Registered number: 04117454

Impact Development Training International Limited

Annual Report and Financial Statements

For the year ended 30 March 2016

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A11 19/01/2017 #423
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COMPANIES HOUSE

CLB coopers
Audit Services
Delivering solutions through excellence

Impact Development Training International Limited

Company Information

Directors	Mr D H Williams Mr R Bradbury Mr T W C Plimmer Rev A E Blakebrough Mrs A E Williams Mr D J Newman Mrs S J Hunt
Company secretary	Mr R Bradbury
Registered number	04117454
Registered office	Cragwood House Windermere Cumbria LA23 1LQ
Independent auditor	CLB Coopers Audit Services Fleet House New Road Lancaster LA1 1EZ

Impact Development Training International Limited

Contents

Chief Executive's Statement
For the year ended 30 March 2016

The year 2015/16 has been the first year of our 5 year plan to grow the business sustainably to 2020. We have made good progress this year and recognise that there is a lot to do across the business to maintain the momentum we need to achieve our 2020 goals.

I am able to report a significant drop in the operating losses made by the hotels. The aim of returning the hotels to profit now looks achievable as a result of investments in a new role of executive commercial manager and in a property management and reservation system.

In Impact we have continued to invest in people and in infrastructure globally as part of our commitment to being a truly global organisation.

We saw significant headwinds affecting the performance of the Asian business in 2015/16 as we continue to try and organically grow our Asian client list. However the team completed a huge amount of global delivery for work sold in the USA and in the UK. We have used that delivery as a platform for further investment in our Asian capacity. We have continued to strengthen our teams in Asia and continue to invest in infrastructure as part of our wider strategy to see growth coming from that part of our global business.

Japan continued to grow and develop again, after a slow down last year. The arrival of a relatively new team alongside some targeted sales and marketing efforts saw the Japan team turn a corner this year commercially.

Australia has shown signs of modest growth this year with plans for future growth given the arrival of several new staff from the global business relocating to our Australian office to help build on our strong platform in that region.

Our USA business continued to grow in line with our plans and expectations. This led to some increases in the headcount in USA and us strengthening our associate bench strength to meet rising client demand. Plans for the development of the South American market have continued to proceed slowly given the strength of demand from USA based clients. We have successfully built an associate network in parts of South America that help us to meet client need in that region.

The CEO of our USA operations was promoted in the final quarter of this year to become our first Commercial Director taking charge of driving our commercial strategy globally. The Commercial Director has a remit to work with Country Managers to ensure that we remain on track to achieve our 2020 ambitions. This move is part of strengthening our global capability to act together as a single global business serving global clients

We took the UK business through an important and detailed restructure as part of our wider review of keeping the business lean and efficient. The restructure was managed well with the team achieving a remarkable result at year-end given all of the challenges that change can bring. The restructure helps to establish the UK business as the driver of our commercial success both in it's own right and as it's contribution as our Global HQ.

Our global performance as a business continues to be underpinned by our capacity to work with global clients at the scale and reach that they need. We continue to win work from big name consultancies and Universities trading on our independence, track record and our ability to deliver at global scale. We are now one of the few independent operators in this business internationally as our competitors either fold or are bought up. Our independence continues to be an important factor in positioning ourselves successfully in a hugely competitive global marketplace.

Our commitment to leadership development as the core of our business has successfully brought focus and clarity to our global branding this year. We have embedded our new global messaging and strengthened the capacity of the Impact brand to work harder for us. This has led to a significant uptick in the volume and quality of inbound enquiries emerging from our marketing activity. Our win ratios continue to run well ahead of market averages especially in the USA and UK.

We have continued to develop our digital capability over the year, strengthening our capacity to deliver blended learning solutions to our clients, strengthening our capabilities in designing and delivering webinars and integrating on-line learning with our face-to-face experiential programmes.

Chief Executive's Statement
For the year ended 30 March 2016

As a responsible business we have remained committed to sponsoring charitable activities through Impact Aid. In 2015/16 we raised nearly £6,000 from fundraising and direct contributions from the business. Our charity of the year continues to be the Teenage Cancer Trust with whom we have built a substantial and mutually beneficial relationship. Through our approach to gifting the time and expertise of our staff into supporting local charities and good causes we have made a substantial contribution to local organisations, charities and small businesses. We continue to be active members of the UN Global Compact reporting annually on our progress as a business. This past year we have begun to embed the Sustainable Development Goals into our practice, weaving them into our work with clients. This is likely to grow into the future.

Once again we were fortunate to win a range of awards over the year reflecting the success of our organisational culture and our collaboration with our clients. For example for the 6th year running we continued to hold a place in the Top 20 Global Leadership Providers list assessed by www.trainingindustry.com. Impact were also named again in the Great Place to Work Awards medium category making it 10 years that we have been honoured for our workplace culture.

We also continue to win awards for our collaboration with clients. For example we won silver for our work with BASF in the HR Excellence Awards and were finalists in the LTEN Excellence Awards in the learning content category.

Looking ahead to 2016/17 we will aim to appoint a new leader in the Asia region to consolidate the commercial gains we have made and to allow us to continue to build our plans to grow the region in line with our 2020 ambitions. We will continue to invest in our infrastructure and in the development of our people. We will bring new, younger talent in to the business to continue to help build the future for the company. We will also continue to invest in our digital capabilities and look to launch our own in-house digital agency to provide services both to Impact clients and to the wider digital learning marketplace. Finally we will continue to invest in the culture and identity that makes Impact independent and unique recognising that it the nature of who we are as much as what we do that sees us win work and continue to grow sustainably and successfully.

