Registered Number : 06434555

WOODSPEEN TRAINING GROUP PLC

INTERIM STATEMENT

FOR THE SIX MONTH PERIOD ENDED 31 JANUARY 2014

CHIEF EXECUTIVE'S REPORT

I am pleased to report to you the Group's results for the six months to 31 January 2014.

Business overview

The Group delivers Vocational and Skills programmes to employed and unemployed learners. The Group's programmes are Government funded primarily through a direct contract held with the Skills Funding Agency (SFA).

Vocational Training programmes comprise pre-apprenticeship and apprenticeship training, predominantly to younger learners (aged 16-18). Apprenticeships are paid jobs with learners employed from day 1 of their apprenticeship and comprise assessment in the workplace and off-the-job training in skills including Maths and English.

Skills Training programmes comprise the provision of skills and employability training including Maths, English and CV writing in a classroom setting. These programmes are predominantly delivered to unemployed adults.

The continued availability of Government funding for training programmes is the key driver of the Group's long term success.

Performance for the period

The Group has performed ahead of the Board's expectations for the period. Strong revenue growth in Skills together with operational efficiency improvements across the business have contributed to an improved performance for the period.

Group operating profit is as follows:

		6 Months January 2014		6 Months January 2013
	Revenue	**Profit/ (Loss)**	**Revenue**	**Profit/ (Loss)**
	£	**£**	**£**	**£**
Vocational Training	**1,313,339**	**53,213**	1,474,867	1,035
Skills Training	**707,357**	**75,038**	591,000	1,137
	2,020,696	**128,251**	2,065,867	2,172
Group items:				
Unallocated corporate costs		**(127,062)**		(154,726)
Group operating profit/(loss) before amortisation of acquired intangible assets and costs to exit onerous lease		**1,189**		(152,554)
Amortisation charge of acquired intangible assets		**(26,000)**		(26,000)
Costs to exit onerous lease (Exceptional item)		**(95,104)**		
Group operating loss		**(119,915)**		(178,554)

Vocational Training

Revenue has declined due to the planned reduction in 24+ learner volumes as the Group ceased recruitment of this age group in line with previously stated Government policy. Operating performance has improved as the Group has focused on delivering higher value programmes and benefited from operating efficiencies.

The Group has experienced a modest upturn in learner volumes in the key 16-23 age group during the period. Employer demand is stable but the recruitment of suitable learners remains the key barrier to growth, particularly in the 16-18 age group. The Group is engaged with a variety of supply side stakeholders to respond to what is a well-publicised national "NEET" problem.

The number of apprenticeship learners enrolled on Woodspeen programmes is as follows:

In Learning volumes	**31 January 2014**	**31 July 2013**		**31 January 2013**	
Total learners	695	733		852	
Of which:					
16-23 learners	633	614	*	612	*
24+ learners	62	119	**	240	**

* 16-24 Learners; ** 25+ learners

CHIEF EXECUTIVE'S REPORT

Skills Training

Strong growth in the Group's Skills programmes has translated into increased turnover and profit for the period. The delivery of Skills programmes has been funded through direct contract (held with the SFA), supplemented by subcontracted funding. Continued delivery of Skills programmes at the current level in the second half year will require an increased level of funding through subcontract arrangements.

Exceptional item

The Group incurred an exceptional cost of £95,104 in relation to the exit of an onerous lease during the period.

Funding and Government priorities

The Department for Business, Innovation and Skills (BIS) recently published its Funding Statement for the period 2014-16. The Statement renewed the Government's commitment to funding apprenticeships whilst at the same time confirming a 20% reduction in central funding, over the next 2 years. In a U-turn from its previously stated policy BIS also announced that 24+ apprenticeships would again be centrally funded. The renewed focus on 24+ apprenticeships, within the constraints of a reducing single central budget for adult training, will place yet further funding pressure on providers in the sector.

