Registered Number: 06434555

WOODSPEEN TRAINING GROUP PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2014

Woodspeen
Training Group plc

CONTENTS

STRATEGIC REPORT

The directors present their strategic report on the Group for the year ended 31 July 2014.

Developments

Funding and Government priorities

The Funding Statement for the period 2014-16 published early in 2014 by the Department for Business, Innovation and Skills (BIS) for the period 2014-16 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. As reported at the half year, in a U-turn from its previously stated policy BIS also announced that 24+ apprenticeships would again be centrally funded which within the constraints of a reducing single central budget for adult training, will place yet further funding pressure on providers in the sector, particularly those delivering adult skills rather than apprenticeships.

A number of important Government consultations are underway including those around further funding reform which may have further, far reaching implications for the sector. The election, which is now less than six months away, may also have significant implications for the sector as funding priorities and rates will depend upon which political party forms the next Government.

Exit from government funded training market

The Board of Woodspeen Training Group plc announced on 28 November 2014 that after much deliberation and following a strategic review, it had decided that the Group should exit the training market through the sale of the Company's principal subsidiary, Woodspeen Training Limited as the Board concluded that there was no realistic prospect of the Company delivering value to shareholders by continuing operations. The Group had also been unable to execute its growth strategy of achieving scale through acquisition because of continued uncertainty over the direction of future Government funding.

On 18 December 2014 the Group announced that contracts had been exchanged for the sale of the Company's principal subsidiary, Woodspeen Training Limited, for a consideration of £400,000 payable in cash on completion which is expected to take place on 5 January 2015.

Future of the Group

Following the disposal of Woodspeen Training Limited, surplus cash in the Company will be returned to shareholders in the most tax efficient way, and the Directors expect that more information on the process for the return of cash to shareholders will be sent to shareholders in the coming weeks.

Following the disposal, the Company will no longer have an operating business. Accordingly, the Board concluded that it is in the best interests of the Company and its shareholders to seek a withdrawal from trading on the ISDX Growth Market ("ISDX"). This will cut costs significantly and a resolution to approve such withdrawal is included in the Notice of the Annual General Meeting.

Review of the business

Prior to the announcement of the disposal of Woodspeen Training Limited, the principal activity was Government funded vocational and skills training, assessment and related services to employed and unemployed learners.

The Group operated through two divisions:

Vocational Training: pre-apprenticeship and apprenticeship programmes including delivery of both workplace assessment and off-the-job training in core skills including Maths and English, predominantly to younger learners (aged 16-18).

Skills Training: skills and employability training including Maths, English and CV writing to unemployed adults.

The Group only operated within the United Kingdom.

Results and performance

The Group's pre-tax loss for the year before interest income of £13,979 (2013 - £21,339); amortisation of acquired intangible assets of £52,000 (2013 - £52,000); costs of exiting lease £95,104 (2013 - £nil); and impairment of goodwill of £1,367,727 (2013 - £nil) amounted to £223,391 (2013 – £397,362).

Reported pre-tax loss for the year amounted to £1,724,243 (2013 – £428,023) and reported loss after tax for the year was £1,729,795 (2013 – £414,887).

STRATEGIC REPORT

Segmental performance is as follows:

	Year ended 31 July 2014		Year ended 31 July 2013	
	Revenue	Operating Profit/(Loss)	Revenue	Operating Profit/(Loss)
	£	£	£	£
Vocational Training	**2,567,688**	**37,394**	2,682,393	(119,167)
Skills Training	**1,283,619**	**(518)**	1,330,940	60,083
Total for segments	**3,851,307**	**36,876**	4,013,333	(59,084)
Group items:				
Corporate and central costs		**(260,267)**		(338,278)
	3,851,307	**(223,391)**	4,013,333	(397,362)

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 the then stated Government policy to withdraw funding from Advanced and Higher apprenticeships to this age group. Operating performance has improved as the Group has focused on delivering higher value programmes and benefited from operating efficiencies.

In the first half of 2012/13, the Group ceased recruitment of 24+ apprenticeship learners in line with the then stated Government policy to withdraw funding from Advanced and Higher apprenticeships to this age group. By 31 January 2014 the number of 24+ apprenticeship learners had fallen to 62 from 289 (25+ learners) as at 31 July 2012. As mentioned above, the Department for Business, Innovation and Skills (BIS) in a U-turn from its previously stated policy announced that 24+ apprenticeships would again be centrally funded. In the second half year, the Group has successfully re-established itself in the 24+ apprenticeship market and by the year end the number of 24+ learners had returned to volumes approaching 31 July 2012 levels.

Recruitment of learners in the key 16-18 age group has remained challenging as the introduction a year ago of legislation requiring school children to continue in education or training until the age to 17 has had a dampening effect on learner supply and recruitment in the 2nd half year was disappointing. Recruitment of 19-23 learners was in line with expectations. 16-23 learner volumes at the year-end were 525 compared to 633 at the half year. At the year end, for the first time, 16-18 learners represented only roughly half of the number of 16-23 learners.

Overall volumes have increased when compared to both last year and the interim stage however the mix, because of the re-engagement with 24+ learners, changed so that 16-18 learners – for whom the most funding is received – represents only about a third of learner numbers. 24+ learners, for whom the lowest funding is received, also represents about a third of learner volumes. This change in mix will have a depressing effect on margins going forward.

Costs have been controlled tightly and operational efficiencies achieved during the year so that the Vocational Division reported a small profit for the year compared to the loss made last year on slightly lower turnover.

Skills Training

In the first half of the year growth in Skills delivery, funded through direct contract supplemented by subcontracts, translated into increased turnover and profit. The Group was unable to continue delivery at the same level, although demand existed, in the second half year because of difficulties in obtaining funding through additional subcontract arrangements. Revenue for the second half year was therefore considerably lower which, given the short to medium term fixed cost nature of the business, resulted in the Skills Division breaking even for the year. The expected reductions in central funding will make securing subcontracts increasingly challenging.

Exceptional item

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

Impairment of Goodwill

The Group announced the sale of Woodspeen Training Limited, the Group's principal trading subsidiary, on 18 December 2014 for £400,000. The expected net disposal proceeds of the sale of Woodspeen Training Limited are £350,000 giving rise to an impairment charge of £1,367,727.

STRATEGIC REPORT

Key performance indicators

The Group has in place a number of key performance indicators, both financial and non-financial, which aid the management of the Group's business and allow the Board to review performance at both Group and operating subsidiary level. The key financial performance indicators are: revenue growth; gross profit margin; operating profit before amortisation of intangibles acquired on business combinations and exceptional items; earnings per share growth; and net cash generated by operating activities.

The financial key performance indicators that, in the opinion of the Directors, provide meaningful information regarding performance for 2013/14 are: gross profit margin and net cash generated by operating activities.

