Registered Number : 6434555

Woodspeen Training PLC

Interim Statement

30 September 2010

I am pleased to enclose the interim results for the Woodspeen Group ('The Group') for the six months ended 30 September 2010.

The Group made an operating profit before interest and tax of £450,322 for the six months to 30 September 2010 compared to £111, 354 for the six months to September 2009.

	Six Months September 2010		Six Months September 2009	
	Revenue	**Profit/ (Loss)**	**Revenue**	**Profit/ (Loss)**
	£	**£**	**£**	**£**
A&R Group	**2,155,409**	**541,918**	1,323,355	280,765
FTC	**994,454**	**142,025**	825,489	(22,079)
	3,149,863	**683,943**	2,148,844	258,686
Unallocated	**-**	**(138,395)**	-	(75,453)
	3,149,863	**545,548**	2,148,844	183,233
Amortisation of acquired intangible assets	**-**	**(95,226)**	-	(71,879)
Revenue/Operating profit	**3,149,863**	**450,322**	2,148,844	111,354

Profit for the six months to 30 September 2010 includes results for the full six month period in respect of A&R Training Services Limited and S&S Training Services Limited ('A&R Group'), acquired in May 2009 and February 2010 respectively. Comparatives for 2009 include only five months results for A&R Training Services Limited.

I am very pleased to report much improved results for Futures Training Services Limited (Futures), which has returned a strong first half performance compared to the same period in 2009. As explained in previous reports, Futures' performance last year was badly affected by losses suffered on a Train to Gain contract. Actions taken to address this underperformance together with the Board's decision at that time to reduce reliance on this area of Government funding have been successful.

The interim results reflect a robust performance in employability programmes, which comprise LearnDirect (undertaken by Futures) and Welfare to Work programmes (undertaken by both Futures and A&R Training Services). Notwithstanding this positive performance, it is important to note that the welfare to work agenda is set to change, with the planned introduction of the Government's flagship 'Work Programme'. The Work Programme will replace existing welfare to work initiatives, including those in which the Group participates (New Deal and Flexible New Deal). Details of the new initiative are still to be confirmed and we await announcements later this year or early next year to determine the full implications of the Government's plans and, importantly, to assess the nature and extent of opportunities that exist for the Group. As a result of these changes we anticipate that the strong growth recorded in the first half will moderate in the remainder of the year as the transition from existing programmes is effected.

The Government funded vocational training sector has undergone significant change over the past few years. The pace of this change has accelerated over recent months, in particular following the election of the new Government in May 2010. My appointment as Chief Executive, which coincided with the change in administration and its focus on bringing the fiscal deficit under control, has been an important but timely opportunity for the Board to validate its strategy. The funding priorities, set out recently in the October Spending Review, provide the essential underpinning to the Group's future direction. Whilst the full detail and implications of the Spending Review will not emerge for several weeks, a number of important announcements have been made and their likely impact on the Group is highlighted below.

The Coalition's announcement of an additional £250m annually for adult apprenticeship training is clearly welcome news. Your Board remains committed to the apprenticeship agenda and to increasing apprenticeship revenues, both organically and through acquisition. A key driver to organic growth in apprenticeships is the Group's continued ability to attract, retain and train learners who are able to secure work based employment. Whilst present and previous governments have rightly continued to promote the value and worth of apprenticeships to employers, it is ultimately the willingness and ability of employers to provide apprenticeship placements that will help drive the success of the Group.

The Group also works with local authorities and colleges to provide support to young learners who are not yet ready for employment. Encouraging young learners to attend preparatory programmes that also incorporate placements, with a view to securing gainful employment in the future, whether apprenticeship or otherwise, is an industry wide challenge. In this regard the announcement of the withdrawal of the Educational Maintenance Allowance (EMA), for all but the most disadvantaged, may have significant adverse effects on the sector and Group's ability to attract young learners onto programmes in the future. These learners rely on the EMA, to varying degrees, to contribute towards meeting costs associated with attending programmes. Group revenues arising from such programmes accounted for 8% of Group turnover during the current period (2009: 8 %). The withdrawal of EMA may therefore have a detrimental effect on the ability of the sector to support the authorities in addressing the 'NEET' (not in employment, education or training) challenge that exists nationally.

The announcement that Train to Gain funding is set to be abolished had been anticipated by the Group. Revenues relating to this funding represent less than 5% of Group turnover.

