

Company Registration No. 04117454 (England and Wales)

**IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 MARCH 2021**

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## COMPANY INFORMATION

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**Directors**  
Mr R Bradbury  
Mr D Williams  
Rev A E Blakebrough  
Ms S J Hunt  
Mr D J Newman  
Mr T W C Plimmer  
Ms C Airey

**Secretary** Mr R Bradbury

**Company number** 04117454

**Registered office**  
Cragwood House  
Windermere  
Cumbria  
United Kingdom  
LA23 1LQ

**Auditor**  
Azets Audit Services  
Fleet House  
New Road  
Lancaster  
United Kingdom  
LA1 1EZ

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# **IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED**

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# **IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED**

## **CHIEF EXECUTIVE'S STATEMENT**

### ***FOR THE YEAR ENDED 30 MARCH 2021***

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Like many businesses globally, Covid has affected Impact. Whilst pioneering virtual experiential learning for the past three years, we were not prepared for the wholesale cancellation of all face-to-face work globally. This represented around 75% of our business.

Our immediate objectives as the pandemic took hold, were to protect our people, protect our revenue and to protect our business, in that order of priority. During the year we took full advantage of government backed loans, the furlough scheme and a series of grants and loans that were made available to us in various operating countries.

As a result, we only had to make a handful of people redundant. Regrettable as that was, we are proud to have looked after our remaining colleagues – around 250 people – keeping them in employment throughout and even coming 8th in the Great Place to Work competition. A real accolade in troubled times, especially when compared to some of our less fortunate competitors.

We pivoted our offering into the virtual world, mobilised our sales force and created some compelling solutions that enabled us to offer results orientated, virtual learning to old and new clients alike. Whilst losing face to face work from many of our regular clients, we have quickly built a reputation for human centred learning in the virtual world, resulting in over 80% of our work coming from new customers. This bodes well for next year as our traditional clients return for their preferred face to face learning.

During the year, Impact have benefitted from a new focus on innovation, higher levels of global collaboration brought about by twice weekly, whole company catch ups and from a rapidly emerging appetite for our approach to virtual experiential learning. We are confident that our newfound experience will stand us in good stead for a shift to a more hybrid way of working in the future.

Impact's hotels were closed for a proportion of the year, but when they did open, we were achieving record levels of accommodation and sleeper/diner ratios. We have fared better than many other hospitality establishments and have an almost full complement of staff in all three hotels. This is down to enlightened management, flexible working patterns and paying above the minimum wage.

The net result for the year is that we will be posting our first loss for many years. I am however, confident that we have made the right decisions in readiness for a rapid recovery in 21/22.

Our new office, Kelsick, has moved along slowly during the year due to a shortage of materials and contractors. The completion date is now nearer to mid-summer 2022 depending on availability of the above.

As we round off the year, I am happy that we have done everything possible to protect our people in all parts of the business, whilst accelerating our lead generation and increasing sales to clients who are new to virtual learning. Next year will be a year of recovery, but we are confident that our experience of this year has prepared us for what may be.

**Chairman**

23 December 2021

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 MARCH 2021

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The directors present the strategic report for the year ended 30 March 2021.

The company is the parent company of the Impact Development Training group of companies and of Cragwood International Ltd. The principal activities remain the provision of experiential based management, leadership and team development programmes plus associated consultancy services in respect of culture change, organisational 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 group 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 financial results reflect the effect of the Covid-19 pandemic on the business which saw revenues significantly reduced right from the start of the year. Turnover for the year was £14.08m (2020: £25.51m) producing a pre-tax loss of £1.15m (2020: £0.55m profit). The investment made in the previous two years in Impact's in house bespoke learning application, air, enabled us to pivot from face to face delivery to virtual solutions and attract new clients.

The business was heavily impacted by the Covid pandemic with the hotels closed during periods of government imposed lockdowns. Revenues were further affected by the absence of guests from overseas, particularly China and Japan, and the numbers constraints placed on wedding functions.

Government assistance through the Coronavirus Job Retention Scheme, Business support Grants and reductions in business rates meant the business remained viable. When we were able to open occupancy rates were exceptionally high, meaning we were able to minimise losses and preserve jobs.

Further review is detailed in the chief executive's statement.

#### Principal risks and uncertainties

The continuing Covid -19 pandemic means there is uncertainty around a return to face to face activity particularly with regard to travel restrictions. There is a risk of a global economic downturn.

Inflationary pressures may lead to increased costs including salaries and interest rates.

The Accounts are consolidated in the UK which could lead to exchange rate exposures if GBP was to weaken.

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

Cyber and data security are a key risk as internal and cloud based systems are increasingly subject to the threat of cyber attacks.

Within the hospitality sector, coronavirus has hit the industry hard. New variants continue to evolve and there is the risk for further lockdowns. Travel restrictions have resulted in an absence of overseas visitors.

Employment rates are high in the area and it is a challenge to recruit and retain staff. Brexit and Covid have impacted on the availability of staff.

The local hotel market is very competitive with consumers looking for last minute discounted deals, often marketed through internet media companies.