Chief Executive's Statement
For the year ended 30 March 2016

Name D Williams
Founder and CEO

Date 23|12|2016

Introduction

The company is the parent company of the Impact Development Training group and of Cragwood International Limited. The principal activities remain the provision of experiential based management, leadership and team development programmes plus associated consultancy services in respect of culture change, organizational development, talent management and performance improvement as well as the operation of three country house style Lake District hotels – Cragwood House, Merewood and Briery Wood.

The company operates through branches in Australia and New Zealand, subsidiary companies in China, Hong Kong, Japan, Poland, Singapore, Thailand, UK and USA, and a joint venture in Italy.

Business review

The Directors are pleased to report a successful period of trading with turnover for the year of £18.87m (2015: £8.68m) producing a pre tax profit of £828,248 (2015 restated: pre tax loss of £243,409). The Impact USA subsidiary had a particularly good year producing a profit before tax of $1,127,467 (2015: $805,603).

The level of export sales made by the UK subsidiary continues to be a feature with a significant amount of services now delivered outside the UK, the majority being in mainland Europe. It is the Directors' strategy to continue to grow the Impact business in the EMEA, ASPAC and Americas regions by recruiting and developing talented staff in business development and delivery solutions. Impact's ability to deliver consistent solutions internationally is a major factor in retaining clients and attracting new ones.

The Directors strategy is to increase usage of the hotels from external sources to compensate for the reduced revenue from delegates attending Impact programmes in the Lake District. A computerised reservation and property management system was introduced during the year and a new role of executive commercial manager created. We are now able to be much more proactive in marketing the hotels and in managing availability and rates, through the hotels' website and use of online agencies and internet media companies. As a result we have seen revenues increase and operating losses in the hotels significantly reduced.

Principal risks and uncertainties

The main risks and uncertainties that may affect the Impact business are our ability to find and develop new talent within an acceptable timeframe and the increasingly competitive, procurement led, nature of the business.

In the short term the decision to leave the European Union has resulted in a fall in the value of the pound which has benefitted the business by making our prices more competitive to international clients and by increasing the value of overseas profits. We don't yet know the terms of Brexit which could have an effect on the company's ability to sell as effectively to members of the European Union and for staff to move and work freely within those territories. There is also uncertainty around trade tariffs and future exchange rate fluctuations.

Within the hospitality sector, the local market is very competitive with consumers looking for last minute discounted deals, often marketed through internet media companies. The tourism industry can be significantly affected by the state of the UK economy and by fluctuating exchange rates. The weather too can influence numbers of visitors coming to the Lake District. Storm Desmond and the safety issues from the resulting floods undoubtedly had a negative effect.

Financial key performance indicators

The financial key performance indicators used by the group are sales, gross margin and EBITDA.

Group strategic report
For the year ended 30 March 2016

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

D.W.

Mr D H Williams
Director

Date: 23/12/2016

Directors' report
For the year ended 30 March 2016

The directors present their report and the financial statements for the year ended 30 March 2016.

Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 company and the group 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 for the group's financial statements and then apply them consistently;
- make judgments 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 group will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £483,273 (2015: loss £378,588).

Directors

The directors who served during the year were:

Mr D H Williams
Mr R Bradbury
Mr T W C Plimmer
Rev A E Blakebrough
Mrs A E Williams
Mr D J Newman
Mrs S J Hunt

Future developments

Details of future developments have been set out in the strategic report.

Financial instruments

Details of the group's financial risk management objectives and policies are included in note 33 to the financial statements.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditor

The auditor, CLB Coopers, has tendered its resignation. CLB Coopers Audit Services will be proposed for appointment in accordance with section 485 of the Companies Act 2006.

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

R.B

Mr R Bradbury
Director

Date: 23|12|2016

Independent auditor's report to the shareholders of Impact Development Training International Limited

We have audited the financial statements of Impact Development Training International Limited for the year ended 30 March 2016, set out on pages 10 to 56. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the directors' responsibilities statement on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the group strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 March 2016 and of the group's profit or 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements.

Independent auditor's report to the shareholders of Impact Development Training International Limited (continued)

Matters on which we are required to report by exception

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

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

CLB Coopers Audit Services.

Philip Whiteway (senior statutory auditor)

for and on behalf of
CLB Coopers Audit Services

Statutory Auditors

Fleet House
New Road
Lancaster
LA1 1EZ
Date: 23|12|2016

Impact Development Training International Limited

Consolidated statement of comprehensive income (including profit and loss account)
For the year ended 30 March 2016

	Note	2016 £	As restated 2015 £
Turnover	4	**18,866,396**	8,684,062
Cost of sales		**(5,905,944)**	(2,719,786)
Gross profit		**12,960,452**	5,964,276
Administrative expenses		**(11,924,432)**	(8,766,522)
Exceptional administrative expenses		**(10,213)**	(92,169)
Other operating income	5	**10,770**	2,855,452
Operating profit/(loss)	6	**1,036,577**	(38,963)
Income from participating interests		**12,701**	(28,588)
Interest receivable and similar income	11	**776**	720
Interest payable and expenses	12	**(221,806)**	(176,578)
Profit/(loss) before taxation		**828,248**	(243,409)
Tax on profit/(loss)	13	**(344,975)**	(135,179)
Profit/(loss) for the year		**483,273**	(378,588)
Other comprehensive income		**20,802**	18,615
Other comprehensive income for the year		**20,802**	18,615
Total comprehensive income for the year		**504,075**	(359,973)
Profit/(loss) for the year attributable to:			
Non-controlling interests		**9,641**	9,806
Owners of the parent company		**473,632**	(388,394)
		483,273	(378,588)
Total comprehensive income for the year attributable to:			
Non-controlling interest		**9,641**	9,806
Owners of the parent company		**494,434**	(369,779)
		504,075	(359,973)

The notes on pages 21 to 56 form part of these financial statements.