Woodspeen has made three acquisitions to date, in what remains a highly fragmented sector. The Board believes that the recent announcement of the planned introduction of a Minimum Contract Level (MCL) for training providers from next year, expected to be in the region of £0.5m, will accelerate consolidation in the sector. Whilst the threshold is yet to be formally confirmed, the MCL will result in smaller providers losing their direct or 'prime' contract status and we believe will increase the acquisition opportunities within the sector. Our ability to move quickly to secure suitable businesses, with financing in place, will be an important factor in the Group's future growth and level of success.

In concluding this report, we are mindful that the uncertain impact of the Government's austerity programme, together with the policy changes outlined above, will require the Group to remain watchful and responsive. Notwithstanding these uncertainties, we remain cautious but confident that trading over the next six months will continue in line with expectations.

Si Hussain
Chief Executive

15 November 2010

Woodspeen Training PLC
Unaudited consolidated income statement
Period to 30 September 2010

Year March 2010 Audited		Notes	6 Months September 2010 Unaudited	6 Months September 2009 Unaudited
£			£	£
5,108,057	**Revenue**	2	**3,149,863**	2,148,844
(2,962,721)	Cost of sales		**(1,755,089)**	(1,468,054)
2,145,336	**Gross profit**		**1,394,774**	680,790
(1,504,349)	Administrative expenses		**(944,452)**	(569,436)
640,987	**Profit from operations**	2	**450,322**	111,354
133	Finance revenue		**947**	56
(21,560)	Finance costs		**(9,148)**	(10,255)
619,560	**Profit before taxation**	2	**442,121**	101,155
(192,172)	Tax expense		**(127,702)**	(28,431)
427,388	**Profit for the period**		**314,419**	72,724

2.19p	- Basic and diluted	3	**1.53p**	0.39p

Turnover and profit all derive from continuing operations.

Consolidated statement of comprehensive income
Six months ended 30 September 2010

There is no difference between the profit 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.

Woodspeen Training PLC
Unaudited consolidated statement of financial position
As at 30 September 2010

As at March 2010 Audited		Notes	As at September 2010 Unaudited	As at September 2009 Unaudited
£			£	£
	Assets			
	Non-current assets			
145,007	Property, plant and equipment	4	**196,272**	124,328
4,447,663	Intangible assets	5	**4,351,069**	3,915,133
4,592,670			**4,547,341**	4,039,461
	Current assets			
941,273	Trade and other receivables		**779,363**	737,347
693,308	Cash and short term deposits		**1,062,256**	720,967
1,634,581			**1,841,619**	1,458,314
6,227,251	**Total assets**		**6,388,960**	5,497,775
	Liabilities			
	Current liabilities			
536,187	Trade and other payables		**624,352**	279,268
13,261	Deferred revenue		**-**	-
270,514	Current tax liabilities		**380,201**	322,655
250,000	Financial liabilities	6	**-**	100,000
181,037	Provisions	7	**209,858**	-
1,250,999			**1,214,411**	701,923
	Non-current liabilities			
100,000	Financial liabilities	6	**-**	300,000
5,528	Provisions	7	**7,730**	-
133,466	Deferred tax liabilities		**111,809**	113,258
238,994			**119,539**	413,258
1,489,993	**Total liabilities**		**1,333,950**	1,115,181
4,737,258	**Net Assets**		**5,055,010**	4,382,594
	Equity			
	Capital and reserves attributable to equity holders of the Company			
2,052,000	Issued share capital	8	**2,052,000**	2,052,000
1,907,822	Share premium reserve		**1,907,822**	1,907,822
336,000	Merger reserve		**336,000**	336,000
441,436	Retained earnings		**759,188**	86,772
4,737,258	**Total Equity**		**5,055,010**	4,382,594

The consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 15 November 2010 and were signed on its behalf by:

Saieem Hussain
Chief Executive

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

Woodspeen Training PLC
Unaudited consolidated statement of cash flows
Period to 30 September 2010