Gross profit margin

The gross profit margin declined marginally to 23.2% for the year to 31 July 2014 from 23.6% for the year to 31 July 2013. The continuing decline in the gross profit margin reflects the difficult trading conditions faced by the Group in the last two years. The gross margin within the Vocational division improved as operational efficiencies have been achieved. The gross margin in Skills fell sharply as subcontracts, on which a management fee is levied, increased as a proportion of revenue.

Net cash generated by operating activities

The net cash absorbed by operations was £368,817(2013 - £206,259 absorbed) on an operating loss, before amortisation of intangible assets acquired on business combinations, an impairment of goodwill and the cost of exiting a lease of £95,104, of £223,391 (2013 - £397,362). In 2013/14, trade and other payables fell by £140,489 compared to 2013/14 where trade and other payables were exceptionally high.

The key non-financial performance indicators relate to quality and the Group has invested resources to improve quality metrics. The Group is pleased to announce that in October 2014, the benefits of this investment resulted in the Woodspeen Training Limited, the Group's principal trading subsidiary, being awarded Grade 2 at Ofsted Inspection.

Principal risks and uncertainties

Prior to the disposal of Woodspeen Training Limited, the Group was dependent on Government funding for substantially all of its programmes. Whilst it was expected that the majority of the Group's programmes, especially those that concentrate on helping young people obtain employment, would continue to be supported by the Government the Group remained mindful that changes might be made which could have adversely affected the Group.

Government policy or practice in providing funds for vocational and skills training may change. The Group, as with other companies in the sector, was affected, inter alia, by Government decisions regarding funding priorities and rates for programmes.

The profitability of the Group was dependent upon the continuation of a favourable regulatory climate with respect to its activities. Failing to obtain or to continue to comply with all necessary legislation and regulations could have adversely affected the Group's performance.

The Group maintained relationships with the relevant regulatory and funding bodies on an ongoing basis to ensure maximum visibility regarding developments and changes to the basis of Government funding and the regulatory environment so that it was able to plan accordingly.

A fall in the standard of delivery, record keeping or reporting could have adversely affected contracts held with funding bodies or the awarding bodies which would have in turn directly impacted on the financial performance of the Group. A fall in the standard of internal quality controls could have resulted in an inadequate inspection grading and a clawback of funding.

The Group maintained strong internal processes and procedures to minimise these risks.

By order of the Board

Lynn Chandler
Company Secretary
19 December 2014

DIRECTORS' REPORT

The Directors submit their annual report and the audited financial statements of the Group and Company for the year ended 31 July 2014.

Results and dividends

The results of the Group for the year are set out in the Consolidated income statement on page 10.

The Directors do not recommend the payment of a dividend for the year ended 31 July 2014.

Post balance sheet events

On 18 December 2014 the Group announced that contracts had been exchanged for the sale of the Company's principal subsidiary, Woodspeen Training Limited, for a consideration of £400,000 payable in cash on completion which is expected to take place on 5 January 2015. In addition, the amount of the Inter-Company Loan Account owed to the Company by Woodspeen Training Limited on completion, expected to amount to some £300,000, will be paid to the Company on 18 December 2015.

When the disposal is completed, the Directors intend that any surplus cash in the Company will be returned to shareholders in the most tax efficient way. The Notice of Annual General Meeting includes a resolution proposing that the Company withdraws from ISDX Growth Market.

Share capital

Details of the authorised and issued share capital of the Company are set out in note 17 to the financial statements.

Insurance

As permitted by the Companies Act 2006, the Company maintains insurance cover for all Directors and Officers of the Company against liabilities which may be incurred by them whilst acting in those capacities.

Political donations

During the year, the Group made no political donations.

Directors and directors' interests

The directors who served during the year and their beneficial interests in the shares of the Company as recorded in the register of Directors' interests at 31 July 2014 are as follows:

	Ordinary Shares	
	Number	**%age shareholding**
Executive		
Lynn Chandler	987,400	2.76
Si Hussain	150,000	0.42
Non-Executive		
Compton Hellyer	306,456	0.86
Charles Prior	5,000,000	13.97

Brief biographies of the directors are given after the Directors' Report.

At 31 July 2014 share options had been granted to the Directors over the Company's shares as follows:

	Number of options	Exercise Price	Date from which exercisable	Expiry Date	Share price performance criteria	Non-market performance criteria
Si Hussain	2,000,000	15p	23/08/2014	22/08/2020	None	No
	1,000,000	18p	09/08/2014	08/08/2021	27.5p	Yes
	1,500,000	6p	05/02/2016	04/02/2023	12p	Yes
Lynn Chandler	750,000	6p	05/02/2016	04/02/2023	12p	Yes

DIRECTORS' REPORT

Substantial shareholdings

As at 17 December 2014, shareholdings of 3% or more of the shares in the Company notified to the Company are as follows:

	Ordinary Shares Number	%age share-holding
Directors (as stated above)	6,443,856	18.01
Evolve Capital LLP	3,000,000	8.38
Octopus Investment Nominees	4,081,114	11.40
YFM Private Equity	1,388,500	3.88

Corporate governance

The Board has given due regard to the principles laid down by the UK Corporate Governance Code published by the Financial Reporting Council. Although as a company listed on the ISDX Growth Market it is not required to comply with the Code, the Board is committed to maintaining high standards of corporate governance and has put in place a framework, set out in the statement below, which it believes is appropriate given the size of the Company.

The Board

At 31 July 2014, the Board comprised two executive directors and two non-executive directors. The two non-executive directors are the Chairman and an independent non-executive director.

Directors not appointed or reappointed at one of the two preceding annual general meetings must retire from office and their re-election is subject to shareholder approval. Any directors appointed by the Directors since the last Annual General Meeting must retire from office and their re-election is subject to shareholder approval.

The Chairman and Finance Director have service contracts with the Company which are terminable by either party on three months' notice. The Chief Executive has a service contract with the Company which is terminable by either party on six months notice. The independent non-executive director has a service contract with the Company for a three year period commencing on 1 June 2012 which is subject to termination at any time by either party giving not less than three months' notice. The Company may also terminate the service contract immediately upon payment of a fee equivalent to three months' notice.

The Board meets regularly throughout the year to discuss issues including strategy, annual budgets, the rolling financial forecast, general treasury and risk management policies.

There is an established procedure whereby directors, in furtherance of their duties, may take independent professional advice at the expense of the Company.

The Audit Committee is chaired by the Chairman and comprises both non-executive directors. The responsibilities of the Audit Committee include review of the Interim and Annual Financial Statements; approval of significant changes in accounting policies and monitoring the independence, objectivity and effectiveness of the external auditor.

Internal Control

The Board acknowledges its ultimate responsibility for all aspects of the system of internal control and risk management and for reviewing its effectiveness. In establishing these systems, the directors have considered the nature of the Group's business with regard to the risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against them. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The primary responsibility for the day-to-day operation of the systems of internal control and the identified primary risks facing the Group is delegated to the Board of the Company.