Impact Development Training International Limited
Registered number:04117454

Consolidated balance sheet
As at 30 March 2016

	Note		2016 £		As restated 2015 £
Fixed assets					
Intangible assets	14		**1,658,645**		1,862,171
Tangible assets	15		**9,074,222**		9,164,710
Investments	16		**131,836**		127,986
			10,864,703		11,154,867
Current assets					
Stocks	17	**96,399**		76,122	
Debtors: amounts falling due within one year	18	**4,180,128**		3,019,725	
Cash at bank and in hand	19	**601,932**		641,870	
		4,878,459		3,737,717	
Creditors: amounts falling due within one year	20	**(5,187,427)**		(4,202,399)	
Net current liabilities			**(308,968)**		(464,682)
Total assets less current liabilities			**10,555,735**		10,690,185
Creditors: amounts falling due after more than one year	21		**(5,661,903)**		(6,149,095)
Provisions for liabilities					
Deferred taxation	25	**(279,921)**		(336,754)	
			(279,921)		(336,754)
Net assets			**4,613,911**		4,204,336
Capital and reserves					
Called up share capital	26		**100,000**		100,000
Non-distributable profit and loss account	27		**2,650,861**		2,604,384
Other reserves	27		**1,069,341**		1,069,341
Profit and loss account	27		**593,411**		239,954
Equity attributable to owners of the parent company			**4,413,613**		4,013,679
Non-controlling interests			**200,298**		190,657
			4,613,911		4,204,336

Consolidated balance sheet (continued)
As at 30 March 2016

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
23|12|2016

D.H. W

Mr D H Williams

Director

The notes on pages 21 to 56 form part of these financial statements.

Impact Development Training International Limited
Registered number:04117454

Company balance sheet
As at 30 March 2016

	Note		2016 £		2015 £
Fixed assets					
Investments	16		**8,316,721**		8,306,851
			8,316,721		8,306,851
Current assets					
Debtors: amounts falling due after more than one year	18	**3,699,334**		4,166,588	
Debtors: amounts falling due within one year	18	**92,484**		-	
Cash at bank and in hand	19	**-**		76,495	
		3,791,818		4,243,083	
Creditors: amounts falling due within one year	20	**(1,236,860)**		(1,022,360)	
Net current assets			**2,554,958**		3,220,723
Total assets less current liabilities			**10,871,679**		11,527,574
Creditors: amounts falling due after more than one year	21		**(5,605,625)**		(6,076,339)
Net assets			**5,266,054**		5,451,235
Capital and reserves					
Called up share capital	26		**100,000**		100,000
Share premium account	27		**3,400,000**		3,400,000
Profit and loss account	27		**1,766,054**		1,951,235
			5,266,054		5,451,235

Company balance sheet (continued)
As at 30 March 2016

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23|12|2016

Mr D H Williams

Director

The notes on pages 21 to 56 form part of these financial statements.

Impact Development Training International Limited

Consolidated statement of changes in equity
For the year ended 30 March 2016

	Called up share capital	Non-distributable profit and loss account	Other reserves	Profit and loss account	Equity attributable to owners of parent company	Non-controlling interests	Total equity
	£	£	£	£	£	£	£
At 31 March 2015	100,000	2,604,384	1,069,341	239,954	4,013,679	190,657	4,204,336
Profit for the year	-	-	-	473,632	473,632	9,641	483,273
Differences on foreign exchange	-	-	-	20,802	20,802	-	20,802
Dividends: Equity capital	-	-	-	(94,500)	(94,500)	-	(94,500)
Total transactions with owners	-	46,477	-	(140,977)	(94,500)	-	(94,500)
At 30 March 2016	100,000	2,650,861	1,069,341	593,411	4,413,613	200,298	4,613,911

Consolidated statement of changes in equity
For the year ended 30 March 2015

	Called up share capital	Non-distributable profit and loss account As restated	Other reserves	Profit and loss account As restated	Equity attributable to owners of parent company As restated	Non-controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 April 2014	100,000	2,614,348	1,912,788	629,769	5,256,905	185,669	5,442,574
Loss for the period	-	-	-	(388,394)	(388,394)	9,806	(378,588)
Purchase of minority interests	-	-	-	-	-	(4,818)	(4,818)
Differences on foreign exchange	-	-	-	18,615	18,615	-	18,615
Other comprehensive income for the period	-	-	-	18,615	18,615	(4,818)	13,797
Dividends: Equity capital	-	-	-	(30,000)	(30,000)	-	(30,000)
Movement on other reserve	-	-	(843,447)	-	(843,447)	-	(843,447)
Total transactions with owners	-	(9,964)	(843,447)	(20,036)	(873,447)	-	(873,447)
At 30 March 2015	100,000	2,604,384	1,069,341	239,954	4,013,679	190,657	4,204,336

The notes on pages 21 to 56 form part of these financial statements.

Company statement of changes in equity
For the year ended 30 March 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 31 March 2015	100,000	3,400,000	1,951,235	5,451,235
Loss for the year	-	-	(90,681)	(90,681)
Dividends: Equity capital	-	-	(94,500)	(94,500)
Total transactions with owners	-	-	(94,500)	(94,500)
At 30 March 2016	100,000	3,400,000	1,766,054	5,266,054

Company statement of changes in equity
For the year ended 30 March 2015

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2014	100,000	3,400,000	(2,555,260)	944,740
Profit for the period	-	-	4,536,495	4,536,495
Total comprehensive income for the period	-	-	4,536,495	4,536,495
Dividends: Equity capital	-	-	(30,000)	(30,000)
Total transactions with owners	-	-	(30,000)	(30,000)
At 30 March 2015	100,000	3,400,000	1,951,235	5,451,235

The notes on pages 21 to 56 form part of these financial statements.