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 MARCH 2021**

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### **S172 statement**

The Board takes active steps to ensure that the views and interests of employees are gathered and taken into account in its decision making. Management reacted quickly to the Coronavirus pandemic by utilising government grants and assistance around the world, such as the UK furlough scheme. The strategy was to look after employees, to protect their jobs, financial and mental wellbeing, with a view to being in a good shape once we are able to trade normally and the economy starts to recover.

Further examples of how the Board engages with its staff include regular business and financial updates by way of twice weekly management meetings and reports and updates published weekly on an internal communications portal.

The Board is committed to supporting the communities wherever Impact has a presence and for being environmentally responsible. We have continued to offer support to our local communities, including afternoon tea sessions for our elders, our annual holiday for disadvantaged children and a range of other engagements with charities, schools and not for profits in our local areas.

Our partnership with the United Nations (Global Compact) throughout 2019/20 has enabled us to widen our network. We are committed to this relationship and we are actively weaving the Sustainable Development Goals into our work with clients and our own organisation. We have also been awarded "Ecovadis" gold award status which is demonstrative of our own credentials in this area.

The Company is committed to minimising its environmental impact by reducing both the carbon intensity of its activities and the natural resources it uses through the development and operation of good business practices to manage resources more efficiently through their lifecycle.

On behalf of the board

Mr D Williams  
**Director**

23 December 2021

# **IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 30 MARCH 2021***

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The directors present their annual report and financial statements for the year ended 30 March 2021.

### **Results and dividends**

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

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

### **Financial instruments**

Details of the group's financial risk management objectives and policies are included in note 28 to the financial statements.

### **Employee involvement**

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

### **Business relationships**

Details on business relationships can be found in the strategic report.

### **Future developments**

Details of future developments have been set out in the strategic report and chief executive's statement.

### **Auditor**

The auditor, Azets Audit Services (previously trading as Baldwins Audit Services), is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Energy and carbon report**

The SECR regulations introduced in April 2019 is designed to increase internal awareness of energy usage and cost, drive adoption of energy efficiency measures, standardise external reporting, provide greater transparency for stakeholders on energy efficiency and emissions. Impact Development Training International Limited embraces these regulations and have made some important steps to help reduce the group's energy efficiency and emissions.

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

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	2021 kWh
<i>Energy consumption</i>	
Aggregate of energy consumption in the year	
- Gas combustion	469,134
- Fuel consumed for transport	2,099,163
- Electricity purchased	15,384
	<hr/>
	2,583,681
	<hr/>

	2021 metric tonnes
<i>Emissions of CO2 equivalent</i>	
Scope 1 - direct emissions	
- Gas combustion	152.00
- Fuel consumed for owned transport	-
	<hr/>
	152.00
Scope 2 - indirect emissions	
- Electricity purchased	489.00
Scope 3 - other indirect emissions	
- Fuel consumed for heating	6.00
	<hr/>
Total gross emissions	647.00
	<hr/>
<i>Intensity ratio</i>	
Tonnes CO2e per turnover (£m's)	46.21
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### *Quantification and reporting methodology*

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting

### *Intensity measurement*

The chosen intensity measurement ratio is kgs CO2e per £1m of turnover.

### *Measures taken to improve energy efficiency*

One of Impact's aims is to reduce reliance on fossil fuels through being as energy efficient as possible to ensure that carbon emissions are minimised. Initiatives already in place are;

- Installation of natural wool roof insulation throughout the Kelsick office which reduces energy consumption and the release of carbon dioxide. Wool fixes carbon dioxide helping to reduce greenhouse gas levels. The product is manufactured in the UK under ISO 9001 Quality Assurances Systems.
- Installation of secondary glazing to single glazed sash windows at Kelsick, reducing energy consumption but maintaining the traditional appearance in keeping with a historical building.
- Leasing an electric vehicle and the planned installation of charging points at the hotels and offices.
- Replacing all light bulbs in the hotels and offices with energy efficient LED bulbs.
- Fitting of underfloor heating for all the new build at Kelsick plus replacement of existing radiators wherever practical. This will reduce gas consumption compared to traditional heating systems.
- At the beginning of 2022 we will install an array of ground mounted solar panels at Kelsick.
- Electric at Kelsick is sourced from 100% renewable sources.



# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 MARCH 2021**

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### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr D Williams  
**Director**

23 December 2021

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

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#### Opinion

We have audited the financial statements of Impact Development Training International Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 March 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 the parent company's affairs as at 30 March 2021 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

# **IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept 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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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 auditor's 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED**

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **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 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.