The key features of the system of internal control and risk management are:

- management accounts considered by the Board on a monthly basis;
- annual budgeting with results considered regularly against budget;
- forecasts regularly updated and reported to the Board;
- cash flow forecasting on a rolling basis for up to two years in the future;
- physical and computer security issues and contingency planning;
- risk management review and monitoring of those risks; and
- regular review to confirm the on-going solvency of the Group.

DIRECTORS' REPORT

Investor Relations

Any issues of concern can be addressed to the Board by any shareholder. All shareholders are encouraged to attend the Annual General Meeting and any Extraordinary General Meetings, where they are given an opportunity to question the Chairman and the Board.

Corporate social responsibility

The Group aims to operate at all times in a socially responsible manner and is committed to achieving high standards of corporate governance, integrity and business ethics in all of its activities. The Group's former activities focused on an important area of Corporate Social Responsibility, namely the provision of high quality vocational and employability training designed to improve the skills of the UK workforce with a particular emphasis on those individuals with qualifications below National Vocational Qualifications Level 2.

The Group acknowledges the importance of environmental matters and where possible, utilises environment friendly policies in its offices such as recycling and energy efficient practices.

Employees

The Group recognises that people are its greatest asset. The Group has a policy of keeping all employees informed about its plans and progress through regular meetings and electronic communication. Participation by employees in the progress and profitability of the Group is encouraged, where appropriate, through annual bonus schemes.

The Group has established systems for employee development and engagement with formal staff appraisals and training programmes.

The Group operates recruitment and selection procedures which consider all applicants for employment on the basis of qualification for specific vacancies without regard to race, colour, religion, sex, age, disability or national origin.

Pensions

To encourage greater pension savings, the Government has introduced auto-enrolment. This requires employers to enrol eligible employees into a pension scheme automatically. The Group's former trading subsidiary - Woodspeen Training Limited - had a staging date of 1 July 2014 however, in line with permitted legislation Woodspeen Training Limited postponed auto-enrolment until 1 August 2014 when eligible employees were enrolled into the Woodspeen Training Auto-enrolment Pension Plan.

Employee Participation

The Group's employee share scheme allows the Board to enable employees of the Group to participate in the success of the Group.

The Group has adopted an Enterprise Management Incentive (EMI) Scheme to allow individuals to be granted the right to acquire Ordinary Shares in the Company subject to the terms of the Income Tax (Earnings and Pensions) Act 2003 and EMI Scheme. The price payable on the exercise of the options granted under the EMI Scheme will not be less than the market value of the Ordinary Shares at the date of grant as agreed with HMRC and not be less than the nominal value of an Ordinary Share.

During the year options were granted over 375,000 Ordinary Share at 6p per share under the Approved Scheme.

Financial instruments

Details of the Group's risk management objectives and policies and its exposure to financial risk are set out in note 15 to the financial statements.

The purpose of the policies is to ensure that adequate cost-effective funding is available to the Group and exposure to financial risk – interest rate, liquidity and credit risk – is minimised.

Going concern

Following the completion of the disposal of Woodspeen Training Limited, it is the directors' intention to cease trading activity and to return any surplus cash to shareholders, subject to shareholder approval, and liquidate the company in the foreseeable future. As a result, the directors have concluded that it is not appropriate to adopt a going concern basis of preparation in these financial statements. No material adjustments arose as a result of ceasing to apply the going concern basis.

DIRECTORS' REPORT

Audit Information

The Directors confirm, that, so far as each director is aware, there is no relevant audit information of which the auditors are unaware and that each director has taken all reasonable steps to make himself or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

A statement by the Directors of their responsibilities for preparing the financial statements of the Group and Company is given in the Statement of directors' responsibilities in relation to the Group and Company financial statements.

Auditors

BDO LLP have expressed their willingness to continue in office and a resolution to re appoint them will be proposed at the Annual General Meeting.

Annual general meeting

The Parent Company's Annual General Meeting will be held on 30 January 2015 at 10.30am at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A.

The resolutions to be proposed at the Annual General Meeting, together with explanatory notes, are contained within the Notice of Annual General Meeting.

By Order of the Board

Lynn Chandler
Company Secretary
19 December 2014

BIOGRAGHICAL INFORMATION ON DIRECTORS

Lynn Chandler - Finance Director - Aged 53

Lynn is a chartered accountant and was the Finance Director of BPP Holdings plc for 10 years until she retired from full-time employment in 2005.

Compton Hellyer - Non-Executive Director - Age 68

Compton worked in the City for over 20 years, first as a stockbroker and then as a financial adviser on commodities and futures. In 1991 Compton founded Sporting Index which soon became one of the world leaders in spread betting. He left Sporting Index when it was bought by a private equity firm in 2003 and now is chairman of six private companies.

Si Hussain – Chief Executive – Age 47

Si is a chartered accountant. Si was an executive director of the main board of BPP Holdings plc ("BPP") and left in October 2009 when BPP was acquired by the Apollo Group. Si was responsible for the examination training and professional development division at BPP.

Charles Prior - Chairman - Aged 67

Charles is a chartered accountant and was one of the founder shareholders and directors of BPP Holdings plc ("BPP"). Charles was its Chief Executive until his retirement in August 2007. Under his leadership BPP grew into a substantial training company with a market capitalisation of over £250 million.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE GROUP AND PARENT COMPANY FINANCIAL STATEMENTS

Directors' responsibilities

The directors are responsible for preparing the directors' report, strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the profit or loss of the Group for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- in respect of the Group financial statements state that they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the Group financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

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

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOODSPEEN TRAINING GROUP PLC

We have audited the financial statements of Woodspeen Training Group plc for the year ended 31 July 2014 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position and company balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections Chapter 3 of Part 12 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 July 2014 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's intention not to continue as a going concern and the basis on which the financial statements have been prepared. As it is the directors intention to cease trading activity upon completion of the disposal of Woodspeen Training Limited and to return any surplus cash to shareholders and liquidate the company in the foreseeable future, the financial statements have been not been prepared on a going concern basis.

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

James Fearon (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, West Sussex
United Kingdom
19 December 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 31 JULY 2014

	Note	Year Ended 31 July 2014	Year Ended 31 July 2013
		£	£
Revenue	2	**3,851,307**	4,013,333
Cost of sales	3	**(2,957,033)**	(3,066,534)
Gross profit		**894,274**	946,799
Administrative expenses	3	**(2,632,496)**	(1,396,161)
Loss from operations	2,3	**(1,738,222)**	(449,362)

Analysed as:			
Loss from operations before amortisation and impairment of intangible assets and costs of exiting lease		**(223,391)**	(397,362)
Amortisation intangibles – customer contracts acquired on acquisition	3	**(52,000)**	(52,000)
Costs of exiting lease	6	**(95,104)**	-
Impairment of intangibles – goodwill	7	**(1,367,727)**	-
		(1,738,222)	(449,362)

Finance revenue		**13,979**	21,339
Loss before taxation		**(1,724,243)**	(428,023)
Tax (expense)/credit	8	**(5,552)**	13,136
Loss for the year		**(1,729,795)**	(414,887)

All the results arise from activities which as described in note 1 will cease.

