,114	1,520,843

14. Loans

	Group		Company	
	2016	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*
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 30 June 2020 (see below)	387,263	387,263	387,263	387,263
	819,141	819,141	819,141	819,141

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 (£431,878 after general expenses). 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. This loan agreement has been amended under a deed of variation of facility agreement on 2 June 2017 to amend the final repayment date. 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. Under the new deed of variation, the company now has the right to repay part or all of the loan at any time up to the final repayment date of 30 June 2020.

Notes to the financial statements
at 31 December 2016

15. Share capital

Allotted, called up and fully paid	*2016* *No.*	*2015* *No.*	*2016* *£*	*2015* *£*
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
	154,160	154,160	3,854	3,854

16. Reconciliation of shareholder funds and Statement on movement on reserves

Group	**Share Capital**	**Capital Redemption Reserve**	**Profit & Loss**	**Total**
At 31 December 2015	3,854	1,632	1,888,521	1,894,007
Share Buyback				-
Exchange Losses Arising On Consolidation - AUS			-46,923	
Exchange Losses Arising On Consolidation - US			-79,019	
Profit For The Year			1,210,370	1,210,370
Dividends				-
At 31 December 2016	3,854	1,632	2,972,949	2,978,435

Company	**Share Capital**	**Capital Redemption Reserve**	**Profit & Loss**	**Total**
At 31 December 2015	3,854	1,632	2,550,641	2,556,127
Share Buyback				-
Profit For The Year			1,035,006	1,035,006
Dividends				-
At 31 December 2016	3,854	1,632	3,585,647	3,591,133

Notes to the financial statements
at 31 December 2016

17. Pensions and other post-retirement benefits

Defined contribution pension plans

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 £30,396 (2015: £20,234). The unpaid pension contributions outstanding at the year end included in accruals (note 13) were £945 (2015: £2).

18. Other financial commitments

At 31 December 2016, the company had total commitments under non-cancellable operating leases for land and buildings as follows:

	Group		*Company*	
	2016	*2015*	*2016*	*2015*
	£	*£*	*£*	*£*
Operating leases which expire in under 5 years:	799,632	651,566	799,632	651,566

19. Related party transactions

The company is the ultimate parent company.

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:

Notes to the financial statements

at 31 December 2016

20. Related party transactions (continued)

Related party	*Sales to related party* £	*Purchases from related party* £	*Amounts owed by related party* £	*Amounts owed to related party* £
Directors				
2016	-	42,763	-	387,263
2015	-	39,079	-	387,263

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 FRS 102 Section 1A.21 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.

Key management personnel compensation in the year totalled £650,474 (2015 - £ 518,161).

21. Reconciliation of profit to net cash (outflow)/inflow from operating activities

	Group 2016 £	*Group 2015* £
Group operating profit / (loss) for the year	733,937	687,748
Adjustments to reconcile profit for the year to net cash flow		
(Profit)/loss on disposal of intangible fixed assets	93	17,317
(Profit)/loss on disposal of tangible fixed assets	-	46
Depreciation and impairment of tangible fixed asset	26,955	29,105
Amortisation and impairment of intangible asset	250,908	179,814
Decrease / (Increase) in stock	1,140	(6,246)
Decrease / (Increase) in trade debtors	(118,888)	649,599
(Increase) / Decrease in other receivables	266,169	(815,891)
Increase in trade creditors	36,277	(113,056)
(Decrease) / Increase in other payables	(243,173)	99,627
(Decrease) in deferred income	(86,244)	39,274
(Decrease) / Increase in accruals and provisions	(149,606)	182,735
Net cash flow from operating activities	717,568	950,072

Notes to the financial statements
at 31 December 2016

22. Controlling Party

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

23. Post balance sheet events

There were no material post balance sheet events to report