

**IMPARTA LIMITED**  
**Group Strategic Report,**  
**Director's Report and**  
**Consolidated Financial Statements**  
**for the Year Ended 31 December 2019**



**IMPARTA LIMITED**

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for the year ended 31 December 2019**

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**IMPARTA LIMITED**  
**Company Information**  
**for the year ended 31 December 2019**

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<b>Director:</b>	R J B Barkey
<b>Registered office:</b>	14 - 16 Peterborough Road London SW6 3BN
<b>Registered number:</b>	03370400 (England and Wales)
<b>Auditors:</b>	Haines Watts Chartered Accountants & Statutory Auditor New Derwent House 69-73 Theobalds Road London WC1X 8TA
<b>Bankers:</b>	Lloyds TSB Bank Plc 83 Clarence Street Kingston upon Thames Surrey KT1 1RE
<b>Solicitors:</b>	Adams and Remers LLP Dukes Court 32 Duke Street St James' London SW1Y 6DF

**IMPARTA LIMITED**  
**Group Strategic Report**  
**for the year ended 31 December 2019**

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The director presents his strategic report of the company and the group for the year ended 31 December 2019.

**Performance and financial review**

2019 was a more challenging year for Imparta, with a 30% decline in revenue vs. 2018, and a loss of £1,226,251 before tax. The highlight figures for 2019 were:

- Turnover decreased by 30%, from £10,407,190 to £7,255,507
- EBITDA decreased to a loss of £753,016 from a profit of £1,447,748
- The loss before tax this year was £1,226,251 compared to a profit of £1,031,059
- Total assets less current liabilities decreased by £1,122,257 from £5,724,923 to £4,602,666.

Our analysis of the 2019 result revealed that the revenue reduction resulted from three main causes:

- **Brexit** (approx. 50% of the decline). We suffered significant reductions in spend from existing accounts that directly attributed their decisions to the likely negative impact of Brexit on their business, and the need to cut costs in advance of that impact. Uncertainty related to Brexit was also a factor, but less significant than the expected impact. We also saw a significant reduction in win rates on European pitches (down from around 70% to under 30%), which again were attributed by the prospective client during loss reviews to a desire to work with more local European suppliers rather than British ones. Win rates have since recovered to a much higher level as other factors have become more significant in client decision-making;

- **Changes in market preferences** (approx. 40% of the decline). We lost two significant deals that we had expected to win because our eLearning content and platform were lacking certain features that had become more important to those prospective clients. We factored the losses into a significant strategic review in early-to-mid 2019 and the issues have now been thoroughly resolved. We have since won a number of new clients with similar requirements to those that we lost;

- **An intentional shift in our revenue model** (approx. 10% of the decline). During 2019 we introduced a new subscription-based model called Training as a Service, or TaaS, to help simplify client decision-making and administration, and to increase our percentage of annual recurring revenue. As a result, we changed some contracts in 2019 from licences that were recognised immediately to ones that are spread over multiple years. Although that reduced 2019 revenue by around £1m, we believe that this strategy will drive a strong improvement in growth and regularity of revenue over the coming years.

Imparta's mission is to deliver and measure real performance improvements for customer-facing roles such as sales, customer experience and sales through service, to a global client base. We combine world-class content and methodologies with advanced learning approaches and the ability to make training stick and deliver and measure genuine positive impact.

In early 2019, we conducted a full strategic review designed to strengthen our position in the marketplace, increasing the proportion of IP-based recurring revenue, and continuing to streamline our operations. This was implemented throughout Q2 and Q3 of 2019 and proved to be extremely successful. We were anticipating a year of very strong growth in 2020 before the onset of Covid-19, but the groundwork we put down in 2019 has in fact allowed us to be more resilient in 2020 than many training companies.

