

WOODSPEEN TRAINING GROUP PLC  
("Woodspeen" or the "Company" or the "Group")

Unaudited Interim Statement – Six Months to 31 January 2014

This unaudited Interim Statement has not been reviewed or audited by BDO LLP, the Company's auditors.

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

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

\* 16-24 Learners; \*\* 25+ learners

### 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 of the year will require an increased level of funding through subcontract arrangements.

### Exceptional item

The Group incurred an exceptional cost of GBP95,104 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 GBP2.3m 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<br>July<br>2013<br>Audited<br>GBP |  | Notes    | 6 Months<br>January<br>2014<br>Unaudited<br>GBP | 6 Months<br>January<br>2013<br>Unaudited<br>GBP |
|--|--|----------|---|---|
| 4,013,333                              | <b>Revenue</b>   | 2        | <b>2,020,696</b>                                | 2,065,867                                       |
| (3,066,534)                            | Cost of sales  |          | <b>(1,411,324)</b>                              | (1,356,949)                                     |
| 946,799                                | <b>Gross profit</b>  |          | <b>609,372</b>                                  | 708,918   |
| (1,396,161)                            | Administrative expenses  |          | <b>(729,287)</b>                                | (887,472)                                       |
| (449,362)                              | <b>Loss from operations</b>  | 2        | <b>(119,915)</b>                                | (178,554)                                       |
| Analysed as:                           |  |          |   |   |
| (397,362)                              | Profit/(Loss) from operations before amortisation and costs of exiting onerous lease |          | <b>1,189</b>                                    | (152,554)                                       |
| (52,000)                               | Amortisation intangibles – customer contracts acquired on acquisition                |          | <b>(26,000)</b>                                 | (26,000)  |
| -                                      | Costs of exiting onerous lease   | 3        | <b>(95,104)</b>                                 | -   |
| (449,362)                              |  |          | <b>(119,915)</b>                                | (178,554)                                       |
| 21,339                                 | Finance revenue  |          | <b>8,446</b>                                    | 12,659  |
| (428,023)                              | <b>Loss before taxation</b>  | 2        | <b>(111,469)</b>                                | (165,895)                                       |
| 13,136                                 | Tax (expense)/credit   |          | <b>(2,146)</b>                                  | (3,272)   |
| (414,887)                              | <b>Loss for the period</b>   |          | <b>(113,615)</b>                                | (169,167)                                       |
| <b>Earnings per share</b>              |  |          |   |   |
| <b>(1.16)p</b>                         | <b>Basic and diluted</b>   | <b>4</b> | <b>(0.32)p</b>                                  | (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<br>July<br>2013<br>Audited<br>GBP                                   |                               | Notes | As at<br>January<br>2014<br>Unaudited<br>GBP | As at<br>January<br>2013<br>Unaudited<br>GBP |
|---|-------------------------------|-------|--|--|
| <b>Assets</b>   |                               |       |  |  |
| <b>Non-current assets</b>   |                               |       |  |  |
| 252,994   | Property, plant and equipment | 5     | <b>226,106</b>                               | 235,985                                      |
| 1,633,948   | Intangible assets             | 6     | <b>1,609,960</b>                             | 1,661,935                                    |
| 17,921  | Deferred tax assets           |       | <b>8,709</b>                                 | 9,150  |
| 1,904,863   |                               |       | <b>1,844,775</b>                             | 1,907,070                                    |
| <b>Current assets</b>   |                               |       |  |  |
| 544,389   | Trade and other receivables   |       | <b>457,853</b>                               | 628,759                                      |
| 2,590,485   | Cash and short term deposits  |       | <b>2,373,958</b>                             | 2,795,423                                    |
| 3,134,874   |                               |       | <b>2,831,811</b>                             | 3,424,182                                    |
| 5,039,737   | <b>Total assets</b>           |       | <b>4,676,586</b>                             | 5,331,252                                    |
| <b>Liabilities</b>  |                               |       |  |  |
| <b>Current liabilities</b>  |                               |       |  |  |
| 649,057   | Trade and other payables      |       | <b>364,979</b>                               | 681,770                                      |
| 12,080  | Deferred revenue              |       | <b>22,399</b>                                | 3,207  |
| -   | Current tax liabilities       |       | -  | 101  |
| -   | Provisions                    |       | -  | 50,784                                       |
| 661,137   |                               |       | <b>387,378</b>                               | 735,862                                      |
| <b>Non-current liabilities</b>  |                               |       |  |  |
| 21,360  | Provisions                    |       | <b>31,389</b>                                | 18,874                                       |