Earnings per share

Basic and diluted	9	**(4.83)p**	(1.16)p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 JULY 2014

There is no difference between the loss for the year shown and total comprehensive expense.

Reconciliation of movements in total equity are given in the Consolidated Statement of Changes in Equity.

The accompanying Notes form an integral part of these Group financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2014

COMPANY NUMBER : 06434555

	Note	31 July 2014	31 July 2013
		£	**£**
Assets			
Non-current assets			
Property, plant and equipment	10	**193,036**	252,994
Intangible assets	11	**211,528**	1,633,948
Deferred tax assets	16	**-**	17,921
		404,564	1,904,863
Current assets			
Trade and other receivables	12	**577,486**	544,389
Cash and short term deposits		**2,200,980**	2,590,485
		2,778,466	3,134,874
Total assets		**3,183,030**	5,039,737
Liabilities			
Current liabilities			
Trade and other payables	13	**508,568**	649,057
Deferred revenue		**13,367**	12,080
		521,935	661,137
Non-current liabilities			
Provisions	14	**3,500**	21,360
Deferred tax liabilities	16	**17,680**	30,049
		21,180	51,409
Total liabilities		**543,115**	712,546
Net assets		**2,639,915**	4,327,191
Equity			
Capital and reserves attributable to equity holders of the Company			
Issued share capital	17	**357,862**	357,862
Merger reserve		**376,000**	376,000
Retained earnings		**1,906,053**	3,593,329
Total equity		**2,639,915**	4,327,191

The financial statements were approved and authorised for issue by the Board of Directors on 19 December 2014 and were signed on its behalf by:

Lynn A Chandler
Director

The accompanying Notes form an integral part of these Group financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 JULY 2014

	Note	Year Ended 31 July 2014	Year Ended 31 July 2013
		£	£
Cash flows from operating activities			
Loss before taxation		**(1,724,243)**	(428,023)
Adjustments for:			
Impairment goodwill	7	**1,367,727**	-
Depreciation of property, plant and equipment	10	**87,329**	75,841
Leasehold dilapidations	14	**3,500**	36,292
Amortisation of intangibles – customer contracts acquired on acquisition	11	**52,000**	52,000
Amortisation of intangibles – software	11	**6,698**	6,158
Loss on disposal of intangibles – software		**4,600**	-
Share based payment expense	18	**42,519**	61,628
Finance income		**(13,979)**	(21,339)
(Increase)/Decrease in trade and other receivables		**(32,215)**	194,200
Decrease in trade and other payables		**(142,681)**	(65,274)
Increase in deferred revenue		**1,288**	2,557
Decrease in provisions		**(21,360)**	(120,299)
Cash (absorbed)/generated by operations		**(368,817)**	(206,259)
Income taxes paid		**-**	(342)
Cash flows absorbed by operating activities		**(368,817)**	(206,601)
Cash flows from investing activities			
Purchase of plant and equipment	10	**(27,371)**	(149,867)
Purchase of intangibles - software	10	**(8,605)**	(2,287)
Interest received		**15,288**	22,184
Net cash used in investing activities		**(20,688)**	(129,970)
Decrease in cash and cash equivalents		**(389,505)**	(336,571)
Cash and cash equivalents at start of year		**2,590,485**	2,927,056
Cash and cash equivalents at end of year		**2,200,980**	2,590,485

The accompanying Notes form an integral part of these Group financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 31 JULY 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:					
Reduction of capital and cancellation of share premium account	(3,220,758)	(2,997,637)	-	6,218,395	-
Employee share option schemes:					
- Share based payments	-	-	-	61,628	61,628
Total comprehensive expense	-	-	-	(414,887)	(414,887)
At 31 July 2013	357,862	-	376,000	3,593,329	4,327,191
At 1 August 2013	**357,862**	**-**	**376,000**	**3,593,329**	**4,327,191**
Transactions with owners:					
Employee share option schemes:					
- Share based payments	**-**	**-**	**-**	**42,519**	**42,519**
Total comprehensive expense	**-**	**-**	**-**	**(1,729,795)**	**(1,729,795)**
At 31 July 2014	**357,862**	**-**	**376,000**	**1,906,053**	**2,639,915**

The accompanying Notes form an integral part of these Group financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JULY 2014

1 Accounting policies

(a) General information

The Group's principal activity is provision of vocational and skills training, assessment and related services.

The Company's principal activity is that of a holding company.

(b) Basis of preparation

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted for use in the European Union (EU) as they apply to the financial statements of the Group for the year ended 31 July 2014, and therefore comply with Article 4 of the EU IAS Regulation, and with those parts of the Companies Act 2006 applicable to groups preparing their accounts under IFRS.

The Group has applied all accounting standards and interpretations issued by the International Accounting Standards Board and International Accounting Interpretations Committee effective at the time of preparing the financial statements.

Following the completion of the disposal of Woodspeen Training Limited, it is the directors' intention to cease trading activity and to return any surplus cash to shareholders, subject to shareholder approval, and liquidate the company in the foreseeable future. As a result, the directors have concluded that it is not appropriate to adopt a going concern basis of preparation in these financial statements. No material adjustments arose as a result of ceasing to apply the going concern basis.

(c) Basis of consolidation

The consolidated financial information includes the accounts of the Company and its subsidiary undertakings at the balance sheet date using the acquisition method.

Subsidiary undertakings are consolidated from the date on which control is transferred to the Group. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Inter-company transactions and balances are eliminated on consolidation.

Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies used into line with those adopted by the Group.

The financial statements of all trading subsidiaries are prepared to the same reporting date as the Parent Company.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary undertaking are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the year of acquisition.

(d) Significant accounting estimates and judgements

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

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities in the next financial year 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 fair value less costs to sell of the cash generating unit to which goodwill is allocated.
- The determination of the fair value of intangible assets on acquisition and their useful lives;
- The estimation of dilapidation provisions; and
- The determination of the fair value of share options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JULY 2014

1 Accounting policies (continued)

The principal accounting policies adopted by the Group are as follows:

(e) Intangible assets

Goodwill

Goodwill represents the excess of the fair value of the consideration over the fair values of the identifiable net tangible and intangible assets acquired.

Under IFRS3 'Business Combinations' goodwill arising on acquisitions is not subject to amortisation but is subject to annual impairment testing. Any impairment is recognised immediately in the income statement and not subsequently reversed.

Intangible assets acquired on acquisition of a subsidiary undertaking

Intangible assets that are acquired on acquisition of a subsidiary undertaking are stated at fair value at date of acquisition and amortised over their expected useful economic lives on a straight-line basis. The amortisation charge is included in administrative expenses in the income statement.