**Strategy and operations**

The main elements of this strategic initiative in 2019 were:

- A complete brand refresh with significantly greater appeal and differentiation (impact: a broad range of metrics);
- A new, differentiated market positioning based on our research and our new 3D Advantage® model (impact: deal flow and win rate);
- A redesigned and extended modular curriculum with improved quality, consistency and effectiveness (impact: cross-sell, NPS and win rate);
- An upgrade to our i-Coach digital platform and the creation of a native mobile app to provide a full cross-platform experience to our clients (impact: win and renewal rates);
- A complete redesign of our eLearning to be more research-based, appealing, bite-sized and cross-platform (impact: win and renewal rates);
- The introduction of Application Playbooks to help clients apply the 3D Advantage® methodology to selling and servicing specific products and services (impact: share of wallet);
- The implementation of new end to end systems, including integrated project management and invoicing natively in Salesforce (impact: reducing indirect costs);
- The introduction of our TaaS Blended Subscription Model (impact: deal size and ARR);
- A carefully-managed cost reduction to reduce the impact of the revenue losses in 2019.

**IMPARTA LIMITED**  
**Group Strategic Report**  
**for the year ended 31 December 2019**

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Some of these initiatives have been ongoing through the first half of 2020, and at the time of writing they have allowed us to maintain lead flow, win new accounts and grow existing ones, alleviating the worst effects of the Covid-19 pandemic. This is helped by the complete pivot to virtual instructor led training (VILT) that we began in January 2020, well ahead of most of our competitors.

These initiatives have also strengthened our ability to generate strong, recurring IP-based revenue streams from our modular content library (licenced to clients as individual programmes, or as an entire library of eLearning or virtual instructor-led training, tools and competencies), and from our i-Coach learning experience platform.

**Principal risks and uncertainties**

The principal risks to the business are:

- Currency risk. The Imparta group of companies 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;
- The impact of Brexit on our ability to trade. We have established a European trading company and grown our bench of European-based trainers. Even while local delivery is less of an issue, this team appeals to a less UK-facing set of decision-makers. When in-person training recommences, we have local printing in place to eliminate cross-border shipping;
- Economic slowdown. There is continued risk of a further global economic slowdown in the wake of the Covid-19 pandemic, and this could impact Imparta's performance. However, we are maintaining a low cost base, leveraging increased productization of courses, tailoring and change support, keeping costs as variable as possible to protect against any future demand volatility, diversifying regionally, and working to increase our % of contractual ARR to reduce volatility;
- Covid-19, ongoing travel bans etc. The ability to run courses virtually is already in place, and we pivoted much of our output in H1 2020 to focus on topical issues such as virtual selling. The TaaS model allows clients to shift faculty usage to other forms (e.g. eLearning + online deal coaching).

**Research and development activities**

As noted above, the group continued to invest significantly in research and development during the period, including:

- The continued extension of our i-Coach® learning portal and our new mobile App, i-Coach GO;
- A research-driven rebuild of our core curriculum, covering both methodology and learning design;
- The creation and implementation of a new eLearning module structure and design.

**On behalf of the board:**

  
.....  
R J B Batkey - Director

Date: 21/12/2020

## IMPARTA LIMITED

### Director's Report for the year ended 31 December 2019

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The director presents his report with the financial statements of the company and the group for the year ended 31 December 2019.

#### Principal activity

The principal activity continued to be the development and delivery of capability building solutions that combine traditional workshops with sophisticated e-learning, coaching and reinforcement to create measurable and sustainable impact for our global client list. The group continues to focus its activities around three areas: sales, service and sales through service.

#### Dividends

The total distribution of dividends for the year ended 31 December 2019 will be £414,405.

#### Director

R J B Barkey held office during the whole of the period from 1 January 2019 to the date of this report.

#### 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, to cover all companies in the Group.

#### Statement of director's responsibilities

The director is responsible for preparing the Group Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement as to disclosure of information to auditors

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board:

  
R J B Barkey - Director

Date:

21/12/2020

## Independent Auditors' Report to the Members of Imparta Limited

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### Opinion

We have audited the financial statements of Imparta Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Income Statement, Consolidated Other 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 Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2019 and of the group's loss 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director 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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Director's view on the impact of COVID-19 is disclosed in the accounting policies.

### Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the 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, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### Opinions 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 Group Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

**Independent Auditors' Report to the Members of  
Imparta Limited**

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**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Director's 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities, the director is 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 director determines 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 director is responsible for assessing the group's and the parent company's 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 director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

**Auditors' 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

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.