| 30,049  | Deferred tax liabilities      |       | <b>22,983</b>                                | 37,873                                       |
| 51,409  |                               |       | <b>54,372</b>                                | 56,747                                       |
| 712,546   | <b>Total liabilities</b>      |       | <b>441,750</b>                               | 792,609                                      |
| 4,327,191   | <b>Net Assets</b>             |       | <b>4,234,836</b>                             | 4,538,643                                    |
| <b>Equity</b>   |                               |       |  |  |
| <b>Capital and reserves attributable to equity holders of the Company</b> |                               |       |  |  |
| 357,862   | Share capital                 | 7     | <b>357,862</b>                               | 357,862                                      |
| -   | Deferred shares               | 7     | -  | 3,220,758                                    |
| -   | Share premium reserve         |       | -  | 2,997,637                                    |
| 376,000   | Merger reserve                |       | <b>376,000</b>                               | 376,000                                      |
| 3,593,329   | Retained earnings             |       | <b>3,500,974</b>                             | (2,413,614)                                  |
| 4,327,191   | <b>Total Equity</b>           |       | <b>4,234,836</b>                             | 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<br>July<br>2013<br>Audited<br>GBP |   | 6 Months<br>January<br>2014<br>Unaudited | 6 Months<br>January<br>2013<br>Unaudited<br>GBP |
|--|---|--|---|
|  | <b>Cash flows from operating activities</b>         |  |   |
| (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)  |
|  | <b>Cash flows from investing activities</b>         |  |   |
| (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)                              | <b>(Decrease) in cash and cash equivalents</b>      | (216,458)                                | (131,633)                                       |
| 2,927,056                              | <b>Cash and cash equivalents at start of period</b> | 2,590,416                                | 2,927,056                                       |
| 2,590,485                              | <b>Cash and cash equivalents at end of period</b>   | 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<br>Share<br>capital | Share<br>Premium<br>account | Merger<br>reserve | Retained<br>earnings | Total<br>Share-<br>holders<br>equity |
|---------------------------------------|----------------------------|-----------------------------|-------------------|----------------------|--------------------------------------|
|                                       | GBP                        | GBP                         | GBP               | GBP                  | GBP                                  |
| <b>At 1 August 2012</b>               | <b>3,578,620</b>           | <b>2,997,637</b>            | <b>376,000</b>    | <b>(2,271,807)</b>   | <b>4,680,450</b>                     |
| <i>Transactions with owners:</i>      |                            |                             |                   |                      |                                      |
| Employee share option schemes:        |                            |                             |                   |                      |                                      |
| - Value of share options granted      | -                          | -                           | -                 | 27,360               | 27,360                               |
| <i>Profit and total</i>               |                            |                             |                   |                      |                                      |
| <i>comprehensive income</i>           | -                          | -                           | -                 | (169,167)            | (169,167)                            |
| <b>At 31 January 2013</b>             | <b>3,578,620</b>           | <b>2,997,637</b>            | <b>376,000</b>    | <b>(2,413,614)</b>   | <b>4,538,643</b>                     |
| <i>Transactions with owners:</i>      |                            |                             |                   |                      |                                      |
| 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                               |
| <i>Loss and total</i>                 |                            |                             |                   |                      |                                      |
| <i>comprehensive income</i>           | -                          | -                           | -                 | (245,720)            | (245,720)                            |
| <b>At 31 July 2013</b>                | <b>357,862</b>             | <b>-</b>                    | <b>376,000</b>    | <b>3,593,329</b>     | <b>4,327,191</b>                     |
| <i>Transactions with owners:</i>      |                            |                             |                   |                      |                                      |
| - Value of share options granted      | -                          | -                           | -                 | 21,260               | 21,260                               |
| <i>Loss and total</i>                 |                            |                             |                   |                      |                                      |
| <i>comprehensive income</i>           | -                          | -                           | -                 | (113,615)            | (113,615)                            |
| <b>At 31 January 2014</b>             | <b>357,862</b>             | <b>-</b>                    | <b>376,000</b>    | <b>3,500,974</b>     | <b>4,234,836</b>                     |

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.