Amortisation rates are as follows:

Customer contracts – between 27 and 60 months.

(f) Property, plant and equipment

Property, plant and equipment are shown at cost less subsequent depreciation and impairment.

Depreciation on assets is calculated to allocate the cost of each asset less its residual value (based on prices prevailing at the balance sheet date) over its estimated useful life.

Depreciation rates are as follows:

Leasehold improvements – straight line over the shorter of the lease term or expected useful life;

Fixtures – 25% per annum straight line or reducing balance; and

Equipment – 25% per annum straight line or reducing balance and 33% straight line.

Depreciation methods, residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An asset's carrying amount is written down immediately to its recoverable amount (the higher of an asset's fair value less costs to sell and its value in use) if the asset's carrying amount is greater than its estimated recoverable amount.

(g) Impairment of assets

Goodwill is tested at least annually, or whenever events or changes in circumstances indicate that carrying value may be impaired, for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Assets that are subject to amortisation (intangible assets) or depreciation (tangible assets) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the greater of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(h) Financial instruments

Financial assets and financial liabilities are recognised on the Group balance sheet when the Group becomes a party to the contractual provisions of the instrument.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JULY 2014

1 Accounting policies (continued)

(h) Financial instruments (continued)

Financial Assets

The Group classifies its financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its assets at initial recognition and re-evaluates this designation at every reporting date. Financial assets are initially recognised at fair value (the transaction price plus directly attributable transaction costs).Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit and loss or available for sale. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in income when the loans and receivables are de-recognised or impaired, as well as through the amortisation process.

Financial assets classified as loans and receivables comprise:

- Trade and other receivables – are measured initially at fair value and subsequently at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.
- Cash and cash equivalents – comprise cash on hand and demand deposits, and other short-term highly liquid investments with original maturities of three months or less.

Financial liabilities

Financial liabilities classified as loans and borrowings comprise:

- Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.
- Other financial liabilities - Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

(i) Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(j) Equity instruments

Equity instruments issued by the Company are recorded the fair value of the proceeds received, net of direct issue costs.

(k) Financial liabilities and equity instruments

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

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that there will be an outflow of economic benefits to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for the present value of future property reinstatement costs is recognised where there is an obligation under the lease to return the leased property to its original condition at the end of an operating lease.

(m) Revenue recognition

Revenue from trading activities

Revenue, which is stated net of value added tax, represents revenue earned in respect of services provided in the year. Where amounts have been earned but not invoiced during the year, the amount included in revenue is the proportion of the anticipated net sales earned to date. A corresponding balance is recognised in receivables as accrued revenue.

Where revenue is directly linked to specific achievements, such as payments in respect of learner registration and assessment, this revenue is only recognised when the specific achievement is met.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JULY 2014

1 Accounting policies (continued)

(n) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

(o) Highlighted items

These are material items which derive from events or transactions that fall within the ordinary activities of the Group and which individually or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to give a true and fair view.

(p) Retirement benefits: Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the income statement in the year to which they relate.

(q) Share based payments

The fair value of options granted is recognised as an employee expense, with a corresponding increase in equity reserves. The fair value of the options is determined at the date of grant and spread over the year the employees become unconditionally entitled to the options. Non market vesting conditions are taken into account in estimating the number of options likely to vest. In determining the fair value, no account is taken of any vesting conditions, other than conditions linked to the price of the shares in the Company (market conditions). The fair value of the options is calculated using the Black-Scholes pricing model or other appropriate pricing model dependent upon the terms of the share options.

No expense is recognised for options that do not ultimately vest except for options where the vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance condition are satisfied.

The cumulative expense recognised for share option schemes at each reporting date until the vesting date represents the extent to which the vesting year has expired and the number of options that, in the opinion of the Directors based upon information available at that date, will ultimately vest. The income charge or credit for a year represents the movement in cumulative expense recognised as at the beginning and end of that year.

Tax relief on share options is given when they are exercised; the relief given is based on the difference between the exercise price and market price on the day of exercise. A deferred asset is calculated for outstanding options based on the current share price at the end of the reporting year and the related exercise price and is recognised in line with the taxation policies below. 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.

(r) Taxation

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

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JULY 2014

1 Accounting policies (continued)

(r) Taxation (continued)

Deferred tax is calculated, on an undiscounted basis, at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised, provided they are enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

(s) New standards and interpretations applied

New standards, amendments to standards and interpretations issued by the IASB and IFRIC adopted for the Group for the first time from 1 August 2013 are either not relevant to the Group or have not had a material effect on the financial statements.

2 Segment information

The Chief Operating Decision Maker has been identified as the Chief Executive. The Chief Executive reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports used by the Chief Executive.

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 corporate and central costs. Corporate and central 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.

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 (Apprenticeships and other vocational training programmes); and
- Skills Training (Skills for Life and other employability training programmes).

		Year ended 31 July 2014		**Year ended 31 July 2013**
	Revenue	**Operating Profit/(Loss)**	**Revenue**	**Operating Profit/(Loss)**
	£	**£**	**£**	**£**
Vocational Training	**2,567,688**	**37,394**	2,682,393	(119,167)
Skills Training	**1,283,619**	**(518)**	1,330,940	60,083
Total for segments	**3,851,307**	**36,876**	4,013,333	(59,084)
Group items:				
Corporate and central costs		**(260,267)**		(338,278)
		(223,391)		(397,362)
Amortisation charge on acquired intangible assets		**(52,000)**		(52,000)
Costs of exiting lease		**(95,104)**		-
Impairment of goodwill		**(1,367,727)**		-
Total for Group	**3,851,307**	**(1,738,222)**	4,013,333	(449,362)

The Chief Operating Decision Maker has been identified as the Chief Executive. The Chief Executive reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports used by the Chief Executive.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JULY 2014

2 Segment information (continued)

Other profit and loss information included in operating loss above:

	Year ended 31 July 2014	Year ended 31 July 2013
	£	£
Depreciation & amortisation software:		
Vocational Training	**62,037**	53,392
Skills Training	**31,314**	27,464
Total for segments	**93,351**	80,856
Group items:		
Corporate and central costs	**676**	1,143
Total for Group	**94,027**	81,999

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

	Reported Segmental Operating Profit	Amortisation on Acquired Intangible Assets	Costs of exiting lease	Impairment of Goodwill	Segmental Operating Profit/(Loss)
					Year ended 31 July 2014
	£	£	£	£	£
Vocational Training	**37,394**	**(52,000)**	**(95,104)**	**(554,749)**	**(664,459)**
Skills Training	**(518)**	**-**	**-**	**(812,978)**	**(813,496)**
Total for segments	**36,876**	**(52,000)**	**(95,104)**	**(1,367,727)**	**(1,477,955)**
Group items:					
Corporate and central costs					**(260,267)**
Total for Group					**(1,738,222)**

	Reported Segmental Operating Profit/(Loss)	Amortisation on Acquired Intangible Assets	Costs of exiting lease	Impairment of Goodwill	Segmental Operating Profit/(Loss)
					Year ended 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:					
Corporate and central costs					(338,278)
Total for Group					(449,362)

All income is derived from the United Kingdom.