Year ended March 2010 Audited		Six Months ended September 2010 Unaudited	Six Months ended September 2009 Unaudited
£		£	£
	Cash flows from operating activities		
619,560	Profit before taxation	**442,121**	101,155
	Adjustments for:		
33,787	Depreciation of property, plant and equipment	**23,054**	10,929
34,703	Depreciation leasehold improvements	**31,023**	-
2,586	Loss on disposal of property, plant and equipment	**1,828**	-
	Amortisation of intangibles		
160,570	- Customer contracts acquired on acquisition	**95,226**	71,879
2,570	- Software	**2,044**	180
-	Share options – employee service charges	**3,333**	-
(133)	Finance income	**(947)**	(56)
21,560	Finance costs	**9,148**	10,255
(13,853)	Decrease/(Increase) in trade and other receivables	**161,910**	95,452
174,741	(Decrease)/Increase in trade and other payables	**78,299**	(89,519)
1,036,091	Cash generated by operations	**847,039**	200,275
(260,771)	Income taxes paid	**(39,672)**	-
775,320	Cash flows from operating activities	**807,367**	200,275
	Cash flows from investing activities		
(3,565,638)	Acquisitions – Consideration	**-**	(2,850,202)
673,713	Acquisitions – Cash acquired	**-**	352,717
(48,963)	Acquisitions – Expenses	**-**	(33,787)
(40,034)	Purchase of plant and equipment	**(76,147)**	(6,931)
(18,915)	Purchase of intangibles - software	**(676)**	(1,495)
133	Interest received	**947**	56
(2,999,704)	Net cash used in investing activities	**(75,876)**	(2,539,642)
	Cash flows from financing activities		
1,196,000	Proceeds from issue of shares	**-**	1,196,000
(67,106)	Expenses in connection with share issues	**-**	(67,106)
(125,000)	Repayment of loan notes	**(350,000)**	-
(18,165)	Interest paid	**(12,543)**	(523)
985,729	Net cash used in financing activities	**(362,543)**	1,128,371
(1,238,655)	**Increase/(Decrease) in cash and cash equivalents**	**368,948**	(1,210,996)
1,931,963	**Cash and cash equivalents at start of period**	**693,308**	1,931,963
693,308	**Cash and cash equivalents at end of period**	**1,062,256**	720,967

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

Woodspeen Training PLC
Unaudited consolidated statement of changes in equity
As at 30 September 2010

	Issued Share capital	Share Premium account	Merger reserve	Retained earnings	Total Share-holders equity
	£	£	£	£	£
At 1 April 2009	**976,000**	**1,854,928**	**336,000**	**14,048**	**3,180,976**
Transactions with owners:					
Placing of shares in period	1,076,000	120,000	-	-	1,196,000
Expenses of share issues	-	(67,106)	-	-	(67,106)
Total comprehensive income	-	-	-	72,724	72,724
At 30 September 2009	**2,052,000**	**1,907,822**	**336,000**	**86,772**	**4,382,594**
At 1 April 2010	**2,052,000**	**1,907,822**	**336,000**	**441,436**	**4,737,258**
Transactions with owners:					
Employee share option schemes:					
- Value of share options granted	-	-	-	3,333	3,333
Total comprehensive income	-	-	-	314,419	314,419
At 30 September 2010	**2,052,000**	**1,907,822**	**336,000**	**759,188**	**5,055,010**

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

1 Accounting policies

(a) General information

The interim report was approved by the Board on 15 November 2010.

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 Plus Markets.

The interim report should be read in conjunction with the annual financial statements for the period ended 31 March 2010, 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 March 2010 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 following amendment to a standard, which will impact the group, is mandatory for the first time for the financial year beginning 1 April 2010.

Amendment to IFRS3 'Business Combinations': requires acquisition costs be written off through the profit and loss account rather than capitalised as part of the cost of the asset and applies to all business combinations from 1 April 2010.

Other than the above, the Directors do not believe that any other new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 April 2010 will impact the Group.

The figures for the year ended 31 March 2010 were derived from the statutory accounts for that period. The statutory accounts for the year ended 31 March 2010 were approved by the Board of Directors on 28 June 2010 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) Share based payments

The Group has in place an EMI Scheme under which options over 2,000,000 shares were granted in the period.

The Group has applied the requirements of IFRS 2 Share-based Payment.

The fair value of the options is determined at the date of grant, which is expensed on a straight-line basis over the vesting period, being the period in which the services are received, based on the Group's estimate of the instruments that will vest. Non-market vesting conditions are taken into account in estimating the number of awards likely to vest.

At each balance sheet date before vesting, the cumulative expense based on the number of options likely to vest is calculated and the movement in the cumulative expense since the previous balance sheet date is recognised in the income statement as an employee expense, with a corresponding increase in equity reserves.

Where an option is unable to be exercised because vesting conditions are not met (for example if the employee leaves the employment) the employee expense recognised in respect of the option is reversed.

The fair value of options is calculated using the Black–Scholes pricing model or other appropriate option pricing model dependent upon the terms of the share option.

Deferred tax is recognised on unexercised share options in issue in line with the taxation policies described in the statutory accounts for the year ended 31 March 2010. The movement in the associated deferred tax balance is recognised through the income statement to the extent that it relates to the corresponding cumulative share based payment charge recognised in the income statement. Additional movements are taken directly to equity.