Consolidated statement of cash flows
For the year ended 30 March 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit/(loss) for the financial year	**483,273**	(378,588)
Adjustments for:		
Amortisation of intangible assets	**195,520**	83,089
Depreciation of tangible assets	**204,931**	233,180
Interest payable	**221,806**	176,578
Interest receivable	**(13,477)**	(720)
Taxation charge	**344,975**	135,179
(Increase) in stocks	**(20,277)**	(35,159)
(Increase) in debtors	**(1,160,405)**	(434,737)
Increase in creditors	**707,506**	1,543,705
Corporation tax paid	**(334,201)**	(266,336)
Foreign exchange movements	**24,684**	15,696
Share of profit in joint ventures	**(3,850)**	28,588
Net cash generated from operating activities	**650,485**	1,100,475
Cash flows from investing activities		
Purchase of intangible fixed assets	**-**	(1,945,260)
Purchase of tangible fixed assets	**(120,019)**	(410,042)
Sale of tangible fixed assets	**9,701**	-
Purchase of share in joint ventures	**-**	(156,574)
Interest received	**776**	720
Income from investments in related companies	**12,701**	-
Income from minority interest	**-**	(4,819)
Net cash used in investing activities	**(96,841)**	(2,515,975)
Cash flows from financing activities		
New secured loans	**103,625**	175,434
Repayment of loans	**-**	(225,195)
Dividends paid	**(94,500)**	(30,000)
Interest paid	**(177,363)**	(176,578)
Loan notes issued	**-**	2,227,735
Loan notes repaid	**(200,000)**	(250,000)
Repayment of hire purchase leases	**(44,706)**	(12,921)
Net cash (used in)/from financing activities	**(412,944)**	1,708,475
Net increase in cash and cash equivalents	**140,700**	292,975
Cash and cash equivalents at beginning of year	**341,122**	48,148
Cash and cash equivalents at the end of year	**481,822**	341,123

Consolidated statement of cash flows (continued)
For the year ended 30 March 2016

	2016	2015
	£	£
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**601,932**	641,870
Bank overdrafts	**(120,110)**	(300,747)
	481,822	341,123

1. General information

Impact Development Training International Limited ("the company") is a limited company domiciled and incorporated in England.

The address of the company's registered office and principal place of business is Cragwood House, Windermere, Cumbria, LA23 1LQ.

The group's principal activities are detailed in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold property and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 37.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the group and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

2. Accounting policies (continued)

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);

- the requirements of Section 7 Statement of Cash Flows;

- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;

- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;

- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Impact Development Training International Limited as at 30 March 2016 and these financial statements may be obtained from Cragwood House, Windermere, Cumbria, LA23 1LQ.

2.4 Associates and joint ventures

An entity is treated as a joint venture where the group is a party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The consolidated statement of comprehensive income includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. In the consolidated balance sheet, the interests in associated undertakings are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2. Accounting policies (continued)

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. Accounting policies (continued)

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a 10% straight line basis to administrative expenses in the profit and loss account over its useful economic life.

The estimated useful life has been determined by the company based on the anticipated future revenue stream after assessing the level of recurring client contracts, the group's in-house development methodologies and techniques, together with other intellectual property specific to the training programmes which it delivers.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a straight line/reducing balance basis.

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Long-term leasehold property	- Over the term of the lease
Plant and machinery	- 25% reducing balance/33.33% straight line
Motor vehicles	- 25%-30% reducing balance
Fixtures, fittings and office equipment	- 15-25% reducing balance/20% straight line

Freehold land and property is not depreciated. The directors are of the opinion that the depreciation charge and accumulated depreciation on properties is immaterial owing to these assets having very long useful lives and high residual values. An impairment review is carried out on an annual basis.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated profit and loss account.

2.8 Revaluation of freehold properties

As permitted by the transitional provisions of FRS 102 the properties held as freehold properties in the financial statements were revalued at the transition date. The group will retain this value as deemed cost and have not adopted a policy of revaluation of freehold properties.

2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

2. Accounting policies (continued)

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.14 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Accounting policies (continued)

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the profit and loss account in the same period as the related expenditure.

2.17 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Within the group there are a number of overseas subsidiaries which report in local currency. For the group accounts the company has adopted a policy to report in Sterling, being the currency of the country in which the parent company is registered.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2. Accounting policies (continued)

2.18 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.20 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2.21 Leased assets

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.22 Pensions

Defined contribution pension plan

The group contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the group in independently administered funds.

2.23 Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

2. Accounting policies (continued)

2.24 Borrowing costs

All borrowing costs are recognised in the consolidated statement of comprehensive income in the year in which they are incurred.

2.25 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.26 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Accounting policies (continued)

2.27 Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the financial statements.

2.28 Share capital

Ordinary shares are classed as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

2.29 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(a) Useful economic lives and residual values of tangible fixed assets

The useful economic life, depreciation rate and residual value of tangible fixed assets is reviewed annually and amended when necessary.

(b) Recoverable amount of goodwill

The recoverable amount of goodwill and other intangible assets is based on value in use which requires estimates in respect of the allocation of goodwill to cash generating units, the future cash flows and an appropriate discount rate. The key inputs to the value in use calculations are the discount rate and the future earnings growth.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management make judgements as to whether significant risks and rewards of ownership have transferred to the company as lessee.

4. Turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Training services	**16,477,291**	6,185,019
Hotels and leisure	**2,389,105**	2,499,044
	18,866,396	8,684,063

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	**6,359,984**	4,058,499
Rest of Europe	**2,872,405**	1,081,521
Rest of the world	**9,634,007**	3,544,042
	18,866,396	8,684,062

5. Other operating income

	2016 £	2015 £
LLP and sundry income	**5,040**	447,861
Government grants receivable	**5,730**	5,040
Management charges	**-**	2,402,551
	10,770	2,855,452

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2016	As restated 2015
	£	£
Depreciation of tangible fixed assets owned by the group	**196,325**	205,909
Depreciation of tangible fixed assets held under finance leases	**8,606**	30,164
Amortisation of intangible assets, including goodwill	**195,520**	83,089
Auditor's remuneration	**110,380**	87,031
Exchange differences	**21,782**	(71,829)
Operating lease rentals	**301,750**	116,161
Defined contribution pension cost	**304,972**	189,080

7. Auditor's remuneration

	2016	2015
	£	£
Auditor's remuneration - UK	**71,459**	36,021
Auditor's remuneration - overseas entities	**38,921**	51,010
	110,380	87,031

Auditor's fees for the company amounted to £9,425 (2015: £7,471).