The Government, through various funding agencies and bodies, directly and through sub-contacting arrangements entered into by the Group, is the Group's single largest customer and accounts for £3,695,000 (96%) of revenue spread across a number of contracts. The revenue is reported within both Vocational and Skills Training operating segments.

No other single customer accounts for than 10% of Group revenue.

Given the nature of the Group's business, the Chief Executive does not receive or review balance sheet information for operating segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JULY 2014

3 Expenses by nature

		Year ended 31 July 2014	Year ended 31 July 2013
		£	£
Staff costs		**2,690,059**	2,893,505
Direct training costs:			
Licence & registration fees, sub-contractors & trainee allowances etc		**397,557**	454,965
Staff travel & subsistence		**119,463**	124,067
Depreciation, amortisation & profit/loss on disposal			
Deprecation of property, plant and equipment	(note 10)	**87,329**	75,841
Leasehold dilapidations	(note 14)	**3,500**	36,292
Amortisation of intangibles – software	(note 11)	**6,698**	6,158
Amortisation intangibles – customer contracts	(note 11)	**52,000**	52,000
Loss on disposal of intangibles - software		**4,600**	-
Property costs:			
Operating lease rentals – property		**103,742**	154,663
Rates, service charges, utilities, repairs etc		**149,517**	209,603
Other costs		**512,233**	455,601
Exceptional items:			
Costs of exiting lease	(note 6)	**95,104**	-
Impairment of goodwill	(note 7)	**1,367,727**	-
Total cost of sales and administrative expenses		**5,589,529**	4,462,695

Included in Other costs above are the following amounts relating to fees paid to the auditors and their associates:

Auditors' remuneration		
- Audit of financial statements	**16,800**	16,800
Other fees paid to auditors and their associates		
- Statutory audit of subsidiaries	**11,950**	12,900
- Other services	**1,480**	3,720

4 Staff costs

	Year ended 31 July 2014	Year ended 31 July 2013
	£	£
Wages and salaries	**2,400,634**	2,600,855
Share based payment expense	**42,519**	61,628
	2,443,153	2,662,483
Defined pension contribution costs	**34,593**	24,829
Short-term non-monetary benefits	**10,889**	2,948
Social security costs	**201,424**	203,245
	2,690,059	2,893,505

The trading subsidiary company operates a defined contribution pension scheme for certain employees to which the subsidiary company contributes if the employee contributes.

The Group in accordance with auto-enrolment pension legislation set up a defined contribution pension scheme for eligible employees. The Group's trading subsidiary had a staging date of 1 July 2014 however, in line with permitted legislation postponed auto-enrolment until 1 August 2014 when eligible employees were automatically enrolled although one employee opted to enrol on the staging date of 1 July 2014. The Group contributes the statutory minimum employer contributions on behalf of eligible employees who do not opt out of the auto-enrolment pension scheme.

The Group contributes to a personal pension scheme on behalf of one director of the holding company and one director of a subsidiary company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JULY 2014

4 Staff costs (continued)

The average monthly number of employees during the year was made up as follows:

	Year ended 31 July 2014	Year ended 31 July 2013
	Number	Number
Tutors, assessors and administrators	**99**	110
Other	**-**	9
Management	**8**	8
	107	127

The number of employees at 31 July was made up as follows:

	Year ended 31 July 2014	Year ended 31 July 2013
	Number	Number
Tutors, assessors and administrators	**93**	96
Management	**8**	8
	101	104

The directors are included in the figures and numbers above.

5 Directors and key management personnel emoluments

The aggregate emoluments of the Directors who served during the year were:

	Year ended 31 July 2014					
	Salary	Pension Con-tributions	Benefits	Share Based Payment Expense (note 17)	Total	Year Ended 31 July 2013 Total
	£	£	£	£	£	£
Executive Directors						
Lynn Chandler	**25,000**	**-**	**-**	**5,516**	**30,516**	27,575
Si Hussain	**58,800**	**24,000**	**3,023**	**33,018**	**118,841**	140,650
	83,800	**24,000**	**3,023**	**38,534**	**149,357**	168,225
Non-Executive Directors						
Compton Hellyer	**12,000**	**-**	**-**	**-**	**12,000**	12,000
Charles Prior	**18,000**	**-**	**-**	**-**	**18,000**	18,000
	113,800	**24,000**	**3,023**	**38,534**	**179,357**	198,225
Total 2013	124,374	12,000	2,948	58,903	198,225	

The directors of the Company are the key management personnel as they are the persons having authority and responsibility for planning, directing and controlling the activities of the Group.

6 Costs of exiting lease

	Year ended 31 July 2014	Year ended 31 July 2013
	£	£
Recognised in arriving at Group operating loss from continuing operations:		
Costs of exiting lease	**95,104**	-

During the year the Group incurred costs on the early exit from a property lease.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JULY 2014

7 Impairment of goodwill

	Year ended 31 July 2014	Year ended 31 July 2013
	£	£
Recognised in arriving at Group operating loss from continuing operations:		
Impairment of goodwill	**1,367,727**	-

As a result of the annual review of the carrying value of goodwill as at 31 July 2014, the Group determined that an impairment charge of £1,367,727 be made against the carrying value of goodwill. Of this sum - £812,978 is attributable to Skills Training and £554,749 is attributable to Vocational Training.

8 Income tax expense

(a) Tax on loss for the year

Tax charged/(credited) in the income statement	Year ended 31 July 2014	Year ended 31 July 2013
	£	£
Current tax:		
UK corporation tax on loss for the year	**-**	-
Adjustment for over provision in prior years	**-**	(2,215)
Total current tax	**-**	(2,215)
Deferred tax (Note 16)		
Origination and reversal of temporary differences	**(511)**	(8,444)
Deferred tax charge/(income) resulting from reduction in tax rate	**6,063**	(2,477)
Total deferred tax	**5,552**	(10,921)
Tax expense/(credit) in the income statement	**5,552**	(13,136)

(b) Reconciliation of the total tax expense/(credit)

The reasons for the difference between the actual tax charge/(credit) for the year and the standard rate of corporation tax in the UK applied to profits for the year are as follows:

	Year ended 31 July 2014	Year ended 31 July 2013
	£	£
Accounting loss before tax	**(1,724,243)**	(428,023)
Expected tax charge based on the standard rate of		
corporation tax in the UK for the year/year of 22.33% (2013 – 23.67%)	**(385,024)**	(101,313)
Effects of:		
Non-deductible expenses for tax purposes		
Impairment of goodwill	**305,413**	-
Other non- deductible expenses	**827**	7,240
Share based payments	**9,494**	14,587
Tax losses for which no deferred tax asset is recognised	**74,462**	59,575
Other items	**(5,683)**	11,467
Adjustment for over provision for current tax in previous years	**-**	(2,215)
Reduction in opening deferred taxes resulting from reduction in tax rate	**6,063**	(2,477)
Total tax expense/(credit) for the year	**5,552**	(13,136)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JULY 2014

9 Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders by the weighted number of shares in issue during the year.