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

|  | 12 Months<br>July 2013 |                   |
|--|------------------------|-------------------|
|  | Revenue                | Profit/<br>(Loss) |
|  | GBP                    | GBP               |
| 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<br>acquired intangible assets |                        | (52,000)          |
| <b>Total for Group</b>                               | 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<br>Segmental<br>Operating<br>Profit/(Loss)<br>GBP | Amortisation<br>on Acquired<br>Intangible<br>Assets<br>GBP | Costs<br>to Exit<br>Onerous<br>Lease<br>GBP | Segmental<br>Operating<br>Profit/(Loss)<br>GBP |
|------------------------------------|--|--|---|--|
| <b>6 Months to 31 January 2014</b> |  |  |   |  |
| Vocational Training                | 53,213   | (26,000)   | (95,104)                                    | (67,891)                                       |
| Skills Training                    | 75,038   | -  | -   | 75,038   |
| <b>Total for segments</b>          | <b>128,251</b>   | <b>(26,000)</b>  | <b>(95,104)</b>                             | <b>7,147</b>                                   |
| Group items:                       |  |  |   |  |
| Unallocated corporate costs        |  |  |   | (127,062)                                      |
| <b>Total for Group</b>             |  |  |   | <b>(119,915)</b>                               |
| <b>6 Months to 31 January 2013</b> |  |  |   |  |
| Vocational Training                | 1,035  | (26,000)   | -   | (24,965)                                       |
| Skills Training                    | 1,137  | -  | -   | 1,137  |
| <b>Total for segments</b>          | <b>2,172</b>   | <b>(26,000)</b>  | <b>-</b>                                    | <b>(23,828)</b>                                |
| Group items:                       |  |  |   |  |
| Unallocated corporate costs        |  |  |   | (154,726)                                      |
| <b>Total for Group</b>             |  |  |   | <b>(178,554)</b>                               |



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

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<br>ended<br>July<br>2013<br>GBP | Earnings   | Six months<br>ended<br>January<br>2014<br>GBP | Six months<br>ended<br>January<br>2013<br>GBP |
|---|--|---|---|
| (414,887)                                 | Earnings attributable to ordinary shareholders                             | (113,615)                                     | (169,167)                                     |
| -   | Costs to exit onerous lease  | 95,104  | -   |
| -   | Taxation impact to 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)                                     |
|   | <b>Number of shares</b>  | <b>Number</b>                                 | <b>Number</b>                                 |
| 35,786,204                                | Weighted average number of shares for basic and diluted earnings per share | 35,786,204                                    | 35,786,204                                    |
|   | <b>Pence</b>   | <b>Pence</b>                                  | <b>Pence</b>                                  |
|   | <b>Earnings per share</b>  |   |   |
| (1.16)                                    | Basic and diluted earnings per share                                       | (0.32)  | (0.48)  |
|   | <b>Adjusted Earnings per share</b>   |   |   |
| (1.05)                                    | Adjusted basic and diluted earnings per share                              | (0.06)  | (0.43)  |

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

| 12 Months<br>ended<br>July<br>2013 | Six months<br>ended<br>January<br>2014 | Six months<br>ended<br>January<br>2013 |
|------------------------------------|--|--|
|------------------------------------|--|--|

|        | Pence  |  | Pence         | Pence  |
|--------|--|--|---------------|--------|
| (1.16) | Basic earnings per share                                   |  | <b>(0.32)</b> | (0.48) |
| -      | Costs to exit onerous lease                                |  | <b>0.27</b>   | -      |
| -      | Taxation impact to exit onerous lease                      |  | <b>(0.06)</b> | -      |
| 0.15   | Amortisation of acquired intangible assets                 |  | <b>0.07</b>   | 0.07   |
| (0.04) | Taxation impact amortisation of acquired intangible assets |  | <b>(0.02)</b> | (0.02) |
| (1.05) | Adjusted basic earnings per share (pence)                  |  | <b>(0.06)</b> | (0.43) |