During the past 12-24 months, the Group has purposely wound down its 24+ apprenticeship delivery to reflect Government policy. As a direct consequence of the recently announced changes, the Group has now had to switch back and re-establish its presence in the 24+ apprenticeship market and learner volumes will take time to rebuild. Further, and as a direct consequence of the Government's decision to again fund 24+ apprenticeships as a priority, there will likely be reductions in the funding available for delivery of the Group's Skills programmes through its own direct contract. In order to maintain delivery of its Skills programmes into the future, the Group will likely have to secure an increasing level of funding through subcontract arrangements. The expected reductions in central funding will make securing subcontracts challenging and the Group is therefore taking appropriate steps to align capacity to the future funding environment.

Outlook

The Sector is being buffeted by significant political and economic challenges. To survive and prosper, providers in the sector must be able to adapt quickly to pronouncements from Government. Opportunities exist for providers that have the resources and capability to respond to these changes. Your Board is in negotiations with a number of providers at this time and, with some £2.3m of cash at the end of January 2014, is ready to convert value accretion opportunities.

Si Hussain

Chief Executive

2 April 2014

UNAUDITED CONSOLIDATED INCOME STATEMENT

PERIOD TO 31 JANUARY 2014

Year July 2013 Audited £		Notes	6 Months January 2014 Unaudited £	6 Months January 2013 Unaudited £
4,013,333	**Revenue**	2	**2,020,696**	2,065,867
(3,066,534)	Cost of sales		**(1,411,324)**	(1,356,949)
946,799	**Gross profit**		**609,372**	708,918
(1,396,161)	Administrative expenses		**(729,287)**	(887,472)
(449,362)	**Loss from operations**	2	**(119,915)**	(178,554)
	Analysed as:			
(397,362)	Profit/(Loss) from operations before amortisation and costs of exiting onerous lease		**1,189**	(152,554)
(52,000)	Amortisation intangibles – customer contracts acquired on acquisition		**(26,000)**	(26,000)
-	Costs of exiting onerous lease	3	**(95,104)**	-
(449,362)			**(119,915)**	(178,554)
21,339	Finance revenue		**8,446**	12,659
(428,023)	**Loss before taxation**	2	**(111,469)**	(165,895)
13,136	Tax (expense)/credit		**(2,146)**	(3,272)
(414,887)	**Loss for the period**		**(113,615)**	(169,167)
	Earnings per share			
(1.16)p	**Basic and diluted**	4	**(0.32)p**	(0.48)p

Turnover and profit all derive from continuing operations.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
SIX MONTHS ENDED 31 JANUARY 2014

There is no difference between the loss for the period shown and total comprehensive income.

Reconciliation of movements in total equity are given in the Statement of changes in equity.

The accompanying notes form an integral part of these consolidated interim financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 JANUARY 2014

As at July 2013 Audited		**Notes**	**As at January 2014 Unaudited**	As at January 2013 Unaudited
£			**£**	**£**
	Assets			
	Non-current assets			
252,994	Property, plant and equipment	5	**226,106**	235,985
1,633,948	Intangible assets	6	**1,609,960**	1,661,935
17,921	Deferred tax assets		**8,709**	9,150
1,904,863			**1,844,775**	1,907,070
	Current assets			
544,389	Trade and other receivables		**457,853**	628,759
2,590,485	Cash and short term deposits		**2,373,958**	2,795,423
3,134,874			**2,831,811**	3,424,182
5,039,737	**Total assets**		**4,676,586**	5,331,252
	Liabilities			
	Current liabilities			
649,057	Trade and other payables		**364,979**	681,770
12,080	Deferred revenue		**22,399**	3,207
-	Current tax liabilities		**-**	101
-	Provisions		**-**	50,784
661,137			**387,378**	735,862
	Non-current liabilities			
21,360	Provisions		**31,389**	18,874
30,049	Deferred tax liabilities		**22,983**	37,873
51,409			**54,372**	56,747
712,546	**Total liabilities**		**441,750**	792,609
4,327,191	**Net Assets**		**4,234,836**	4,538,643
	Equity			
	Capital and reserves attributable to equity holders of the Company			
357,862	Share capital	7	**357,862**	357,862
-	Deferred shares	7	**-**	3,220,758
-	Share premium reserve		**-**	2,997,637
376,000	Merger reserve		**376,000**	376,000
3,593,329	Retained earnings		**3,500,974**	(2,413,614)
4,327,191	**Total Equity**		**4,234,836**	4,538,643

The consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 2 April 2014 and were signed on its behalf by:

Saieem Hussain
Chief Executive

The accompanying notes form an integral part of these consolidated interim financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

PERIOD TO 31 JANUARY 2014

Year July 2013 Audited		**6 Months January 2014 Unaudited**	**6 Months January 2013 Unaudited**
£			**£**
	Cash flows from operating activities		
(428,023)	Loss before taxation	**(111,469)**	**(165,895)**
	Adjustments for:		
75,841	Depreciation of property, plant and equipment	**50,404**	**30,606**
36,292	Depreciation leasehold improvements	**10,029**	**19,021**
	Amortisation of intangibles		
52,000	- Customer contracts acquired on acquisition	**26,000**	**26,000**
6,158	- Software	**2,228**	**3,625**
61,628	Share based payment expense	**21,260**	**27,360**
(21,339)	Finance income	**(8,446)**	**(12,668)**
194,200	Decrease in trade and other receivables	**88,166**	**278,519**
(65,274)	(Decrease) in trade and other payables	**(286,489)**	**(199,825)**
2,557	Increase/(Decrease) in deferred revenue	**10,319**	**(6,316)**
(120,299)	(Decrease) in provisions	**-**	**(55,000)**
(206,259)	Cash (absorbed)/generated by operations	**(197,998)**	**(54,573)**
(342)	Income taxes paid	**-**	**(340)**
(206,601)	Cash flows from operating activities	**(197,998)**	**(54,913)**
	Cash flows from investing activities		
(149,867)	Purchase of plant and equipment	**(23,516)**	**(87,623)**
(2,287)	Purchase of intangibles - software	**(4,240)**	**(1,741)**
22,184	Interest received	**9,296**	**12,644**
(129,970)	Net cash used in investing activities	**(18,460)**	**(76,720)**
(336,571)	**(Decrease) in cash and cash equivalents**	**(216,458)**	**(131,633)**
2,927,056	**Cash and cash equivalents at start of period**	**2,590,416**	**2,927,056**
2,590,485	**Cash and cash equivalents at end of period**	**2,373,958**	**2,795,423**

The accompanying notes form an integral part of these consolidated interim financial statements.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 JANUARY 2014

	Issued Share capital	Share Premium account	Merger reserve	Retained earnings	Total Share-holders equity
	£	£	£	£	£
At 1 August 2012	**3,578,620**	**2,997,637**	**376,000**	**(2,271,807)**	**4,680,450**
Transactions with owners:					
Employee share option schemes:					
- Value of share options granted	-	-	-	27,360	27,360
Profit and total					
comprehensive income	-	-	-	(169,167)	(169,167)
At 31 January 2013	**3,578,620**	**2,997,637**	**376,000**	**(2,413,614)**	**4,538,643**
Transactions with owners:					
Reduction of capital and cancellation					
of share premium account	(3,220,758)	(2,997,637)	-	6,218,395	-
Employee share option schemes:					
- Value of share options granted	-	-	-	34,268	34,268
Loss and total					
comprehensive income	-	-	-	(245,720)	(245,720)
At 31 July 2013	**357,862**	**-**	**376,000**	**3,593,329**	**4,327,191**
Transactions with owners:					
- Value of share options granted	-	-	-	21,260	21,260
Loss and total					
comprehensive income	-	-	-	(113,615)	(113,615)
At 31 January 2014	**357,862**	**-**	**376,000**	**3,500,974**	**4,234,836**

The accompanying notes form an integral part of these consolidated interim financial statements

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JANUARY 2014

1 Accounting policies

(a) General information

The interim report was approved by the Board on 2 April 2014.

The consolidated interim financial information is unaudited and does not constitute statutory accounts within the meaning of section 434(1) of the Companies Act 2006.

The interim financial information has not been reviewed or audited by BDO LLP, the Company's Auditors.

(b) Basis of preparation

The interim financial information has been prepared in accordance with the reporting requirements of ISDX Markets.

The interim report should be read in conjunction with the annual financial statements for the year ended 31 July 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRIC interpretations endorsed by the European Union (EU) and with those parts of the Companies Act 2006 applicable to groups preparing their accounts under IFRS.