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares for the conversion of all dilutive potential ordinary shares.

For the better understanding of the underlying trading performance, the directors feel it appropriate to disclose earnings per share before adjusting items. Adjusting items are those items which, in the opinion of the directors, should be excluded to provide a consistent and comparable view of the underlying performance of the Group's business and include amortisation of intangible assets acquired on acquisition of subsidiaries and material one-off items such as impairment of goodwill and costs of exiting lease.

The Group reported a loss after tax both before and after adjusting items for the year to 31 July 2014 and the year to 31 July 2013. Options granted under Employee Share Schemes were anti-dilutive and basic and adjusted diluted earnings per share are the same as basic and adjusted earnings per share.

	Year ended 31 July 2014	Year ended 31 July 2013
Earnings	**£**	**£**
Earnings attributable to ordinary shareholders	**(1,729,795)**	(414,887)
Amortisation of acquired intangible assets	**52,000**	52,000
Taxation impact amortisation of acquired intangible assets	**(12,369)**	(13,804)
Costs of exiting lease	**95,104**	-
Taxation impact costs of exiting lease	**(18,058)**	-
Impairment of goodwill	**1,367,727**	-
Adjusted loss on ordinary activities after tax	**(245,391)**	(376,691)

Number of shares	**Number**	**Number**
Weighted average number of shares for basic and diluted earnings per share	**35,786,204**	35,786,204

	Year ended 31 July 2014	Year ended 31 July 2013
	Pence	**Pence**
Earnings per share		
Basic earnings per share	**(4.83)**	(1.16)
Diluted earnings per share	**(4.83)**	(1.16)
Adjusted earnings per share		
Adjusted basic earnings per share	**(0.69)**	(1.05)
Adjusted diluted earnings per share	**(0.69)**	(1.05)

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

Earnings per share	**Pence**	**Pence**
Basic earnings per share	**(4.83)**	(1.16)
Amortisation of acquired intangible assets	**0.14**	0.15
Taxation impact amortisation of acquired intangible assets	**(0.04)**	(0.04)
Costs of exiting lease	**0.27**	-
Taxation impact costs of exiting lease	**(0.05)**	-
Impairment of goodwill	**3.82**	-
Adjusted basic earnings per share (pence)	**(0.69)**	(1.05)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JULY 2014

10 Property, plant and equipment

	Leasehold Improvements	Fixtures	Equipment	Total
	£	£	£	£
Cost				
At 31 July 2012	67,465	90,257	146,063	303,785
Additions	92,665	9,606	47,596	149,867
Disposals	(13,584)	-	-	(13,584)
At 31 July 2013	**146,546**	**99,863**	**193,659**	**440,068**
Additions	**8,466**	**1,140**	**17,765**	**27,371**
At 31 July 2014	**155,012**	**101,003**	**211,424**	**467.439**
Accumulated depreciation				
At 31 July 2012	15,409	43,407	66,001	124,817
Charge for the year	29,348	14,695	31,798	75,841
Adjustment for disposals	(13,584)	-	-	(13,584)
At 31 July 2013	**31,173**	**58,102**	**97,799**	**187,074**
Charge for the year	**35,660**	**13,499**	**38,170**	**87,329**
At 31 July 2014	**66,833**	**71,601**	**135,969**	**274,403**
Net book value				
At 31 July 2014	**88,179**	**29,402**	**75,455**	**193,036**
At 31 July 2013	115,373	41,761	95,860	252,994
At 31 July 2012	52,056	46,850	80,062	178,968

11 Intangible assets

	Goodwill	Customer Contracts	Software	Total
	£	£	£	£
Cost				
At 31 July 2012	4,427,948	850,000	32,385	5,310,333
Additions	-	-	2,287	2,287
At 31 July 2013	**4,427,948**	**850,000**	**34,672**	**5,312,620**
Additions	**-**	**-**	**8,605**	**8,605**
Adjustment for disposals	**-**	**-**	**(10,607)**	**(10,607)**
At 31 July 2014	**4,427,948**	**850,000**	**32,670**	**5,310,618**
Amortisation and impairment				
At 31 July 2012	2,950,000	659,333	11,181	3,620,514
Amortisation charge for the year	-	52,000	6,158	58,158
At 31 July 2013	**2,950,000**	**711,333**	**17,339**	**3,678,672**
Amortisation charge for the year	-	**52,000**	**6,698**	**58,698**
Impairment charge for the year	**1,367,727**	-	-	**1,367,727**
Adjustment for disposals	-	-	**(6,007)**	**(6,007)**
At 31 July 2014	**4,317,727**	**763,333**	**18,030**	**5,099,090**
Net book value				
At 31 July 2014	**110,221**	**86,667**	**14,640**	**211,528**
At 31 July 2013	1,477,948	138,667	17,333	1,633,948
At 31 July 2012	1,477,948	190,667	21,204	1,689,819

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JULY 2014

11 Intangible assets (continued)

The carrying amount of goodwill is allocated to cash generating units (CGUs) as follows:

	31 July 2014	31 July 2013
	£	£
Vocational Training	**110,221**	664,970
Skills Training	**-**	812,978
	110,221	1,477,948

Impairment of goodwill and intangible assets

The total amount of goodwill acquired through business combinations and recognised at 31 July 2014 is allocated for impairment testing to two cash generating units which are also the operating and reportable segments. This represents the lowest level within the Group at which goodwill is monitored for internal management purposes.The Group announced the sale of Woodspeen Training Limited, the Group's only trading subsidiary, on 18 December 2014. For £400,000. The carrying value of goodwill as at 31 July 2014 was compared with the asset's recoverable amount based on fair value less costs to sell to determine whether impairment exists. The expected net disposal proceeds of the sale of Woodspeen Training Limited are £350,000, which is considered fair value less costs to sell, giving rise to an impairment charge of £1,367,727. The impairment charge was allocated to cash generating units based upon pre-tax cash flow projections based on financial plans approved by management.

12 Trade and other receivables

	31 July 2014	31 July 2013
	£	£
Current		
Trade receivables	**388,052**	395,674
Other receivables	**40,458**	10,170
Prepayments and accrued income	**148,976**	138,545
	577,486	544,389

The carrying amounts of trade and other receivables approximate to their fair value. Trade and other receivables are non-interest bearing and generally on 30 – 60 days terms.