1 Accounting policies (continued)

(d) 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 Board considers the Group's business through two reporting segments based on principal activity: the A&R group and FTC.

The A&R group's principal activity is government sponsored vocational training (Apprenticeships, Entry to Employment) in the West Yorkshire area.

FTC (Futures Training Centres) principal activity is government sponsored employability training (Skills for Life and NVQs) in the south-east and south-west of England.

The Board assesses segment performance based on operating profit before exceptional items and amortisation of acquired intangible assets. The performance of operating segments reviewed by the Board does not include any allocation of corporate and central costs. Corporate and central costs, although not an operating segment as defined by IFRS8 are reviewed by the Board and shown as Unallocated in the table below.

	Year March 2010			**Six Months September 2010**		**Six Months September 2009**
Revenue	**Profit/ (Loss)**		**Revenue**	**Profit/ (Loss)**	**Revenue**	**Profit/ (Loss)**
£	£		**£**	**£**	**£**	**£**
3,366,485	929,126	A&R Group	**2,155,409**	**541,918**	1,323,355	280,765
1,741,572	44,172	FTC	**994,454**	**142,025**	825,489	(22,079)
5,108,057	973,298		**3,149,863**	**683,943**	2,148,844	258,686
-	(171,741)	Unallocated	**-**	**(138,395)**	-	(75,453)
5,108,057	801,557	**Segmental revenue/profit**	**3,149,863**	**545,548**	2,148,844	183,233

The reconciliation of segmental profit to profit before taxation is as follows:

Year March 2010		**Six Months September 2010**	**Six Months September 2009**
Profit/ (Loss)		**Profit/ (Loss)**	**Profit/ (Loss)**
£		**£**	**£**
801,557	Segmental profit	**545,548**	183,233
(160,570)	Amortisation of acquired intangible assets	**(95,226)**	(71,879)
640,987		**450,322**	111,354
133	Finance income	**947**	56
(21,560)	Finance costs	**(9,148)**	(10,255)
640,987	**Group profit**	**442,121**	101,155

All income is derived from the United Kingdom.

2 Segment information (continued)

Given the nature of the group's business, the Board does not receive or review balance sheet information for operating segments. In accordance with IFRS8 total assets by segment are disclosed. Segmental assets are considered to be tangible fixed assets, intangible assets (goodwill and customer contracts acquired on business combinations) and current assets excluding tax assets, group and cash balances.

Total segment assets are:

March 2010 Segmental Assets £		September 2010 Segmental Assets £	September 2009 Segmental Assets £
4,168,821	A&R Group	**3,021,455**	3,395,089
1,348,775	FTC	**2,292,880**	1,373,491
5,517,596	**Segmental assets**	**5,314,335**	4,768,580

The reconciliation of segmental assets to total assets per balance sheet is as follows:

March 2010 Total Assets £		September 2010 Total Assets £	September 2009 Total Assets £
5,517,596	Segmental assets	**5,314,335**	4,768,580
16,347	Unallocated assets	**12,369**	8,228
693,308	Cash and short-term deposits	**1,062,256**	720,967
6,227,251	**Group assets**	**6,388,960**	5,497,775

3 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.

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:

Year ended March 2010 £		6 months ended September 2010 £	6 Months ended September 2009 £
427,388	Earnings attributable to ordinary shareholders	**314,419**	72,724
160,570	Amortisation of acquired intangible assets	**95,226**	71,789
(44,601)	Taxation impact amortisation of acquired intangible assets	**(26,544)**	(19,856)
543,357	Adjusted profit on ordinary activities after tax	**383,101**	124,657
19,542,951	Weighted average number of shares – basic	**20,520,000**	18,576,522
Pence		**Pence**	**Pence**
2.19	Basic earnings per share	**1.53**	0.39
0.82	Amortisation of acquired intangible assets	**0.46**	0.39
(0.23)	Taxation impact amortisation of acquired intangible assets	**(0.13)**	(0.11)
2.78	Adjusted basic earnings per share (pence)	**1.86**	0.67

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all dilutive potential ordinary shares of which there are none.