Except as described below, the accounting policies applied in the preparation of the interim financial information are consistent with those adopted in the statutory accounts for the year ended 31 July 2013 as described in those financial statements.

Taxes on income in interim periods are accrued using the expected annual effective tax rate that would be applicable to expected total annual earnings.

The Directors believe that any new standards, amendments to standards or interpretations that are mandatory for the first time for the financial year beginning 1 August 2013 are either not relevant to the Group or are not anticipated to impact the Group.

The figures for the year ended 31 July 2013 were derived from the statutory accounts for that period. The statutory accounts for the year ended 31 July 2013 were approved by the Board of Directors on 19 November 2013 and have been delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

(c) Significant accounting estimates and judgements

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the amounts reported for revenues, expenses, assets, liabilities and disclosures of contingent liabilities at the date of the interim financial information. However, the nature of estimation means that actual outcomes could differ from those estimates.

The key sources of estimation uncertainty in the preparation of the interim financial information are as follows:

- The measurement and impairment of goodwill, an intangible asset with an indefinite life. The Group determines whether goodwill is impaired on an annual basis requiring an estimation of the value in use of the cash generating unit to which goodwill is allocated. This involves estimation of future cash flows and choosing a suitable discount rate;
- The determination of the fair value of intangible assets on acquisition and their useful lives; and
- The estimation of dilapidation provisions.

2 Segment information

The principal activity of the Group is government sponsored training, assessment and related services. The Chief Executive considers the Group's business through two reporting segments based on principal activity:

Vocational Training (pre-apprenticeship and apprenticeship training) and
Skills Training (basic skills and other employability training programmes).

The Chief Executive assesses the performance of operating segments based on operating profit before amortisation of acquired intangible assets, interest and tax. Information presented to the Chief Executive is measured in a manner consistent with that in the Financial Statements.

The performance of operating segments reviewed by the Chief Executive does not include any allocation of corporate costs. Corporate costs, although not an operating segment as defined by IFRS8 are reviewed by the Chief Executive and shown as Group items in the table below.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JANUARY 2014

2 Segment information (continued)

		6 Months January 2014		6 Months January 2013
	Revenue	**Profit/ (Loss)**	**Revenue**	**Profit/ (Loss)**
	£	**£**	**£**	**£**
Vocational Training	**1,313,339**	**53,213**	1,474,867	1,035
Skills Training	**707,357**	**75,038**	591,000	1,137
	2,020,696	**128,251**	2,065,867	2,172
Group items:				
Unallocated corporate costs		**(127,062)**		(154,726)
		1,189		(152,554)
Amortisation charge on acquired intangible assets		**(26,000)**		(26,000)
Costs to exit onerous lease		**(95,104)**		-
Total for Group	**2,020,696**	**(119,915)**	2,065,867	(178,554)

		12 Months July 2013
	Revenue	**Profit/ (Loss)**
	£	**£**
Vocational Training	2,682,393	(119,167)
Skills Training	1,330,940	60,083
	4,013,333	(59,084)
Group items:		
Unallocated corporate costs		(338,278)
		(397,362)
Amortisation charge on acquired intangible assets		(52,000)
Total for Group	4,013,333	(449,362)

The reconciliation by operating segment of the profit reported to the Chief Decision Maker to operating profit shown in the financial statements is as follows:

	Reported Segmental Operating Profit/(Loss)	**Amortisation on Acquired Intangible Assets**	**Costs to Exit Onerous Lease**	**Segmental Operating Profit/(Loss)**
	£	**£**	**£**	**£**
6 Months to 31 January 2014				
Vocational Training	**53,213**	**(26,000)**	**(95,104)**	**(67,891)**
Skills Training	**75,038**	**-**	**-**	**75,038**
Total for segments	**128,251**	**(26,000)**	**(95,104)**	**7,147**
Group items:				
Unallocated corporate costs				**(127,062)**
Total for Group				**(119,915)**
6 Months to 31 January 2013				
Vocational Training	1,035	(26,000)	-	(24,965)
Skills Training	1,137	-	-	1,137
Total for segments	2,172	(26,000)	-	(23,828)
Group items:				
Unallocated corporate costs				(154,726)
Total for Group				(178,554)

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JANUARY 2014

2 Segment information (continued)

	Reported Segmental Operating Profit/(Loss)	Amortisation on Acquired Intangible Assets	Costs Exiting Onerous Lease	Segmental Operating Profit/(Loss)
	£	£	£	£
12 Months to 31 July 2013				
Vocational Training	(119,167)	(52,000)	-	(171,167)
Skills Training	60,083	-	-	60,083
Total for segments	(59,084)	(52,000)		(111,084)
Group items:				
Unallocated corporate costs				(338,278)
Total for Group				(449,362)

All income is derived from the United Kingdom.