8. Exceptional items

	2016	2015
	£	£
Redundancy costs	**10,213**	92,169

9. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	**7,696,095**	6,468,903
Social security costs	**500,876**	582,027
Cost of defined contribution scheme	**304,972**	189,080
	8,501,943	7,240,010

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

	2016 No.	2015 No.
Directors	**7**	4
Hotel staff	**82**	87
Training staff	**52**	53
Administration, sales and marketing	**102**	118
	243	262

10. *Directors' remuneration*

	2016 £	2015 £
Directors' emoluments	**124,869**	151,508
Company contributions to defined contribution pension schemes	**13,598**	12,771
	138,467	164,279

During the year retirement benefits were accruing to 3 directors (2015: 3) in respect of defined contribution pension schemes.

11. Interest receivable

	2016 £	2015 £
Other interest receivable	**776**	720
	776	720

12. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	**156,393**	163,543
Other loan interest payable	**44,443**	-
Finance leases and hire purchase contracts	**5,383**	8,265
Other interest payable	**15,587**	4,770
	221,806	176,578

13. Taxation

	2016 £	As restated 2015 £
Corporation tax		
Current tax on profits for the year	**67,522**	-
Adjustments in respect of previous periods	**-**	(13,069)
	67,522	(13,069)
Group taxation relief	**(1,629)**	-
	65,893	(13,069)
Foreign tax		
Foreign tax on income for the year	**335,915**	192,972
	335,915	192,972
Total current tax	**401,808**	179,903
Deferred tax		
Accelerated capital allowances	**5,730**	64,937
Short term timing differences	**(11,687)**	-
Tax losses carried forward	**(4,400)**	(102,556)
Gains on property revaluation	**(46,476)**	(7,105)
Total deferred tax	**(56,833)**	(44,724)
Taxation on profit on ordinary activities	**344,975**	135,179

13. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 21%). The differences are explained below:

	2016 £	As restated 2015 £
Profit/(loss) on ordinary activities before tax	**828,249**	(243,409)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 21%)	**165,650**	(51,116)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**41,056**	15,311
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**34,595**	4,118
Capital allowances for year/period in excess/(less than) of depreciation	**3,991**	(13,536)
Utilisation of tax losses	**(2,549)**	78,006
Adjustments to tax charge in respect of prior periods	**-**	(13,069)
Increase or decrease in pension fund prepayment leading to a decrease in tax	**(197)**	-
Non-taxable income	**-**	(11,886)
Profit adjustments from group	**-**	(1,372)
Pension contributions accrued	**-**	3,253
Exempt income	**-**	250
Capital items expensed	**381**	-
Changes in provisions leading to a (decrease)/increase in the tax charge	**(653)**	2,112
Double taxation relief	**(187,068)**	(30,464)
Unrelieved tax losses carried forward	**68,387**	-
Other differences leading to an increase/(decrease) in the tax charge	**20,627**	(10,378)
Deferred taxation	**(56,833)**	-
Group relief	**(78,327)**	(29,022)
Overseas tax charge	**335,915**	192,972
Total tax charge for the year/period	**344,975**	135,179

14. Intangible assets

Group

	Trademarks £	Goodwill £	Total £
Cost			
At 31 March 2015	**2,118**	**1,890,586**	**1,892,704**
Foreign exchange movement	**-**	**(8,006)**	**(8,006)**
At 30 March 2016	**2,118**	**1,882,580**	**1,884,698**
Amortisation			
At 31 March 2015	**-**	**30,533**	**30,533**
Charge for the year	**419**	**195,101**	**195,520**
At 30 March 2016	**419**	**225,634**	**226,053**
Net book value			
At 30 March 2016	**1,699**	**1,656,946**	**1,658,645**
At 30 March 2015	2,118	1,860,053	1,862,171

The goodwill arose as a result of the business combination in the prior period and has a carrying value as stated above, the remaining amortisation period at the balance sheet date is 8.6 years.

15. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation						
At 31 March 2015	**8,263,598**	**13,938**	**1,256,611**	**103,913**	**1,432,027**	**11,070,087**
Additions	**9,463**	**-**	**61,450**	**900**	**48,206**	**120,019**
Disposals	**-**	**-**	**-**	**(9,701)**	**-**	**(9,701)**
At 30 March 2016	**8,273,061**	**13,938**	**1,318,061**	**95,112**	**1,480,233**	**11,180,405**
Depreciation						
At 31 March 2015	**-**	**2,592**	**931,305**	**16,412**	**955,068**	**1,905,377**
Charge for the period	**-**	**1,936**	**81,313**	**18,034**	**103,648**	**204,931**
Exchange adjustments	**-**	**(1,154)**	**-**	**(1,829)**	**(1,142)**	**(4,125)**
At 30 March 2016	**-**	**3,374**	**1,012,618**	**32,617**	**1,057,574**	**2,106;183**
Net book value						
At 30 March 2016	**8,273,061**	**10,564**	**305,443**	**62,495**	**422,659**	**9,074,222**
At 30 March 2015	8,263,598	11,346	325,306	87,501	476,959	9,164,710

The net book value of land and buildings may be further analysed as follows:

	2016 £	2015 £
Freehold	**8,273,061**	8,263,598
Long leasehold	**10,564**	11,346
	8,283,625	8,274,944

15. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Plant and machinery	**38,106**	50,808
Motor vehicles	**-**	33,134
Other fixed assets	**-**	6,071
	38,106	90,013

Cost or valuation at 30 March 2016 is as follows:

	Land and buildings £
At cost	**3,666,732**
At valuation:	
March 2016	**4,620,267**
	8,286,999

On 2 March 2015 the land and buildings were revalued by Christies & Co on an open market value for existing use basis. In the opinion of the directors the open market value of the land and buildings on an existing use basis at 30 March 2016 is not materially different to the valuation report prepared.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2016 £	2015 £
Group		
Cost	**3,670,106**	3,657,269
Accumulated depreciation	**(3,374)**	(409,207)
Net book value	**3,666,732**	3,248,062

The loan held by Cragwood International Limited is secured over the freehold properties with a net book value of £8,273,061.

16. Fixed asset investments

Group

	Investment in joint ventures £
Cost or valuation	
At 31 March 2015	**127,986**
Share of profit/(loss)	**3,850**
At 30 March 2016	**131,836**
Net book value	
At 30 March 2016	**131,836**
At 30 March 2015	127,986

Company

	Shares in group undertakings £
Cost or valuation	
At 31 March 2015	**8,306,851**
Additions	**9,870**
At 30 March 2016	**8,316,721**
Net book value	
At 30 March 2016	**8,316,721**
At 30 March 2015	8,306,851

Details of the principal subsidiaries and joint ventures can be found in note 36 to the financial statements.

17. Stocks

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Work in progress	**40,836**	25,559	-	-
Finished goods and goods for resale	**55,563**	50,563	-	-
	96,399	76,122	-	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £797,895 (2015: £755,145).

18. Debtors

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Due after more than one year				
Amounts owed by group undertakings	-	-	**3,699,334**	4,166,588
	-	-	**3,699,334**	4,166,588

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Due within one year				
Trade debtors	**2,681,544**	1,921,745	-	-
Other debtors	**472,605**	510,284	-	-
Prepayments and accrued income	**1,025,979**	587,696	**92,484**	-
	4,180,128	3,019,725	**92,484**	-

Trade debtors of the group amounting to £1,357,882 (2015: £751,340) have been invoice discounted through a facility with HSBC Invoice Finance (2015: GE invoice financing).

19. Cash and cash equivalents

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	**601,932**	641,870	**-**	76,495
Less: bank overdrafts	**(120,110)**	(300,747)	**(606,645)**	(300,000)
	481,822	341,123	**(606,645)**	(223,505)

20. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank overdrafts	**120,110**	300,747	**606,645**	300,000
Bank loans	**617,180**	436,901	**265,413**	251,396
Other loans	**250,000**	250,000	**250,000**	250,000
Trade creditors	**917,014**	715,009	**-**	-
Amounts owed to group undertakings	**-**	-	**-**	183,964
Corporation tax	**67,607**	-	**-**	-
Taxation and social security	**344,456**	298,491	**-**	-
Obligations under finance lease and hire purchase contracts	**24,689**	44,364	**-**	-
Other creditors	**1,447,390**	1,039,379	**57,154**	30,000
Accruals and deferred income	**1,398,981**	1,117,508	**57,648**	7,000
	5,187,427	4,202,399	**1,236,860**	1,022,360

The net obligations under hire purchase contracts are secured on the individual assets to which they relate.

Bank overdrafts amounting to £120,110 (2015: £300,747) are secured by a debenture over all the assets of the company. In addition there is an unlimited intercompany guarantee across all UK registered entities in the group.

Other creditors of the group includes £1,109,427 (2015: £576,287) owed to HSBC Invoice Finance (2015: GE invoice financing) with whom invoices are discounted. The creditor is secured on the trade debtors of the group.

Taxation and social security of the group includes £44,810 (2015: £Nil) relating to foreign taxation.

21. Creditors: Amounts falling due after more than one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank loans	**4,134,169**	4,396,329	**4,077,891**	4,348,604
Other loans	**1,527,734**	1,727,735	**1,527,734**	1,727,735
Net obligations under finance leases and hire purchase contracts	-	25,031	-	-
	5,661,903	6,149,095	**5,605,625**	6,076,339

The net obligations under hire purchase contracts are secured on the individual assets to which they relate.

22. Loans

Analysis of the maturity of loans is given below:

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Amounts falling due within one year				
Bank loans	**617,180**	436,902	**265,413**	251,396
Other loans	**250,000**	250,000	**250,000**	250,000
	867,180	686,902	**515,413**	501,396
Amounts falling due 1-2 years				
Bank loans	**290,879**	305,623	**275,415**	257,899
Other loans	**250,000**	250,000	**250,000**	250,000
	540,879	555,623	**525,415**	507,899
Amounts falling due 2-5 years				
Bank loans	**905,993**	814,417	**865,179**	814,417
Other loans	**750,000**	750,000	**750,000**	750,000
	1,655,993	1,564,417	**1,615,179**	1,564,417
Amounts falling due after more than 5 years				
Bank loans	**2,937,296**	3,276,288	**2,937,296**	3,276,288
Other loans	**527,734**	727,735	**527,734**	727,735
	3,465,030	4,004,023	**3,465,030**	4,004,023
	6,529,082	6,810,965	**6,121,037**	6,577,735

22. Loans (continued)

Bank loans amounting to £4,343,304 (2015: £4,600,000) are secured by a debenture over all the assets of the company.

Bank loans amounting to £4,420,853 (2015: £4,600,000) are secured by an unlimited intercompany guarantee across all UK registered entities in the group.

Bank loans amounting to £277,919 (2015: £185,506) are secured on all assets of Impact Learning & Development Inc.