Gary Staunton (Senior Statutory Auditor)  
for and on behalf of Haines Watts  
Chartered Accountants & Statutory Auditor  
New Derwent House  
69-73 Theobalds Road  
London  
WC1X 8TA

23 December 2020



IMPARTA LIMITED (REGISTERED NUMBER: 03370400)

Consolidated Income Statement  
for the year ended 31 December 2019

	Notes	2019 £	2018 £
Turnover	3	7,255,507	10,407,190
Cost of sales		<u>(1,731,722)</u>	<u>(2,234,623)</u>
Gross profit		5,523,785	8,172,567
Research and development costs		(238,693)	(384,020)
Selling and distribution costs		(4,153,693)	(4,299,087)
Administrative expenses		(1,778,583)	(2,078,842)
Foreign exchange (loss)/gain		<u>(105,832)</u>	<u>37,130</u>
EBITDA		(753,016)	1,447,748
Depreciation and amortisation		(367,931)	(334,593)
Interest receivable and similar income		64	74
Interest payable and similar expenses	6	<u>(105,368)</u>	<u>(82,544)</u>
(Loss)/profit before taxation	7	(1,226,251)	1,031,059
Tax on (loss)/profit	8	<u>517,731</u>	<u>(30,210)</u>
(Loss)/profit for the financial year		<u>(708,521)</u>	<u>1,000,849</u>
(Loss)/profit attributable to: Owners of the parent		<u>(708,521)</u>	<u>1,000,849</u>

The notes form part of these financial statements

**IMPARTA LIMITED**

**Consolidated Other Comprehensive Income  
for the year ended 31 December 2019**

	<b>Notes</b>	<b>2019 £</b>	<b>2018 £</b>
<b>(Loss)/profit for the year</b>		<b>(708,521)</b>	<b>1,000,849</b>
<b>Other comprehensive income</b>			
Exchange differences on retranslation		<b>36,470</b>	<b>(1,397)</b>
Income tax relating to other comprehensive income		<u>-</u>	<u>-</u>
<b>Other comprehensive income for the year, net of income tax</b>		<u><b>36,470</b></u>	<u><b>(1,397)</b></u>
<b>Total comprehensive income for the year</b>		<u><b>(672,051)</b></u>	<u><b>999,452</b></u>
Total comprehensive income attributable to: Owners of the parent		<u><b>(672,051)</b></u>	<u><b>999,452</b></u>

The notes form part of these financial statements

## IMPARTA LIMITED (REGISTERED NUMBER: 03370400)

Consolidated Balance Sheet  
31 December 2019

	Notes	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Intangible assets	11		889,716		986,962
Tangible assets	12		41,334		59,324
Investments	13		-		-
			<u>931,050</u>		<u>1,046,286</u>
<b>Current assets</b>					
Debtors	14	5,738,554		6,281,150	
Cash at bank and in hand		<u>334</u>		<u>623,257</u>	
		5,738,888		6,904,407	
<b>Creditors</b>					
Amounts falling due within one year	15	<u>2,098,911</u>		<u>2,225,770</u>	
<b>Net current assets</b>			<u>3,639,977</u>		<u>4,678,637</u>
<b>Total assets less current liabilities</b>			<u>4,571,027</u>		<u>5,724,923</u>
<b>Creditors</b>					
Amounts falling due after more than one year	16		<u>1,190,412</u>		<u>1,257,852</u>
<b>Net assets</b>			<u>3,380,615</u>		<u>4,467,071</u>
<b>Capital and reserves</b>					
Called up share capital	19		4,504		4,504
Share premium	20		325,701		325,701
Capital redemption reserve	20		1,632		1,632
Retained earnings	20		<u>3,048,778</u>		<u>4,135,234</u>
<b>Shareholders' funds</b>			<u>3,380,615</u>		<u>4,467,071</u>

The financial statements were approved by the director and authorised for issue on and were signed by:

21/12/2020

R J B Barkey - Director

The notes form part of these financial statements

**Company Balance Sheet**  
**31 December 2019**

	Notes	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Intangible assets	11		889,548		986,525
Tangible assets	12		39,224		54,473
Investments	13		<u>91</u>		<u>91</u>
			928,863		1,041,089
<b>Current assets</b>					
Debtors	14	6,555,957		7,183,889	
Cash at bank and in hand		<u>334</u>		<u>524,995</u>	
		6,556,291		7,708,884	
<b>Creditors</b>					
Amounts falling due within one year	15	<u>1,770,320</u>		<u>2,087,238</u>	
<b>Net current assets</b>			<u>4,785,971</u>		<u>5,621,646</u>
<b>Total assets less current liabilities</b>			5,714,834		6,662,735
<b>Creditors</b>					
Amounts falling due after more than one year	16		<u>1,190,412</u>		<u>1,257,852</u>
<b>Net assets</b>			<u>4,524,422</u>		<u>5,404,883</u>
<b>Capital and reserves</b>					
Called up share capital	19		4,504		4,504
Share premium	20		325,701		325,701
Capital redemption reserve	20		1,632		1,632
Retained earnings	20		<u>4,192,585</u>		<u>5,073,046</u>
<b>Shareholders' funds</b>			<u>4,524,422</u>		<u>5,404,883</u>
Company's (loss)/profit for the financial year			<u>(466,056)</u>		<u>1,399,148</u>

The financial statements were approved by the director and authorised for issue on and were signed by:

21/12/2020.

  
R J B Barkey - Director

**IMPARTA LIMITED**

**Consolidated Statement of Changes in Equity  
for the year ended 31 December 2019**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2018</b>	4,504	3,642,077	325,701	1,632	3,973,914
<b>Changes in equity</b>					
Dividends	-	(506,295)	-	-	(506,295)
Total comprehensive income	-	999,452	-	-	999,452
<b>Balance at 31 December 2018</b>	<u>4,504</u>	<u>4,135,234</u>	<u>325,701</u>	<u>1,632</u>	<u>4,467,071</u>
<b>Changes in equity</b>					
Dividends	-	(414,405)	-	-	(414,405)
Total comprehensive income	-	(672,051)	-	-	(672,051)
<b>Balance at 31 December 2019</b>	<u>4,504</u>	<u>3,048,778</u>	<u>325,701</u>	<u>1,632</u>	<u>3,380,615</u>

The notes form part of these financial statements

**IMPARTA LIMITED**

**Company Statement of Changes in Equity  
for the year ended 31 December 2019**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2018</b>	4,504	4,180,193	325,701	1,632	4,512,030
<b>Changes in equity</b>					
Dividends	-	(506,295)	-	-	(506,295)
Total comprehensive income	-	1,399,148	-	-	1,399,148
<b>Balance at 31 December 2018</b>	<u>4,504</u>	<u>5,073,046</u>	<u>325,701</u>	<u>1,632</u>	<u>5,404,883</u>
<b>Changes in equity</b>					
Dividends	-	(414,405)	-	-	(414,405)
Total comprehensive income	-	(466,056)	-	-	(466,056)
<b>Balance at 31 December 2019</b>	<u>4,504</u>	<u>4,192,585</u>	<u>325,701</u>	<u>1,632</u>	<u>4,524,422</u>

The notes form part of these financial statements

**IMPARTA LIMITED**

**Consolidated Cash Flow Statement  
for the year ended 31 December 2019**

		2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	23	(791,405)	497,357
Interest paid		(105,369)	(82,544)
Tax paid		<u>60,738</u>	<u>(18,777)</u>
Net cash from operating activities		<u>(836,036)</u>	<u>396,036</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(238,319)	(338,770)
Purchase of tangible fixed assets		(14,580)	(40,438)
Interest received		<u>64</u>	<u>74</u>
Net cash from investing activities		<u>(252,835)</u>	<u>(379,134)</u>
<b>Cash flows from financing activities</b>			
Long term loan		<u>350,000</u>	-
Net cash from financing activities		<u>350,000</u>	-
		<u>                    </u>	<u>                    </u>
(Decrease)/increase in cash and cash equivalents		(738,871)	16,902
Cash and cash equivalents at beginning of year	24	<u>623,257</u>	606,355
Cash and cash equivalents at end of year	24	<u>(115,614)</u>	<u>623,257</u>

The notes form part of these financial statements

## IMPARTA LIMITED

### Notes to the Consolidated Financial Statements for the year ended 31 December 2019

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#### 1. Statutory information

Imparta Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

#### 2. Accounting policies

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling which is the functional currency of the group and rounded to the nearest £.