4 Property, plant and equipment

	Leasehold improvements	Motor Vehicles	Fixtures	Equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2009	**11,959**	**-**	**17,224**	**42,328**	**71,511**
Additions	-	-	2,904	4,027	6,931
Acquired through business combinations	-	-	24,928	46,495	71,423
At 30 September 2009	**11,959**	**-**	**45,056**	**92,850**	**149,865**
Additions	2,220	-	6,483	24,400	33,103
Acquired through business combinations	-	2,191	2,373	8,456	13,020
Disposals	-	-	-	(8,542)	(8,542)
At 31 March 2010	**14,179**	**2,191**	**53,912**	**117,164**	**187,446**
Additions	31,584	-	19,291	25,272	76,147
Disposals	-	(2,191)	-	-	(2,191)
At 30 September 2010	**45,763**	**-**	**73,203**	**142,436**	**261,402**
Accumulated depreciation					
At 1 April 2009	**747**	**-**	**3,242**	**10,619**	**14,608**
Charge for the period	748	-	3,128	7,053	10,929
At 30 September 2009	**1,495**	**-**	**6,370**	**17,672**	**25,537**
Charge for the period	859	102	7,400	14,497	22,858
Adjustment for disposals	-	-	-	(5,956)	(5,956)
At 31 March 2010	**2,354**	**102**	**13,770**	**26,213**	**42,439**
Charge for the period	1,936	261	6,028	14,829	23,054
Adjustment for disposals	-	(363)	-	-	(363)
At 30 September 2010	**4,290**	**-**	**19,798**	**41,042**	**65,130**
Net book value					
At 30 September 2010	**41,473**	**-**	**53,405**	**101,394**	**196,272**
At 31 March 2010	**11,825**	**2,089**	**40,142**	**90,951**	**145,007**
At 30 September 2009	**10,464**	**-**	**38,686**	**75,718**	**124,328**

5 Intangible assets

	Goodwill	Customer Contracts	Software	Total
	£	£	£	£
Cost				
At 1 April 2009	**1,037,978**	**110,000**	**-**	**1,147,978**
Additions	-	-	1,495	1,495
Acquired through business combinations	2,512,533	370,000	-	3,488,724
At 30 September 2009	**3,550,511**	**480,000**	**1,495**	**4,032,006**
Additions	-	-	17,420	17,420
Acquired through business combinations	496,191	110,000	-	606,191
At 31 March 2010	**4,046,702**	**590,000**	**18,915**	**4,655,617**
Additions	-	-	676	676
At 30 September 2010	**4,046,702**	**590,000**	**19,591**	**4,656,293**
Amortisation				
At 1 April 2009	**-**	**44,814**	**-**	**44,814**
Charge for the period	-	71,879	180	72,059
At 30 September 2009	**-**	**116,693**	**180**	**116,873**
Charge for the period	-	88,691	2,390	91,081
At 31 March 2010	**-**	**205,384**	**2,570**	**207,954**
Charge for the period	-	95,226	2,044	97,270
At 30 September 2010	**-**	**300,610**	**4,614**	**305,224**
Net book value				
At 30 September 2010	**4,046,702**	**289,390**	**14,977**	**4,351,069**
At 31 March 2010	**4,046,702**	**384,616**	**16,345**	**4,447,663**
At 30 September 2009	**3,550,511**	**363,307**	**1,315**	**3,915,133**

6 Financial liabilities

March 2010		September 2010	September 2009
£		£	£
	Current		
200,000	Convertible Loan Note	**-**	100,000
50,000	Loan Note	**-**	-
250,000		**-**	-
	Non-Current		
100,000	Convertible Loan Note	**-**	300,000
350,000		**-**	400,000

Convertible Loan Note

The balance of the £400,000 (nominal value) of Convertible Loan Notes issued as part of the consideration for A&R Training Services Limited was repaid early during the period as permitted by the Convertible Loan Note Instrument.

Loan Note

The final two tranches of the £75,000 (nominal value) of Loan Notes issued as part of the consideration for S&S Training Services Limited were redeemed during the period.

7 Provisions

	Leasehold Dilapidations £
At 30 September 2009	**-**
Arising in period	34,703
Acquired on business combinations	151,862
At 31 March 2010	**186,565**
Arising in period	31,023
At 30 September 2010	**217,588**

Shown as:	
Current	209,858
Non-current	7,730
Total	**217,588**

Leasehold dilapidations relate to the estimated cost of returning leasehold properties to their original state at the end of the lease (or break date where the Group has decided to exercise a break clause) in accordance with the lease terms. The cost is recognised as depreciation of leasehold improvements over the remaining term of the lease. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease.

8 Share capital

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

	Number	£
Authorised		
Ordinary shares of 10p each	**100,000,000**	**10,000,000**

	Number	£
Allotted, called up and fully paid		
Ordinary shares of 10p each		
At 1 April 2009	**9,760,000**	**976,000**
Placing of shares 16 April 2009	1,000,000	100,000
Placing of shares 5 May 2009	9,760,000	976,000
At 30 September 2009, 31 March 2010 & 30 September 2010	**20,520,000**	**2,052,000**