**Susanna Cassey (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**

23 December 2021

**Chartered Accountants**  
**Statutory Auditor**

Fleet House  
New Road  
Lancaster  
United Kingdom  
LA1 1EZ

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 MARCH 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	14,082,163	25,508,081
Cost of sales		(3,438,806)	(8,091,720)
<b>Gross profit</b>		10,643,357	17,416,361
Administrative expenses		(15,212,652)	(16,865,564)
Other operating income		3,473,341	122,055
<b>Operating (loss)/profit</b>	<b>4</b>	(1,095,954)	672,852
Share of results of associates and joint ventures		90,614	38,788
Interest receivable and similar income	<b>8</b>	299	23,458
Interest payable and similar expenses	<b>9</b>	(146,994)	(188,388)
Amounts written off investments	<b>10</b>	870	-
<b>(Loss)/profit before taxation</b>		(1,151,165)	546,710
Tax on (loss)/profit	<b>11</b>	365,363	(165,296)
<b>(Loss)/profit for the financial year</b>	<b>25</b>	(785,802)	381,414
<b>Other comprehensive income</b>			
Currency translation differences		(275,500)	42,148
<b>Total comprehensive income for the year</b>		(1,061,302)	423,562
(Loss)/profit for the financial year is attributable to:			
- Owners of the parent company		(803,538)	362,639
- Non-controlling interests		17,736	18,775
		(785,802)	381,414
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		(1,068,459)	402,814
- Non-controlling interests		7,157	20,748
		(1,061,302)	423,562

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## GROUP BALANCE SHEET

AS AT 30 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Goodwill	12	664,194		859,298	
Other intangible assets	12	229,562		253,406	
Total intangible assets		893,756		1,112,704	
Tangible assets	13	11,730,546		11,563,376	
Investments	14	229,152		190,152	
		12,853,454		12,866,232	
<b>Current assets</b>					
Stocks	16	42,494		60,337	
Debtors	17	4,288,585		4,680,287	
Cash at bank and in hand		4,415,181		2,949,147	
		8,746,260		7,689,771	
<b>Creditors: amounts falling due within one year</b>	18	(6,448,969)		(6,019,057)	
<b>Net current assets</b>		2,297,291		1,670,714	
<b>Total assets less current liabilities</b>		15,150,745		14,536,946	
<b>Creditors: amounts falling due after more than one year</b>	19	(6,269,135)		(4,453,535)	
<b>Provisions for liabilities</b>					
Deferred tax liability	21	259,420		302,335	
		(259,420)		(302,335)	
<b>Net assets</b>		8,622,190		9,781,076	
<b>Capital and reserves</b>					
Called up share capital	23	100,000		100,000	
Revaluation reserve	24	2,714,980		2,714,980	
Other reserves		1,069,341		1,069,341	
Profit and loss reserves	25	4,337,535		5,405,994	
<b>Equity attributable to owners of the parent company</b>		8,221,856		9,290,315	
<b>Non-controlling interests</b>		400,334		490,761	
		8,622,190		9,781,076	

# **IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED**

## **GROUP BALANCE SHEET (CONTINUED)**

***AS AT 30 MARCH 2021***

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The financial statements were approved by the board of directors and authorised for issue on 23 December 2021 and are signed on its behalf by:

Mr D Williams  
**Director**

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## COMPANY BALANCE SHEET

AS AT 30 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Investments	14		8,419,094		8,321,510
<b>Current assets</b>					
Debtors	17	1,422,199		984,199	
Cash at bank and in hand		459,800		3,164	
		<u>1,881,999</u>		<u>987,363</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(1,732,492)</u>		<u>(1,999,466)</u>	
<b>Net current assets/(liabilities)</b>			149,507		(1,012,103)
<b>Total assets less current liabilities</b>			<u>8,568,601</u>		<u>7,309,407</u>
<b>Creditors: amounts falling due after more than one year</b>	19		<u>(5,737,575)</u>		<u>(4,367,727)</u>
<b>Net assets</b>			<u><u>2,831,026</u></u>		<u><u>2,941,680</u></u>
<b>Capital and reserves</b>					
Called up share capital	23		100,000		100,000
Profit and loss reserves	25		<u>2,731,026</u>		<u>2,841,680</u>
<b>Total equity</b>			<u><u>2,831,026</u></u>		<u><u>2,941,680</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £110,654 (2020 - £174,993 loss).

The financial statements were approved by the board of directors and authorised for issue on 23 December 2021 and are signed on its behalf by:

Mr D Williams  
Director

Company Registration No. 04117454



# **IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED**

## **GROUP STATEMENT OF CHANGES IN EQUITY** **FOR THE YEAR ENDED 30 MARCH 2021**

	Share capital	Revaluation reserve	Other reserves/loss	Profit and reserves	Total non-controlling interest	Total
	£	£	£	£	£	£
<b>Balance at 31 March 2019</b>	100,000	2,714,980	1,069,341	5,003,180	8,887,501	470,013
<b>Year ended 30 March 2020:</b>						
Profit for the year	-	-	-	362,639	362,639	18,775
Other comprehensive income:						
Currency translation differences	-	-	-	42,148	42,148	-
Amounts attributable to non-controlling interests	-	-	-	(1,973)	(1,973)	1,973
Total comprehensive income for the year	-	-	-	402,814	402,814	20,748
<b>Balance at 30 March 2020</b>	100,000	2,714,980	1,069,341	5,405,994	9,290,315	490,761
<b>Year ended 30 March 2021:</b>						
Loss for the year	-	-	-	(803,538)	(803,538)	17,736
Other comprehensive income:						
Currency translation differences	-	-	-	(275,500)	(275,500)	-
Amounts attributable to non-controlling interests	-	-	-	10,579	10,579	(10,579)
Total comprehensive income for the year	-	-	-	(1,068,459)	(1,068,459)	7,157
Acquisition of subsidiary	-	-	-	-	-	(97,584)
<b>Balance at 30 March 2021</b>	100,000	2,714,980	1,069,341	4,337,535	8,221,856	400,334
						8,622,190