##### **Going Concern**

Following the emergence and spread of the coronavirus (COVID-19) and its financial effects on businesses worldwide, the director has examined the possible effects on the group through forecasting and scenario planning.

The group has a mixture of income streams with a combination of contractual and general sales. Some parts of the business have been impacted negatively by COVID-19 whilst others have seen an increase in business. There will be an impact to current year profitability and cash flow however this impact is manageable. There is a degree of some uncertainty around future non contracted sales pending rules on relaxation of lockdown.

The group has secured COVID-19 governmental support and will reduce costs in line with sales wherever possible. For these reasons the director believes there are sufficient funds available within the company for the business to operate as a going concern.

##### **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.

##### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### **Depreciation**

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually.

They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.



## IMPARTA LIMITED

### Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2019

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#### 2. Accounting policies - continued

##### Significant judgements and estimates

###### Amortisation

The annual amortisation charge for intangible assets is sensitive to changes in the estimated lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. Goodwill impairment reviews are also performed annually. These reviews require an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise for the cash generating unit and a suitable discount rate to calculate present value.

###### Holiday pay accrual

Short term employee benefits are charged to the profit and loss account as the employee service is received, resulting in the company recognising a liability for holiday pay at the year end. This accrual created is a best estimate based on average staff holiday trends.

##### Turnover

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-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.

##### 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.

## IMPARTA LIMITED

### Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2019

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#### 2. Accounting policies - continued

##### **Intangible assets**

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**

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.

##### **Taxation**

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.

##### **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.

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

## IMPARTA LIMITED

### Notes to the Consolidated Financial Statements - continued for the year ended 31 December 2019

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#### 2. Accounting policies - continued

##### **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.

##### **Financial instruments policy**

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the company's cash management.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

##### **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. Interest is payable on a quarterly and annual basis.

**IMPARTA LIMITED**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2019**

**3. Turnover**

The turnover and loss (2018 - profit) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2019	2018
	£	£
United Kingdom	3,177,795	5,141,850
Europe	2,537,500	2,790,873
United States of America	1,179,608	879,075
South America	55,634	178,822
Asia	223,388	878,981
Africa	60,749	462,421
Australasia	20,833	75,168
	<u>7,255,507</u>	<u>10,407,190</u>

**4. Employees and directors**

	2019	2018
	£	£
Wages and salaries	4,332,530	4,702,854
Social security costs	481,085	570,839
Other pension costs	69,983	56,211
	<u>4,883,598</u>	<u>5,329,904</u>

The average number of employees during the year was as follows:

	2019	2018
Research & development	7	17
Selling & distribution	42	42
Administrative	16	23
	<u>65</u>	<u>82</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 4 (2018 - 4).

**5. Directors' emoluments**

	2019	2018
	£	£
Director's remuneration	<u>109,165</u>	<u>108,812</u>

**6. Interest payable and similar expenses**

	2019	2018
	£	£
Loan note interest paid	62,893	61,131
Other interest	42,476	21,413
	<u>105,369</u>	<u>82,544</u>

**IMPARTA LIMITED**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2019**

**7. (Loss)/profit before taxation**

The profit is stated after charging/(crediting):

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Auditors remuneration	15,750	15,750
Directors remuneration	109,165	108,812
Operating lease rentals - land and buildings	266,985	280,774
Amortisation of intangible fixed assets	335,547	301,808
Depreciation of tangible fixed assets	32,383	32,411
Foreign exchange difference	<u>105,832</u>	<u>(37,335)</u>

**8. Taxation**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the year was as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Current tax:		
Corporation tax	<b>(276,518)</b>	18,777
Prior year adjustments	<b>(74,454)</b>	-
Deferred tax	<u><b>(166,759)</b></u>	<u>11,433</u>
Tax on (loss)/profit	<u><b>(517,731)</b></u>	<u>30,210</u>

**Tax effects relating to other comprehensive income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Exchange differences on retranslation	<u><b>36,470</b></u>	<u>(1,397)</u>

**9. Individual income statement**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**10. Dividends**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Interim	<u>414,405</u>	<u>506,295</u>