3 Costs to exit onerous lease

During the period the Group incurred costs of £95,104 on early exit from an onerous property lease.

4 Earnings per share

The calculation of basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted number of shares in issue during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares for the conversion of all dilutive potential ordinary shares. Options granted under Employee Share Schemes dilute the earnings per share by increasing the weighted average number of shares without changing net profit. As at 31 January 2014, 31 July 2013 and 31 January 2013 diluted earnings per share is the same as basic earnings per share as options granted under Employee Share Schemes were anti-dilutive.

To understand the underlying trading performance, the directors feel it appropriate to disclose earnings per share before and after adjusting for the amortisation of intangible assets acquired on acquisition of subsidiaries. The calculation of adjusted earnings per share is set out below:

12 Months ended July 2013		Six months ended January 2014	Six months ended January 2013
£	**Earnings**	£	£
(414,887)	Earnings attributable to ordinary shareholders	**(113,615)**	(169,167)
-	Costs to exit onerous lease	**95,104**	-
-	Taxation impact of exit onerous lease	**(21,237)**	-
52,000	Amortisation of acquired intangible assets	**26,000**	26,000
(13,804)	Taxation impact amortisation of acquired intangible assets	**(7,066)**	(5,980)
(376,691)	Adjusted profit on ordinary activities after tax	**(20,814)**	(149,147)
	Number of shares	**Number**	**Number**
	Weighted average number of shares for basic and		
35,786,204	diluted earnings per share	**35,786,204**	35,786,204
Pence		**Pence**	**Pence**
	Earnings per share		
(1.16)	Basic and diluted earnings per share	**(0.32)**	(0.48)
	Adjusted Earnings per share		
(1.05)	Adjusted basic and diluted earnings per share	**(0.06)**	(0.43)

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JANUARY 2014

4 Earnings per share (continued)

The calculation of adjusted basic earnings per share is set out below:

12 Months ended July 2013		Six months ended January 2014	Six months ended January 2013
Pence		Pence	Pence
(1.16)	Basic earnings per share	**(0.32)**	(0.48)
-	Costs to exit onerous lease	**0.27**	-
-	Taxation impact of exit onerous lease	**(0.06)**	-
0.15	Amortisation of acquired intangible assets	**0.07**	0.07
(0.04)	Taxation impact amortisation of acquired intangible assets	**(0.02)**	(0.02)
(1.05)	Adjusted basic earnings per share (pence)	**(0.06)**	(0.43)

5 Property, plant and equipment

	Leasehold improvements	Fixtures	Equipment	Total
	£	£	£	£
Cost				
At 1 August 2012	**67,465**	**90,257**	**146,063**	**303,785**
Additions	57,421	11,961	18,241	87,623
At 31 January 2013	**124,886**	**102,218**	**164,304**	**391,408**
Additions	35,244	-	27,000	62,244
Transfers	-	(2,355)	2,355	-
Disposals	(13,584)	-	-	(13,584)
At 31 July 2013	**146,546**	**99,863**	**193,659**	**440,068**
Additions	6,918	1,140	15,458	23,516
At 31 January 2014	**153,464**	**101,003**	**209,117**	**463,584**
Accumulated depreciation				
At 1 August 2012	**15,409**	**43,407**	**66,001**	**124,817**
Charge for the period	11,331	9,003	10,272	30,606
At 31 January 2013	**26,740**	**52,410**	**76,273**	**155,423**
Charge for the period	18,017	5,692	21,526	45,235
Adjustment for disposals	(13,584)	-	-	(13,584)
At 31 July 2013	**31,173**	**58,102**	**97,799**	**187,074**
Charge for the period	17,451	9,853	23,100	50,404
At 31 January 2014	**48,624**	**67,955**	**120,899**	**237,478**
Net book value				
At 31 January 2014	**104,840**	**33,048**	**88,218**	**226,106**
At 31 July 2013	115,373	41,761	95,860	252,994
At 31 January 2013	98,146	49,808	88,031	235,985
At 31 July 2012	52,056	46,850	80,062	178,968