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 30 MARCH 2021*

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 31 March 2019</b>	100,000	3,016,673	3,116,673
<b>Year ended 30 March 2020:</b>			
Loss and total comprehensive income for the year	-	(174,993)	(174,993)
<b>Balance at 30 March 2020</b>	100,000	2,841,680	2,941,680
<b>Year ended 30 March 2021:</b>			
Loss and total comprehensive income for the year	-	(110,654)	(110,654)
<b>Balance at 30 March 2021</b>	100,000	2,731,026	2,831,026

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	31	583,434		2,198,143	
Interest paid		(146,994)		(188,388)	
Income taxes refunded/(paid)		176,456		(247,963)	
<b>Net cash inflow from operating activities</b>		612,896		1,761,792	
<b>Investing activities</b>					
Purchase of intangible assets		(118,813)		(147,125)	
Purchase of tangible fixed assets		(501,289)		(787,189)	
Proceeds on disposal of tangible fixed assets		22,187		2,605	
Acquisition of additional shares in subsidiaries		(97,584)		-	
Receipts from associates		-		(2,620)	
Receipts from joint ventures		51,614		38,788	
Proceeds on disposal of investments		870		-	
Interest received		299		23,458	
<b>Net cash used in investing activities</b>		(642,716)		(872,083)	
<b>Financing activities</b>					
Proceeds of new bank loans		2,374,586		-	
Repayment of bank loans		(435,735)		57,045	
Payment of finance leases obligations		(27,329)		4,136	
<b>Net cash generated from financing activities</b>		1,911,522		61,181	
<b>Net increase in cash and cash equivalents</b>		1,881,702		950,890	
Cash and cash equivalents at beginning of year		2,748,831		1,755,793	
Effect of foreign exchange rates		(253,381)		42,148	
<b>Cash and cash equivalents at end of year</b>		4,377,152		2,748,831	
<b>Relating to:</b>					
Cash at bank and in hand		4,415,181		2,949,147	
Bank overdrafts included in creditors payable within one year		(38,029)		(200,316)	

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 MARCH 2021**

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### **1 Accounting policies**

#### **Company information**

Impact Development Training International Limited ("the company") is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is Cragwood House, Ecclerigg, Windermere, Cumbria, United Kingdom, LA23 1LQ.

The group consists of Impact Development Training International Limited and all of its subsidiaries, operating in the countries noted in note 14 to the financial statements.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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.

The financial statements have been prepared under the historical cost convention, modified to include the holding of previously revalued freehold property at deemed cost. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

#### **1.2 Business combinations**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Impact Development Training International Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 March 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

#### 1.4 Going concern

The group's forecasts and projections, taking account of reasonable possible changes in trading performance and the impact of the coronavirus pandemic, show that the group should be able to operate within the level of its current facility. In making its assessment of future performance the director has also considered the overall performance of the wider trading group due to the cross guarantee in place in favour of the group's bank.

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

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.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

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 ten years.

Research expenditure is written off against profits 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.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33% straight line
Trademarks	Over the life of the trademark

The amortisation rate for software is based on its useful economic life, taking into account the current rate of technological advancement.

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 1 Accounting policies

(Continued)

#### 1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Not depreciated
Long-term leasehold property	over the term of the lease
Fixtures, fittings and equipment	20-33% straight line / 15-25% reducing balance
Motor vehicles	25-30% reducing balance

Freehold land and property is not depreciated. The directors are of the opinion that the depreciation charge, which if it were to be charged would be at 2% per annum, 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 gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.



# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 1 Accounting policies

(Continued)

#### 1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

### 1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.16 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.17 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.18 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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 rates and the results of overseas operations at actual rate are recognised in other comprehensive income.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

#### Leases

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

#### Impairment of freehold land and buildings

The directors consider the potential impairment of freehold land and buildings through reference to valuations and local market activity.

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 2 Judgements and key sources of estimation uncertainty

(Continued)

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Depreciation

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are assessed annually. There have been no changes to assumptions made in previous years.

#### Amortisation and impairment of goodwill

FRS 102 requires goodwill to be amortised over its reliably estimated useful economic life. Management consider this to be a period of 10 years. Management also assess whether there are any indicators of impairment in considering the carrying value of goodwill.