IMPARTA LIMITED

Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2019

11. Intangible fixed assets

Group

	Goodwill £	Patents and trademarks £	Platform development £	Formation costs £	Totals £
<b>Cost</b>					
At 1 January 2019	288,415	46,526	2,104,166	7,669	2,446,776
Additions	-	5,035	233,284	-	238,319
Exchange differences	-	(106)	(139)	(127)	(372)
At 31 December 2019	<u>288,415</u>	<u>51,455</u>	<u>2,337,311</u>	<u>7,542</u>	<u>2,684,723</u>
<b>Amortisation</b>					
At 1 January 2019	129,787	21,811	1,300,547	7,669	1,459,814
Amortisation for year	14,421	4,413	316,713	-	335,547
Exchange differences	-	(88)	(139)	(127)	(354)
At 31 December 2019	<u>144,208</u>	<u>26,136</u>	<u>1,617,121</u>	<u>7,542</u>	<u>670,740</u>
<b>Net book value</b>					
At 31 December 2019	<u>144,207</u>	<u>25,319</u>	<u>720,190</u>	<u>-</u>	<u>889,716</u>
At 31 December 2018	<u>158,628</u>	<u>24,715</u>	<u>803,619</u>	<u>-</u>	<u>986,962</u>

Company

	Goodwill £	Patents and trademarks £	Platform development £	Totals £
<b>Cost</b>				
At 1 January 2019	288,415	43,911	2,096,151	2,428,477
Additions	-	5,035	233,284	238,319
At 31 December 2019	<u>288,415</u>	<u>48,946</u>	<u>2,329,435</u>	<u>2,666,796</u>
<b>Amortisation</b>				
At 1 January 2019	129,787	19,632	1,292,533	1,441,952
Amortisation for year	14,421	4,162	316,713	335,296
At 31 December 2019	<u>144,208</u>	<u>23,794</u>	<u>1,609,246</u>	<u>1,777,248</u>
<b>Net book value</b>				
At 31 December 2019	<u>144,207</u>	<u>25,152</u>	<u>720,189</u>	<u>889,548</u>
At 31 December 2018	<u>158,628</u>	<u>24,279</u>	<u>803,618</u>	<u>986,525</u>

IMPARTA LIMITED

Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2019

12. Tangible fixed assets

Group

	Fixtures and fittings £	Office equipment £	Computer equipment £	Totals £
<b>Cost</b>				
At 1 January 2019	329,263	66,636	214,312	610,211
Additions	-	5,810	8,770	14,580
Exchange differences	(9)	-	130	121
At 31 December 2019	<u>329,254</u>	<u>72,446</u>	<u>223,212</u>	<u>624,912</u>
<b>Depreciation</b>				
At 1 January 2019	323,060	63,087	164,740	550,887
Charge for year	2,170	2,331	27,883	32,384
Exchange differences	(9)	-	316	307
At 31 December 2019	<u>325,221</u>	<u>65,418</u>	<u>192,939</u>	<u>583,578</u>
<b>Net book value</b>				
At 31 December 2019	<u>4,033</u>	<u>7,028</u>	<u>30,273</u>	<u>41,334</u>
At 31 December 2018	<u>6,203</u>	<u>3,549</u>	<u>49,572</u>	<u>59,324</u>

Company

	Fixtures and fittings £	Office equipment £	Computer equipment £	Totals £
<b>Cost</b>				
At 1 January 2019	329,051	66,635	204,810	600,496
Additions	-	5,810	8,770	14,580
At 31 December 2019	<u>329,051</u>	<u>72,445</u>	<u>213,580</u>	<u>615,076</u>
<b>Depreciation</b>				
At 1 January 2019	322,848	63,086	160,089	546,023
Charge for year	2,170	2,331	25,328	29,829
At 31 December 2019	<u>325,018</u>	<u>65,417</u>	<u>185,417</u>	<u>575,852</u>
<b>Net book value</b>				
At 31 December 2019	<u>4,033</u>	<u>7,028</u>	<u>28,163</u>	<u>39,224</u>
At 31 December 2018	<u>6,203</u>	<u>3,549</u>	<u>44,721</u>	<u>54,473</u>