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JANUARY 2014

6 Intangible assets

	Goodwill	Customer Contracts	Software	Total
	£	£	£	£
Cost				
At 1 August 2012	**4,427,948**	**850,000**	**32,385**	**5,310,333**
Additions	-	-	1,741	1,741
At 31 January 13	**4,520,948**	**850,000**	**34,126**	**5,312,074**
Additions	-		546	546
At 31 July 2013	**4,427,948**	**850,000**	**34,672**	**5,312,620**
Additions	-	-	4,240	4,240
At 31 January 2014	**4,427,948**	**850,000**	**38,912**	**5,316,860**
Amortisation				
At 1 August 2012	**2,950,000**	**659,333**	**11,181**	**3,620,514**
Charge for the period	-	26,000	3,625	29,625
At 31 January 2013	**2,950,000**	**685,333**	**14,806**	**3,650,139**
Charge for the period		26,000	2,533	28,533
At 31 July 2013	**2,950,000**	**711,333**	**17,339**	**3,678,672**
Charge for the period	-	26,000	2,228	28,228
At 31 January 2014	**2,950,000**	**737,333**	**19,567**	**3,706,900**
Net book value				
At 31 January 2014	**1,477,948**	**112,667**	**19,345**	**1,609,960**
At 31 July 2013	1,477,948	138,667	17,333	1,633,948
At 31 January 2013	1,477,948	164,667	19,320	1,661,935
At 31 July 2012	1,477,948	190,667	21,204	1,689,819

7 Share capital

At the Annual General Meeting held on 11 December 2012 shareholders in the Company approved the sub-division of the Company's shares such that each issued Ordinary share of 10p nominal value was sub-divided into one Ordinary share of 1p and one Deferred share of 9p and each authorised but unissued existing Ordinary share was sub-divided into ten Ordinary shares of 1p each.

The Ordinary shares of 1p carry the same rights in all respects as the 10p Ordinary shares, including voting rights and right to participate in dividends of the Company.

The Deferred shares did not carry any rights to vote or dividend rights and on 13 February 2013 Court approval required to give effect to the reduction of capital was received and the Deferred shares were cancelled.

The Company has one class of Ordinary shares which carry equal voting rights and no right to fixed income.

	Ordinary Shares		Deferred Shares	
	Number	£	Number	£
Authorised				
Ordinary & Deferred shares				
At 31 July 2012	**100,000,000**	**10,000,000**		
Increase authorised share capital 11 December 2012 on sub-division of each issued Ordinary share of 10p into 1 Ordinary share of 1p each and 1 Deferred share of 9p each; and sub-division each authorised but unissued Ordinary Share of 10p into 1 Ordinary share of 1p each	**577,924,164**	**(3,220,758)**	**35,786,204**	**3,220,758**
Ordinary shares 1p and Deferred shares 9p At 31 January & 31 July 2013 and 31 January 2014	**677,924,164**	**6,779,242**	**35,786,204**	**3,220,758**

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JANUARY 2014

7 Share capital (continued)

	Ordinary Shares		Deferred Shares	
	Number	**£**	**Number**	**£**
Allotted, called up and fully paid				
Ordinary & Deferred shares				
At 31 July 2012	**35,786,204**	**3,578,620**		
Sub-division 11 December 2012 of each Ordinary share of 10p into 1 Ordinary share of 1p each and 1 Deferred share of 9p each	**-**	**(3,220,758)**	**35,786,204**	**3,220,758**
Ordinary shares 1p and Deferred shares 9p At 31 January 2013	**35,786,204**	**357,862**	**35,786,204**	**3,220,758**
Cancellation 13 February 2013 Deferred shares of 9p			**(35,786,204)**	**(3,220,758)**
At 31 July 2013 and 31 January 2014	**35,786,204**	**357,862**	**-**	**-**