Bank loans amounting to £52,577 (2015: £47,724) are secured by personal guarantee of a director of Impact (Japan) Limited.

The bank loan amount due after more than 5 years of £2,937,296 is repayable in monthly instalments of £30,570, with a final repayment date of 15 years after the date of the first drawdown, being in the year ending 30 March 2030. Interest on this loan is charged at 1.95% over the Bank of England Base Rate and financial covenants apply to the loan.

The other loan amount due after more than 5 years of £527,734 is not repayable by instalments.

Other loans are in respect of loan notes with a final redemption date of 20 October 2024. Of the loan notes outstanding £250,000 (2015: £250,000) is repayable within one year. Interest on the loan notes is charged at 2.50% (2015: Nil). The loan notes are secured by a debenture over the assets of the group ranking after bank security.

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2016 £	Group 2015 £
Within one year	**26,013**	28,750
Between 1-2 years	-	26,013
	26,013	54,763

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

24. Financial instruments

	Group 2016 £	Group 2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**3,756,081**	3,073,898
	3,756,081	3,073,898
Financial liabilities		
Financial liabilities measured at amortised cost	**(9,038,286)**	(8,935,495)
	(9,038,286)	(8,935,495)

Financial assets measured at amortised cost comprise cash, trade debtors, and other debtors.

Financial liabilities measured at amortised cost comprise bank overdrafts, bank loans, other loans, trade creditors, other creditors, and obligations under finance lease and hire purchase contracts.

25. Deferred taxation

Group

	2016 £	As restated 2015 £
At beginning of year	**336,754**	**381,478**
Charged to the profit or loss	**(56,833)**	**(44,724)**
At end of year	**279,921**	**336,754**

The provision for deferred taxation is made up as follows:

	Group 2016 £	Group As restated 2015 £
Accelerated capital allowances	**134,571**	128,841
Timing differences on revaluation	**267,246**	313,722
Tax losses carried forward	**(114,243)**	(102,556)
Short term timing differences	**(7,653)**	(3,253)
	279,921	336,754

26. Share capital

	2016 £	2015 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
95,000 A Ordinary shares of £1 each	**95,000**	95,000
5,000 B Ordinary shares of £1 each	**5,000**	5,000
	100,000	100,000

On 17 March 2015 the allotted share capital of 100,000 Ordinary shares of £1 each were redesignated as 95,000 A Ordinary shares of £1 each and 5,000 B Ordinary shares of £1 each. For each class of shares allotted £Nil consideration was received. Each class of shares ranks pari passu in all respects.

27. Reserves

Non-distributable profit and loss account

Non-distributable profit and loss account represents the accumulated revaluation gains on fixed assets held by the company.

Other reserves

Other reserves represents the merger reserve which is the difference between the cost of investment in a subsidiary and the value of the subsidiaries share capital on consolidation.

Profit and loss account

Profit and loss account represents accumulated comprehensive income for the year and prior periods net of equity dividends paid and received.

28. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year/period was £90,681 (2015: profit £4,536,495).

29. Dividends

	2016 £	2015 £
Dividends paid on equity capital	**94,500**	30,000
	94,500	30,000

30. Contingent liabilities

The company has given an unlimited guarantee over the assets of the company to HSBC Invoice Finance (2015: GE Commercial Distribution Finance Europe Limited) in respect of the borrowings of Impact Development Training Limited, Impact People LLP, Cragwood International Limited, Impact (UK) Limited and Impact (International) LLP. At the balance sheet date the borrowings amounted to £1,109,427 (2015: £576,287).

The company has given an unlimited guarantee over the assets of the company to HSBC Bank plc (2015: National Westminster Bank plc) in respect of the borrowings of Impact Development Training Limited, Impact People LLP, Cragwood International Limited, Impact (UK) Limited and Impact (International) LLP. At the balance sheet date the borrowings amounted to £77,549 (2015: £Nil).

31. Pension commitments

The group makes contributions to a group personal pension scheme on behalf of certain employees. The assets of the scheme are held separately from those of the company in independent trustee administered funds. The pension costs charge for the period amounted to £304,972 (2015: £210,640). At the balance sheet date £21,036 (2015: £42,324) was owed to the pension scheme.

32. Commitments under operating leases

At 30 March 2016 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Land and buildings				
Not later than 1 year	**181,782**	191,316	-	-
Later than 1 year and not later than 5 years	**138,687**	267,460	-	-
	320,469	458,776	-	-

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Other				
Not later than 1 year	**2,511**	3,818	-	-
Later than 1 year and not later than 5 years	**2,039**	4,666	-	-
	4,550	8,484	-	-

33. Financial risk management objectives and policies

The group and company hold or issue financial instruments in order to achieve three main objectives, being:

(a) to finance its operations;
(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
(c) for trading purposes.

In addition, the group and company have various other financial assets and liabilities such as trade debtors and trade creditors arising directly from the group and company's operations.

Transactions in financial instruments result in the group and company assuming or transferring to another party one or more of the financial risks described below.

Interest rate risk
The group and company are exposed to fair value interest rate risk on its borrowings and cash flow interest rate risk on bank overdrafts and loans. The group and company have entered into both fixed and variable interest rate agreements on its loans so as to minimise its exposure to changes in interest rates.

Credit risk
Investments of cash surpluses and borrowings are made through banks and companies which must fulfil credit rating criteria approved by the board. All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts whenever considered necessary.

Liquidity risk
The group and company manage the cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Currency risk
The group and company's principal foreign currency exposures arise from trading with overseas companies. The group and company seek to invoice and be invoiced in its principal trading currency wherever possible so as to minimise its exposure to foreign currency movements.

34. *Related party transactions*

During the year the group continued to borrow funds interest free from Mr D H Williams, a director. At the balance sheet date the group owed £70,095 (2015: £98,416) to Mr D H Williams. The amount payable is unsecured and no guarantees have been given.