**IMPARTA LIMITED**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2019**

**13. Fixed asset investments**

**Company**

	<b>Shares in group undertakings £</b>
<b>Cost</b>	
At 1 January 2019	
and 31 December 2019	<u><b>91</b></u>
<b>Net book value</b>	
At 31 December 2019	<u><u><b>91</b></u></u>
At 31 December 2018	<u><u><b>91</b></u></u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**Imparta Pty Ltd.**

Registered office: Australia

Nature of business: Sales and marketing training services

Class of shares:	%
Ordinary	holding 100.00

**Imparta, Inc.**

Registered office: United States of America

Nature of business: Sales and marketing training services

Class of shares:	%
Ordinary	holding 100.00

**Imparta Europe Limited**

Registered office: Republic of Ireland

Nature of business: Sales and marketing training services

Class of shares:	%
Ordinary	holding 100.00

**14. Debtors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>1,599,070</b>	2,369,731	<b>1,374,359</b>	2,300,340
Amounts owed by group undertakings	<b>2,816,550</b>	2,824,250	<b>3,868,557</b>	3,811,355
Other debtors	<b>34,096</b>	50,083	<b>34,096</b>	46,454
Tax	<b>290,234</b>	-	<b>290,234</b>	-
Deferred tax asset	<b>381,380</b>	214,621	<b>381,380</b>	214,621
Prepayments and accrued income	<b>617,224</b>	822,465	<b>607,331</b>	811,119
	<u><b>5,738,554</b></u>	<u>6,281,150</u>	<u><b>6,555,957</b></u>	<u>7,183,889</u>



**IMPARTA LIMITED**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2019**

**14. Debtors: amounts falling due within one year - continued**

Deferred tax asset

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	323	10,162	323	10,162
Tax losses carried forward	<u>381,057</u>	<u>204,459</u>	<u>381,057</u>	<u>204,459</u>
	<u><b>381,380</b></u>	<u><b>214,621</b></u>	<u><b>381,380</b></u>	<u><b>214,621</b></u>

**15. Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Debentures (see note 17)	141,872	-	141,872	-
Bank loans and overdrafts (see note 17)	115,948	-	126,817	-
Other loans (see note 17)	180,000	-	180,000	-
Trade creditors	188,472	277,919	165,178	255,323
Social security and other taxes	107,619	179,958	106,323	171,813
VAT	50,173	108,659	50,173	108,659
Other creditors	176,933	341,085	164,816	300,632
Accruals and deferred income	<u>1,137,894</u>	<u>1,318,149</u>	<u>835,141</u>	<u>1,250,811</u>
	<u><b>2,098,911</b></u>	<u><b>2,225,770</b></u>	<u><b>1,770,320</b></u>	<u><b>2,087,238</b></u>

**16. Creditors: amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Debentures (see note 17)	1,115,980	1,257,852	1,115,980	1,257,852
Other loans (see note 17)	<u>74,432</u>	<u>-</u>	<u>74,432</u>	<u>-</u>
	<u><b>1,190,412</b></u>	<u><b>1,257,852</b></u>	<u><b>1,190,412</b></u>	<u><b>1,257,852</b></u>

**IMPARTA LIMITED**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2019**

**17. Loans**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand:				
Debentures	141,872	-	141,872	-
Bank overdrafts	115,948	-	126,817	-
Other loans	180,000	-	180,000	-
	<u>437,820</u>	<u>-</u>	<u>448,689</u>	<u>-</u>
Amounts falling due between one and two years:				
Debentures - 1-2 years	281,028	422,900	281,028	422,900
Debentures - 2-5 years	834,952	834,952	834,952	834,952
Other loans - 1-2 years	74,432	-	74,432	-
	<u>1,190,412</u>	<u>1,257,852</u>	<u>1,190,412</u>	<u>1,257,852</u>

The company issued 11,029 5% convertible unsecured loan notes of £40 each ('loan notes') on 30 April 2004, raising a total of £441,186 (£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 2021. 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. 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 2023. On 15 September 2018, a further loan £447,689 of 6.5% loan notes were issued to a non-executive director. The loan notes are repayable in 2023.

On 29 March 2019 the company entered into a 15.6% unsecured loan agreement with Spotcap (the lender) raising £350,000. The company has the right to repay part or all of the loan at any time up to the final repayment date of 04 May 2021. The loan is repayable in 2021.