#### 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.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Training services	12,217,390	22,432,197
Hotels and leisure	1,864,773	3,075,884
	<u>14,082,163</u>	<u>25,508,081</u>
	2021 £	2020 £
<b>Other significant revenue</b>		
Interest income	299	23,458
Grants received	2,822,654	19,138
Management charges receivable	705,917	-
Other income	-	52,337
	<u>3,528,870</u>	<u>94,933</u>
	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	3,934,006	7,473,927
Rest of Europe	738,463	4,125,466
Rest of the world	9,409,694	13,908,688
	<u>14,082,163</u>	<u>25,508,081</u>

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 4 Operating (loss)/profit

	2021 £	2020 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(36,204)	47,908
Government grants	(2,822,654)	(19,138)
Depreciation of owned tangible fixed assets	291,295	326,072
Profit on disposal of tangible fixed assets	-	(3,158)
Amortisation of intangible assets	336,279	294,903
Operating lease charges	384,905	372,297

### 5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	15,500	8,555
Audit of the financial statements of the company's subsidiaries	53,190	60,252
	68,690	68,807
<b>For other services</b>		
Taxation compliance services	18,580	15,515

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Delivery	55	61	-	-
Sales and administrative	70	92	-	-
Support	17	12	-	-
Marketing	14	11	-	-
Management	11	14	-	-
Hotels	90	92	-	-
Head office	24	23	-	-
Directors	1	5	-	-
Total	282	310	-	-

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 6 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	9,908,867	11,275,637	-	-
Social security costs	500,146	748,851	-	-
Pension costs	438,008	426,973	-	-
	<u>10,847,021</u>	<u>12,451,461</u>	<u>-</u>	<u>-</u>

### 7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	99,731	156,416
Company pension contributions to defined contribution schemes	4,445	4,999
	<u>104,176</u>	<u>161,415</u>

During the year the group incurred fees from non-executive directors of the parent company amounting to £8,800 (2020: £8,800). At the balance sheet date the group owed £Nil (2020: £Nil) in fees to non-executive directors of the parent company. The amounts payable are unsecured and no guarantees have been given.

During the year retirement benefits were accruing to 2 directors (2020: 2) in respect of defined contribution pension schemes.

### 8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Other interest income	299	23,458
	<u>299</u>	<u>23,458</u>

### 9 Interest payable and similar expenses

	2021 £	2020 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	120,113	153,807
Interest on invoice finance arrangements	481	8,181
	<u>120,594</u>	<u>161,988</u>
<b>Other finance costs:</b>		
Other interest	26,400	26,400
Total finance costs	<u>146,994</u>	<u>188,388</u>

# **IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED**

## **NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 MARCH 2021**

### **10 Amounts written off investments**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Gain on disposal of investments held at fair value	870	-
	<u>870</u>	<u>-</u>

### **11 Taxation**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	(6,536)	-
Adjustments in respect of prior periods	20,935	(17,134)
	<u>14,399</u>	<u>(17,134)</u>
Total UK current tax	14,399	(17,134)
Foreign current tax on profits for the current period	(188,043)	203,933
	<u>(173,644)</u>	<u>186,799</u>
Total current tax	(173,644)	186,799
<b>Deferred tax</b>		
Origination and reversal of timing differences	(186,433)	(45,701)
Changes in tax rates	(5,877)	-
Adjustment in respect of prior periods	591	24,198
	<u>(191,719)</u>	<u>(21,503)</u>
Total deferred tax	(191,719)	(21,503)
Total tax (credit)/charge	<u>(365,363)</u>	<u>165,296</u>



# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 11 Taxation

(Continued)

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
(Loss)/profit before taxation	(1,151,165)	546,710
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(218,721)	103,875
Tax effect of expenses that are not deductible in determining taxable profit	573	866
Tax effect of utilisation of tax losses not previously recognised	21,024	-
Unutilised tax losses carried forward	(159,013)	(32,457)
Losses on discontinued operations not recognised	166,139	40,760
Adjustments in respect of prior years	20,935	-
Effect of change in corporation tax rate	(5,877)	36,087
Double tax relief	5,930	129,521
Group relief	-	26,242
Permanent capital allowances in excess of depreciation	(138)	2,461
Depreciation on assets not qualifying for tax allowances	9,277	11,078
Amortisation on assets not qualifying for tax allowances	38,871	54,512
Research and development tax credit	(51,381)	(87,555)
Other permanent differences	-	(600)
Effect of overseas tax rates	(180,726)	-
Under/(over) provided in prior years	-	(8,441)
Deferred tax adjustments in respect of prior years	(7,675)	(12,652)
Dividend income	-	(98,401)
Foreign exchange differences	(4,581)	-
Taxation (credit)/charge	(365,363)	165,296

The group has unused tax losses of £2,270,411 (2020: £1,294,655).

The company has unused tax losses of £639,628 (2020: £732,038).

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 12 Intangible fixed assets

Group	Goodwill	Software	Trademarks	Total
	£	£	£	£
<b>Cost</b>				
At 31 March 2020	1,882,580	405,620	2,118	2,290,318
Additions	-	118,813	-	118,813
Exchange adjustments	-	(1,482)	-	(1,482)
At 30 March 2021	1,882,580	522,951	2,118	2,407,649
<b>Amortisation and impairment</b>				
At 31 March 2020	1,023,282	153,452	880	1,177,614
Amortisation charged for the year	195,104	140,180	995	336,279
At 30 March 2021	1,218,386	293,632	1,875	1,513,893
<b>Carrying amount</b>				
At 30 March 2021	664,194	229,319	243	893,756
At 30 March 2020	859,298	252,168	1,238	1,112,704

The company had no intangible fixed assets at 30 March 2021 or 30 March 2020.