## 5 Property, plant and equipment

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

## 6 Intangible assets

|                           | Goodwill         | Customer Contracts | Software      | Total            |
|---------------------------|------------------|--------------------|---------------|------------------|
|                           | GBP              | GBP                | GBP           | GBP              |
| <b>Cost</b>               |                  |                    |               |                  |
| <b>At 1 August 2012</b>   | <b>4,427,948</b> | <b>850,000</b>     | <b>32,385</b> | <b>5,310,333</b> |
| Additions                 | -                | -                  | 1,741         | 1,741            |
| <b>At 31 January 13</b>   | <b>4,520,948</b> | <b>850,000</b>     | <b>34,126</b> | <b>5,312,074</b> |
| Additions                 | -                | -                  | 546           | 546              |
| <b>At 31 July 2013</b>    | <b>4,427,948</b> | <b>850,000</b>     | <b>34,672</b> | <b>5,312,620</b> |
| Additions                 | -                | -                  | 4,240         | 4,240            |
| <b>At 31 January 2014</b> | <b>4,427,948</b> | <b>850,000</b>     | <b>38,912</b> | <b>5,316,860</b> |
| <b>Amortisation</b>       |                  |                    |               |                  |
| <b>At 1 August 2012</b>   | <b>2,950,000</b> | <b>659,333</b>     | <b>11,181</b> | <b>3,620,514</b> |
| Charge for the period     | -                | 26,000             | 3,625         | 29,625           |

|                           |                  |                |               |                  |
|---------------------------|------------------|----------------|---------------|------------------|
| <b>At 31 January 2013</b> | <b>2,950,000</b> | <b>685,333</b> | <b>14,806</b> | <b>3,650,139</b> |
| Charge for the period     |                  | 26,000         | 2,533         | 28,533           |
| <b>At 31 July 2013</b>    | <b>2,950,000</b> | <b>711,333</b> | <b>17,339</b> | <b>3,678,672</b> |
| Charge for the period     | -                | 26,000         | 2,228         | 28,228           |
| <b>At 31 January 2014</b> | <b>2,950,000</b> | <b>737,333</b> | <b>19,567</b> | <b>3,706,900</b> |
| <b>Net book value</b>     |                  |                |               |                  |
| <b>At 31 January 2014</b> | <b>1,477,948</b> | <b>112,667</b> | <b>19,345</b> | <b>1,609,960</b> |
| <b>At 31 July 2013</b>    | 1,477,948        | 138,667        | 17,333        | 1,633,948        |
| <b>At 31 January 2013</b> | 1,477,948        | 164,667        | 19,320        | 1,661,935        |
| <b>At 31 July 2012</b>    | 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             | GBP                | Number              | GBP                |
| <b>Authorised</b>  |                    |                    |                     |                    |
| <b>Ordinary &amp; Deferred shares</b>  |                    |                    |                     |                    |
| <b>At 31 July 2012</b>   | <b>100,000,000</b> | <b>10,000,000</b>  |                     |                    |
| 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 | <b>577,924,164</b> | <b>(3,220,758)</b> | <b>35,786,204</b>   | <b>3,220,758</b>   |
| <b>Ordinary shares 1p and Deferred shares 9p</b>   |                    |                    |                     |                    |
| <b>At 31 January &amp; 31 July 2013 and 31 January 2014</b>  | <b>677,924,164</b> | <b>6,779,242</b>   | <b>35,786,204</b>   | <b>3,220,758</b>   |
| <b>Allotted, called up and fully paid</b>  |                    |                    |                     |                    |
| <b>Ordinary &amp; Deferred shares</b>  |                    |                    |                     |                    |
| <b>At 31 July 2012</b>   | <b>35,786,204</b>  | <b>3,578,620</b>   |                     |                    |
| 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   | -                  | <b>(3,220,758)</b> | <b>35,786,204</b>   | <b>3,220,758</b>   |
| <b>Ordinary shares 1p and Deferred shares 9p</b>   |                    |                    |                     |                    |
| <b>At 31 January 2013</b>  | <b>35,786,204</b>  | <b>357,862</b>     | <b>35,786,204</b>   | <b>3,220,758</b>   |
| Cancellation 13 February 2013 Deferred shares of 9p  |                    |                    | <b>(35,786,204)</b> | <b>(3,220,758)</b> |
| <b>At 31 July 2013 and 31 January 2014</b>   | <b>35,786,204</b>  | <b>357,862</b>     | -                   | -                  |

## 8 Dividends

The directors do not recommend payment of a dividend.

The consolidated interim financial statements for the period to 31 January 2014 will be posted to shareholders.

Copies of the consolidated interim financial statements may be obtained from the Company Secretary, Woodspeen Training Group plc, 32 Wingate Road, Hammersmith, London W6 0UR, the Company's website or from the ISDX Markets website.

The directors of Woodspeen Training Group plc take responsibility for this announcement.

Contacts:

**Woodspeen Training Group plc**

Si Hussain  
Lynn Chandler

07862 837 437  
07932 753 799

**Peterhouse Corporate Finance Limited**

Mark Anwyl

020 7469 0930