During the year the group and company continued to borrow funds in the form of loan notes from Mr D H Williams, a director. Interest on the loan notes was charged at 2.50% resulting in interest payable by the company of £44,443 (2015: £Nil). At the balance sheet date the group and company owed £1,777,734 (2015: £1,977,735) to Mr D H Williams.

During the year the group and company continued to borrow funds interest free from Mrs A E Williams, a director. At the balance sheet date the group and company owed £27,000 (2015: £30,000) to Mrs A E Williams.

Two of the group companies, Impact Development Training Limited and Cragwood International Limited, are designated members of Impact (International) LLP. During the year the group received £Nil (2015: £8,162) in relation to the profit share and £Nil (2015: £424,330) in relation to the sale of goodwill and investments to Impact Development Training Limited. The group invoiced £Nil (2015: £2,402,551) in respect of management charges and £Nil (2015: £602,475) in respect of direct sales. At the balance sheet date the group was owed £Nil (2015: £Nil) by Impact (International) LLP.

During the year the group paid £4,300 (2015: £4,669) in fees to Rev A E Blakeborough, £4,000 (2015: £4,676) to Mr T Plimmer, £Nil (2015: £144) to Ms S Hunt and £4,000 (2015: £3,485) to Mr D Newman, directors of the parent company. At the balance sheet date the Company owed £Nil (2015: £1,175) to Rev A E Blakeborough, £Nil (2015: £1,204) to Mr T Plimmer and £Nil (2015: £1,136) to Mr D Newman. The amounts payable are unsecured and no guarantees have been given.

During the year, the company accrued interest at 2.50% (2015: Nil) amounting to £37,634 (2015: £Nil) on the balance due from Impact Development Training Limited.

The total remuneration of the directors and the managers, who are considered to be the key management personnel of the company, was £806,522 (2015: £752,339).

The company has taken advantage of the exemption from disclosure of transactions entered into between two or more members of a group, provided than any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

At the balance sheet date the group and the company had the following balances with group companies:

	2016 Group £	**2015 Group £**	**2016 Company £**	**2015 Company £**
Cragwood International Limited	-	-	**2,193,987**	**3,263,017**
Impact Development Training Limited	-	-	**1,505,346**	**(183,964)**
Impact (UK) Limited	-	-	-	**903,571**
Impact (International) LLP	-	**30,682**	-	-
Impact People LLP	**(30,151)**	**(30,512)**	-	-

35. Controlling party

The ultimate controlling party during the current and previous year was Mr D H Williams by virtue of his majority shareholding.

36. Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Holding	Principal activity
Impact Employee Trust Limited	England and Wales	100 %	Trustee of share ownership trust
Cragwood International Limited	England and Wales	100 %	Running three country style hotels
Impact Development Training Limited	England and Wales	96.44 %	Management and leadership education
Impact (UK) Limited*	England and Wales	100 %	Management and leadership education
Impact Development Training Sweden AB*	Sweden	100 %	Management and leadership education
Impact Polska Limited*	Poland	100 %	Management and leadership education
Impact (Japan) Limited*	Japan	90 %	Management and leadership education
Impact Learning & Development Inc.*	USA	100 %	Management and leadership education
Impact International Aspac Region Company Limited*	Thailand	100 %	Management and leadership education
Impact Singapore Pte Limited*	Singapore	100 %	Management and leadership education
Impact China Limited*	China	100 %	Management and leadership education
Impact Aspac (Hong Kong) Limited*	Hong Kong	100 %	Management and leadership education

36. Subsidiary undertakings (continued)

Participating interests

Joint ventures

Name	Country of incorporation	Holding	Principal activity
Impact Italia SRL*	Italy	25 %	Management and leadership education
Wasafari Consulting Limited*	Thailand	10 %	Management and leadership education

* - Shares held by Impact Development Training Limited.

On 21 October 2014 Impact Development Training Limited acquired the overseas subsidiaries listed above.

37. First time adoption of FRS 102

The group and company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 April 2014

	Group £
Equity at 1 April 2014 under previous UK GAAP	4,447,829
Revaluation of freehold property	1,315,572
Deferred tax on revaluation of property	(320,827)
Equity shareholders funds at 1 April 2014 under FRS 102	**5,442,574**

Reconciliation of equity at 30 March 2015

	Group £
Equity at 30 March 2015 under previous UK GAAP	4,515,164
Revaluation of freehold property - depreciation	2,893
Deferred tax on revaluation of property	(313,721)
Equity shareholders funds at 30 March 2015 under FRS 102	**4,204,336**

Reconciliation of profit and loss account for the period ended 30 March 2015

	Group £
Loss for the year under UK GAAP	(388,586)
Revaluation of freehold property - depreciation	2,893
Release of deferred tax on revaluation of property	7,105
Loss/profit for the year ended 30 March 2015 under FRS 102	**(378,588)**

37. First time adoption of FRS 102 (continued)

The following were changes in accounting policies arising from the transition to FRS 102:

Revaluation of freehold property

On transition to FRS 102 the group has elected to use the transitional conditions regarding revaluation of freehold land and buildings. Properties have been revalued at transition to £8,263,598 an increase of £1,315,572 from its previous value. Under the transitional arrangements the valuation is now deemed to be cost and the group has not adopted an accounting policy of revaluing freehold land and buildings.

Deferred taxation adjustment

Under previous UK GAAP the group was not required to provide for deferred taxation on revaluation of properties. Under FRS 102 deferred taxation is provided on the temporary difference arising from the revaluation. A deferred tax charge of £320,827 arose on transition to FRS 102 following the revaluation of the property, as above £7,105 was released to the revaluation reserve in the year ended 30 March 2015.

Company

The policies applied by the company under the entity's previous accounting framework are not materially different to FRS 102 and have no impacted on equity or profit or loss.