The group goodwill arose as a result of the business combination in the year ended 31 March 2015 and has a carrying value as stated above. The remaining amortisation period at the balance sheet date is 4.6 years.

Amortisation of intangible fixed assets is recognised within administrative expenses in the statement of comprehensive income.

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 13 Tangible fixed assets

Group	Freehold land and buildings	Long-term leasehold property	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 31 March 2020	10,135,209	13,938	4,366,983	164,736	14,680,866
Additions	418,471	-	82,818	-	501,289
Disposals	-	-	(22,187)	-	(22,187)
Exchange adjustments	-	(2,035)	(8,222)	(10,700)	(20,957)
At 30 March 2021	10,553,680	11,903	4,419,392	154,036	15,139,011
<b>Depreciation and impairment</b>					
At 31 March 2020	-	6,979	3,006,274	104,237	3,117,490
Depreciation charged in the year	-	3,814	269,992	17,489	291,295
Exchange adjustments	-	-	(196)	(124)	(320)
At 30 March 2021	-	10,793	3,276,070	121,602	3,408,465
<b>Carrying amount</b>					
At 30 March 2021	10,553,680	1,110	1,143,322	32,434	11,730,546
At 30 March 2020	10,135,209	6,959	1,360,709	60,499	11,563,376

The company had no tangible fixed assets at 30 March 2021 or 30 March 2020.

Freehold land and buildings with a carrying amount of £10,553,680 (2020: £10,135,209) have been pledged to secure borrowings within the group.

Freehold land and buildings with a carrying amount of £8,265,255 are held at deemed cost following a valuation on 2 March 2015 by Christies & Co, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The revaluation surplus is disclosed in note 24.

If revalued assets held at deemed cost were stated on a historical cost basis rather than a deemed cost basis, the total cost would be £3,644,989 (2020: £3,644,989), accumulated depreciation £nil (2020: £nil), carrying value £3,644,989 (2020: £3,644,989):

	2021 £	2020 £
<b>Group</b>		
Cost	3,644,989	3,644,989

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 14 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	15	-	-	8,419,094	8,321,510
Investments in joint ventures		229,152	190,152	-	-
		<u>229,152</u>	<u>190,152</u>	<u>8,419,094</u>	<u>8,321,510</u>

#### Movements in fixed asset investments Group

#### Shares in joint ventures £

##### Cost or valuation

At 31 March 2020

234,227

Share of profit

39,000

At 30 March 2021

273,227

##### Impairment

At 31 March 2020 and 30 March 2021

44,075

##### Carrying amount

At 30 March 2021

229,152

At 30 March 2020

190,152

#### Movements in fixed asset investments Company

#### Shares in subsidiaries £

##### Cost or valuation

At 31 March 2020

8,321,510

Additions

97,584

At 30 March 2021

8,419,094

##### Carrying amount

At 30 March 2021

8,419,094

At 30 March 2020

8,321,510

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 15 Subsidiaries

Details of the company's subsidiaries at 30 March 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Cragwood International Limited	Cragwood House, Windermere, Cumbria, LA23 1LQ, UK	Ordinary	100.00	-
Impact (Japan) Limited*	2 Floor, MF Building 1-6-12, Yoyogi, Shibuya-ku, Tokyo 151-0053, Japan	Ordinary	0	100.00
Impact (UK) Limited*	Cragwood House, Windermere, Cumbria, LA23 1LQ, UK	Ordinary	0	100.00
Impact Aspac (Hong Kong) Limited*	18E Rich View Terrace, 26 Square Street, Sheung Wan, Hong Kong	Ordinary	0	100.00
Impact China Limited*	Suite 1006 Sunyoung Centre, 28 Xuanhua Road, Shanghai, 200050, China	Ordinary	0	100.00
Impact Development Training Limited	Cragwood House, Windermere, Cumbria, LA23 1LQ, UK	Ordinary	96.16	-
Impact Employee Trust Limited**	Cragwood House, Windermere, Cumbria, LA23 1LQ, UK	Ordinary	0	100.00
Impact International Aspac Region Company Limited*	Alma Link Building, 10th Floor 25 Soi Chidlom, Ploenchit Road, Lumpini, Patumwan, Bangkok, Thailand	Ordinary	0	100.00
Impact Learning & Development Inc*	18 West Putnam Avenue Greenwich, CT 06830, USA	Ordinary	0	100.00
Impact Polska Limited*	Ul. Batalionu Miotla 20 01-366 Warszawa, Poland	Ordinary	0	100.00
Impact Singapore Pte Limited*	Singapore 1 North Bridge Road, #23-01 High Street Centre, Singapore 179094	Ordinary	0	100.00
Kelsick Limited	Cragwood House, Windermere, Cumbria, LA23 1LQ, UK	Ordinary	100.00	-

\* - Shares held by Impact Development Training Limited.