**18. Leasing agreements**

Minimum lease payments fall due as follows:

<b>Group</b>	<b>Non-cancellable operating leases</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Within one year	194,244	279,805
Between one and five years	29,201	223,445
	<u>223,445</u>	<u>503,250</u>

**IMPARTA LIMITED**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2019**

**19. Called up share capital**

**Allotted, issued and fully paid:**

<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>2019 £</b>	<b>2018 £</b>
180,176	Ordinary	2.5p	<u><b>4,504</b></u>	<u><b>4,504</b></u>

**20. Reserves**

**Group**

	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Capital redemption reserve £</b>	<b>Totals £</b>
At 1 January 2019	4,135,234	325,701	1,632	4,462,567
Deficit for the year	(708,521)	-	-	(708,521)
Dividends	(414,405)	-	-	(414,405)
Exchange gain arising on consolidation - AUS	11,519	-	-	11,519
Exchange gain arising on consolidation - US	<u>24,951</u>	<u>-</u>	<u>-</u>	<u>24,951</u>
At 31 December 2019	<u><b>3,048,778</b></u>	<u><b>325,701</b></u>	<u><b>1,632</b></u>	<u><b>3,376,111</b></u>

**Company**

	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Capital redemption reserve £</b>	<b>Totals £</b>
At 1 January 2019	5,073,046	325,701	1,632	5,400,379
Deficit for the year	(466,056)	-	-	(466,056)
Dividends	<u>(414,405)</u>	<u>-</u>	<u>-</u>	<u>(414,405)</u>
At 31 December 2019	<u><b>4,192,585</b></u>	<u><b>325,701</b></u>	<u><b>1,632</b></u>	<u><b>4,519,918</b></u>

**21. Related party disclosures**

During the year the Group entered into transactions, in the ordinary course of business, with other related parties. Purchases relating to office space rental totalling £23,400 (2018: £23,400) were made from the director. No balance was outstanding at the year end.

**22. Ultimate controlling party**

The immediate parent company is The Capability Group Limited.

**IMPARTA LIMITED**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2019**

**23. Reconciliation of (loss)/profit before taxation to cash generated from operations**

	2019	2018
	£	£
(Loss)/profit before taxation	(1,226,252)	1,031,059
Depreciation charges	367,931	334,219
Exchange differences on consolidation	36,674	-
Finance costs	105,369	82,544
Finance income	(64)	(74)
	<u>(716,342)</u>	1,447,748
Decrease/(increase) in trade and other debtors	585,156	(1,495,990)
(Decrease)/increase in trade and other creditors	<u>(660,219)</u>	545,599
<b>Cash generated from operations</b>	<u><b>(791,405)</b></u>	<u><b>497,357</b></u>

**24. Cash and cash equivalents**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2019**

	31/12/19	1/1/19
	£	£
Cash and cash equivalents	334	623,257
Bank overdrafts	<u>(115,948)</u>	-
	<u><b>(115,614)</b></u>	<u><b>623,257</b></u>

**Year ended 31 December 2018**

	31/12/18	1/1/18
	£	£
Cash and cash equivalents	623,257	698,212
Bank overdrafts	<u>-</u>	<u>(91,857)</u>
	<u><b>623,257</b></u>	<u><b>606,355</b></u>

**25. Analysis of changes in net debt**

	At 1/1/19	Cash flow	At 31/12/19
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	623,257	(622,923)	334
Bank overdrafts	<u>-</u>	<u>(115,948)</u>	<u>(115,948)</u>
	<u><b>623,257</b></u>	<u><b>(738,871)</b></u>	<u><b>(115,614)</b></u>
<b>Debt</b>			
Debts falling due within 1 year	-	(321,872)	(321,872)
Debts falling due after 1 year	<u>(1,257,852)</u>	<u>67,440</u>	<u>(1,190,412)</u>
	<u><b>(1,257,852)</b></u>	<u><b>(254,432)</b></u>	<u><b>(1,512,284)</b></u>
<b>Total</b>	<u><b>(634,595)</b></u>	<u><b>(993,303)</b></u>	<u><b>(1,627,898)</b></u>

**IMPARTA LIMITED**

**Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2019**

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**26. Pensions and other post-retirement benefits**

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 £56,735 (2018: £46,599).