\*\* - Shares held by Cragwood International Limited.

### 16 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Work in progress	2,834	2,604	-	-
Finished goods and goods for resale	39,660	57,733	-	-
	<u>42,494</u>	<u>60,337</u>	<u>-</u>	<u>-</u>

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 17 Debtors

	Group 2021	2020	Company 2021	2020
Amounts falling due within one year:	£	£	£	£
Trade debtors	1,777,732	2,673,380	-	-
Corporation tax recoverable	468,121	552,835	-	-
Amounts owed by group undertakings	500,000	-	1,422,199	984,199
Other debtors	700,956	442,237	-	-
Prepayments and accrued income	577,858	1,001,489	-	-
	<u>4,024,667</u>	<u>4,669,941</u>	<u>1,422,199</u>	<u>984,199</u>
Deferred tax asset (note 21)	263,918	10,346	-	-
	<u>4,288,585</u>	<u>4,680,287</u>	<u>1,422,199</u>	<u>984,199</u>

Trade debtors of the group amounting to £515,188 (2020: £805,603) have been invoice discounted through a facility with HSBC Invoice Finance.

### 18 Creditors: amounts falling due within one year

	Notes	Group 2021	2020	Company 2021	2020
		£	£	£	£
Bank loans and overdrafts	20	1,375,353	1,414,389	1,233,426	801,691
Obligations under finance leases		11,230	38,559	-	-
Other borrowings	20	250,000	250,000	250,000	250,000
Trade creditors		1,049,343	1,201,263	-	-
Amounts owed to group undertakings		500,000	-	10,420	708,092
Corporation tax payable		22,866	-	-	-
Other taxation and social security		152,874	332,057	-	-
Other creditors		605,200	1,175,608	-	30,151
Accruals and deferred income		2,482,103	1,607,181	238,646	209,532
		<u>6,448,969</u>	<u>6,019,057</u>	<u>1,732,492</u>	<u>1,999,466</u>

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

Other creditors of the group includes £Nil (2020: £288,407) owed to HSBC Invoice Finance with whom invoices are discounted. The creditor is secured on the trade debtors of certain group companies.

Taxation and social security of the group and company includes £Nil (2020: £Nil) relating to foreign taxation.

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 19 Creditors: amounts falling due after more than one year

		Group 2021 £	2020 £	Company 2021 £	2020 £
	Notes				
Bank loans and overdrafts	20	5,441,401	3,625,801	4,909,841	3,539,993
Other borrowings	20	827,734	827,734	827,734	827,734
		<u>6,269,135</u>	<u>4,453,535</u>	<u>5,737,575</u>	<u>4,367,727</u>

The bank loans and overdrafts of the parent company are secured on the group's freehold and leasehold land and buildings. In addition, the bank loans are secured by a fixed and floating charge over all the assets of the group and company.

Amounts included above which fall due after five years are as follows:

Payable by instalments	1,962,568	2,130,727	1,962,568	2,130,727
	<u>1,962,568</u>	<u>2,130,727</u>	<u>1,962,568</u>	<u>2,130,727</u>

### 20 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	6,778,725	4,839,874	6,143,267	4,341,684
Bank overdrafts	38,029	200,316	-	-
Other loans	1,077,734	1,077,734	1,077,734	1,077,734
	<u>7,894,488</u>	<u>6,117,924</u>	<u>7,221,001</u>	<u>5,419,418</u>
Payable within one year	1,625,353	1,664,389	1,483,426	1,051,691
Payable after one year	6,269,135	4,453,535	5,737,575	4,367,727
	<u>6,269,135</u>	<u>4,453,535</u>	<u>5,737,575</u>	<u>4,367,727</u>

Bank loans of the parent company amounting to £6,143,267 (2020: 4,341,684) are secured on the group's freehold and leasehold land and buildings. In addition, the bank loans are secured by a fixed and floating charge over all the assets of the UK registered entities in the group and an unlimited intercompany guarantee across all UK registered entities in the group.

Bank loans of the group amounting to £6,247,165 (2020: £4,515,116) are secured by an unlimited intercompany guarantee across all UK registered entities in the group.

Bank loans of the group amounting to £531,560 (2020: £324,758) are secured on all assets of Impact Learning & Development Inc.

Other loans are in respect of loan notes with a final redemption date of 20 October 2024. Of the loan notes outstanding £250,000 (2020: £250,000) is repayable within one year. Interest on the loan notes is charged at 2.50% (2020: 2.50%). The loan notes are secured by a debenture over the assets of the group ranking after bank security.

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
<b>Group</b>				
Accelerated capital allowances	151,967	177,167	90,099	714
Tax losses	(110,619)	(88,024)	162,420	9,632
Revaluations	224,204	224,204	5,877	-
Short term timing differences	(6,132)	(11,012)	5,522	-
	<u>259,420</u>	<u>302,335</u>	<u>263,918</u>	<u>10,346</u>

The company has no deferred tax assets or liabilities.

	Group 2021 £	Company 2021 £
<b>Movements in the year:</b>		
Liability at 31 March 2020	291,989	-
Credit to profit or loss	(296,487)	-
Asset at 30 March 2021	<u>(4,498)</u>	<u>-</u>

### 22 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>438,008</u>	<u>426,973</u>

A defined contribution pension scheme is operated for qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

At the balance sheet date the group owed £32,273 (2020: £5,208) to the pension scheme.



# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 23 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital Issued and fully paid</b>				
A Ordinary shares of £1 each	95,000	95,000	95,000	95,000
B Ordinary shares of £1 each	5,000	5,000	5,000	5,000
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

Each class of share ranks pari passu in all respects, with the exception that variable dividends may be paid.

### 24 Revaluation reserve

Revaluation reserve represents the accumulated revaluation gains on fixed assets held by the group. Deferred tax is provided on the reserve at the applicable rate of corporation tax. This is a non-distributable reserve.

### 25 Profit and loss reserves

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

### 26 Financial commitments, guarantees and contingent liabilities

The company has given an unlimited guarantee over the assets of the company to HSBC Bank plc in respect of the borrowings of Impact Development Training Limited, Impact People LLP, Cragwood International Limited, Impact (UK) Limited, Impact Employee Trust Limited, Impact (International) LLP and Kelsick Limited. At the balance sheet date the borrowings amounted to £141,927 (2020: £373,748).

### 27 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	256,482	282,967	-	-
Between two and five years	271,305	338,404	-	-
In over five years	103,250	162,250	-	-
	<u>631,037</u>	<u>783,621</u>	<u>-</u>	<u>-</u>

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 MARCH 2021**

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### **28 Financial risk management objectives and policies**

The group and company holds or issues 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 has 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 is 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 has 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 manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group and 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 seeks to invoice and be invoiced in its principal trading currency wherever possible so as to minimise its exposure to foreign currency movements.

### **29 Events after the reporting date**

Since the end of the year the spread of the coronavirus pandemic has continued to severely impact many local economies around the globe and in common with many businesses the group has been forced to run reduced operations for periods of time.

The group operates within a sector where measures taken based on government advice to contain the spread of the virus, including travel bans, quarantines, and social distancing mean that operations have been affected beyond the initial period of lockdown. The group has cut costs and taken advantage of available incentives to manage the financial impact of the pandemic.

The group has determined that these events are non-adjusting post balance sheet events and accordingly the financial position and results of operations as of and for the period ended 30 March 2021 have not been adjusted to reflect their impact.

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 30 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	724,523	860,239

#### Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Interest accrued at 2.50% on amounts owed to	
	2021 £	2020 £
<b>Group</b>		
Key management personnel	26,400	26,400
<b>Company</b>		
Key management personnel	26,400	26,400

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2021 £	2020 £
<b>Group</b>		
Key management personnel	1,239,434	1,369,314
<b>Company</b>		
Entities over which the company has control, joint control or significant influence	10,420	708,092
Key management personnel	1,077,734	1,077,734
Other related parties	-	30,151

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2021 Balance £	2020 Balance £
<b>Group</b>		
Other related parties	-	29,153

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 30 Related party transactions (Continued)

#### Company

Entities over which the company has control, joint control or significant influence

1,422,199	984,199
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#### Other information

The company has taken advantage of the exemption contained in Section 33 of Financial Reporting Standard 102 'Related Party Disclosures' from disclosing transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

### 31 Cash generated from group operations

	2021 £	2020 £
(Loss)/profit for the year after tax	(785,802)	381,414
<b>Adjustments for:</b>		
Share of results of associates and joint ventures	(90,614)	(38,788)
Taxation (credited)/charged	(365,363)	165,296
Finance costs	146,994	188,388
Investment income	(299)	(23,458)
Gain on disposal of tangible fixed assets	-	(3,158)
Amortisation and impairment of intangible assets	336,279	294,903
Depreciation and impairment of tangible fixed assets	291,295	326,072
Foreign exchange gains on cash equivalents	-	(8,922)
Other gains and losses	(870)	-
<b>Movements in working capital:</b>		
Decrease in stocks	17,843	35,892
Decrease in debtors	560,560	1,173,448
Increase/(decrease) in creditors	473,411	(292,944)
<b>Cash generated from operations</b>	<b>583,434</b>	<b>2,198,143</b>

# IMPACT DEVELOPMENT TRAINING INTERNATIONAL LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 MARCH 2021

### 32 Analysis of changes in net debt - group

	31 March 2020	Cash flows	Exchange rate	30 March 2021
			movements	
	£	£	£	£
Cash at bank and in hand	2,949,147	1,719,415	(253,381)	4,415,181
Bank overdrafts	(200,316)	162,287	-	(38,029)
	<u>2,748,831</u>	<u>1,881,702</u>	<u>(253,381)</u>	<u>4,377,152</u>
Borrowings excluding overdrafts	(5,917,608)	(1,938,851)	-	(7,856,459)
Obligations under finance leases	(38,559)	27,329	-	(11,230)
	<u>(3,207,336)</u>	<u>(29,820)</u>	<u>(253,381)</u>	<u>(3,490,537)</u>

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