13 Trade and other payables

	31 July 2014	31 July 2013
	£	£
Current		
Trade payables	**173,386**	286,256
Other taxes and social security taxes	**69,184**	63,318
Other payables	**102,080**	192,078
Accruals	**163,918**	107,405
	508,568	649,057

Trade payables are non-interest bearing and normally settled on 30 - 45 day terms.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JULY 2014

14 Provisions

	Leasehold Dilapidations	
	31 July 2014	**31 July 2013**
	£	**£**
At 1 August 2013	**21,360**	105,367
Arising in year	**3,500**	36,292
Utilised in year	**-**	(85,218)
Released in year	**(21,360)**	(35,081)
As at 31 July 2014	**3,500**	21,360
Shown as:		
Non-Current	**3,500**	21,360

Leasehold dilapidations relate to the estimated cost of returning leasehold properties to their original state at the end of the lease 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.

15 Financial instruments

The Group's activities expose it to a number of financial risks that include credit risk, liquidity risk and cash flow interest rate risk. These risks, and the Group's policies for managing them which have been applied consistently throughout the year, are set out below.

Market Risk

Interest rate risk

The Group's interest rate risk arises from the variability of interest rates on interest bearing assets and liabilities.

The Group has in place a policy of maximising finance income by placing surplus funds on short term deposit to maximise income; offsetting, where possible, cash balances and by forecasting and financing its working capital requirements.

Non-market Risk

Liquidity Risk

Liquidity risk arises from the Group's management of working capital and finance charges and repayments on its debt instruments.

The Group's working capital requirements are managed through regular monitoring of the overall cash position and regularly updated cash flow forecasts to ensure that there are sufficient funds available for its operations.

Credit risk

Credit risk arises principally from the Group's trade receivables which comprise amounts due from customers. Prior to accepting new customers a credit check is obtained.

The Group has a significant concentration of credit risk, with a few customers representing the majority of trade receivables. These customers are funded directly or indirectly by the Government and are reliant on continued funding for vocational and skills training. The Group enters into contracts, generally on an annual basis, with these customers determining the level of approved activity for the year.

At 31 July 2014 trade receivables of £8,700 (2013 - £10,250) were past due date but not impaired. These debts relate to customers with no default history. Payment of these debts, bar £720, has been received since the year end.

The credit risk on liquid funds is low because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Loans and borrowings

The Group had undrawn committed overdraft facilities available at 31 July 2014. The overdraft facility is a multiple of book debts up to a maximum of £400,000, bears interest at 2½% above base rate; is secured by an omnibus guarantee and debenture over the Group's assets; and is subject to annual renewal. The overdraft facility was cancelled, by the Group, in November 2014.

The overdraft facility has not been drawn on during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JULY 2014

15 Financial instruments (continued)

Analysis of financial assets and liabilities

The Group's financial instruments are categorised as follows:

Financial assets

	Loans and Receivables	
	31 July 2014	31 July 2013
	£	£
Trade receivables	**338,052**	395,674
Cash and cash equivalents	**2,200,980**	2,590,485
	2,539,032	2,986,159

The carrying value of the Group's financial assets represents its maximum credit risk exposure at the balance sheet date.

Financial liabilities

The contractual maturities (representing undiscounted contractual cash flows) of financial liabilities are:

	Within 1 Year	
	31 July 2014	31 July 2013
	£	£
Non-interest bearing		
Trade payables	**173,386**	286,256
Accruals and other payables	**265,998**	299,483
	439,384	585,739

Fair value of financial instruments

The carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

16 Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using tax rates of 20% (2013 – 21% to 22.3%) that have been substantively enacted at the balance sheet date. The tax rate used depends upon the expected timing of the reversal of the timing difference.

The following are the major deferred tax liabilities/(assets) recognised by the Group and the amounts charged/ (credited) to the income statement during the current and prior reporting year.

	Business Combinations (Customer Contracts)	Accelerated Capital Allowances	Other Timing Differences	Tax Losses	Total
	£	£	£	£	£
At 31 July 2012	43,853	21,062	(41,866)	-	23,049
Recognised in comprehensive income					
Tax charge/(credit) in income statement	(13,804)	5,442	33,561	(36,120)	(10,921)
At 31 July 2013	**30,049**	**26,504**	**(8,305)**	**(36,120)**	**12,128**
Recognised in comprehensive income					
Tax charge/(credit) in income statement	**(12,369)**	**(12,039)**	**4,305**	**25,655**	**5,552**
At 31 July 2014	**17,680**	**14,465**	**(4,000)**	**(10,465)**	**17,680**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JULY 2014

16 Deferred tax (continued)

Deferred tax balances for financial reporting purposes are analysed as follows:

	31 July 2014	31 July 2013
	£	£
Deferred tax liabilities	**17,680**	30,049
Deferred tax assets	**-**	(17,921)
	17,680	12,128

Deferred tax assets are recognised for timing differences and tax losses carried forward to the extent that the realisation of the related benefit through future taxable profits is probable. The Group did not recognise deferred tax assets of £40,000 (2013 - £59,000) in respect of losses amounting to £210,000 (2013 - £249,000) arising during the year in the holding company as the Group does not expect to be able to offset these losses, which have no set expiry date, against future taxable income. On the grounds of prudence, as its trading subsidiary undertaking has made a loss for the last two years, the Group has not recognised a deferred tax asset in respect of £125,000 of cumulative tax losses within the trading subsidiary that are available to offset against future taxable profits of the subsidiary undertaking.

17 Share capital

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 2013 and 31 July 2014	**677,924,164**	**6,779,242**	**35,786,204**	**3,220,758**

	Ordinary Shares		Deferred Shares	
	Number	**£**	**Number**	**£**
Allotted, called up and fully paid				
Ordinary & Deferred shares				
At 31 July 2013 and 31 July 2014	**35,786,204**	**357,862**	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JULY 2014

18 Share based payments

Enterprise Management Incentive Scheme (EMI Scheme)

Under the EMI Scheme, options over shares in the Company are granted to senior executives of the Group. The exercise price is equal to the market price, as agreed with HMRC, of the underlying share on the date of grant.

The contractual term of each option granted is three years and there are no cash settlement alternatives. The options lapse if not exercised within the third and tenth anniversary of the date of grant although the rules of the EMI Scheme permit early exercise in certain circumstances.

Vesting conditions attached to the share options granted during the year. Share options granted in the year have both a market condition (based upon the Company's share price) and a non-market condition (based on a non-financial target for the Group) attached.

	Number	Year ended 31 July 2014 Weighted Average Exercise Price	Number	Year ended 31 July 2013 Weighted Average Exercise Price
Outstanding as at 1 August	**5,610,000**	**11.6p**	3,195,000	16.0p
Granted	**375,000**	**6.0p**	2,485,000	6.0p
Forfeited	**(100,000)**	**10.5p**	(70,000)	6.0p
Outstanding as at 31 July	**5,885,000**	**11.3p**	5,610,000	11.6p
Exercisable as at 31 July	**2,000,000**	**15p**	-	-

	2014	2013
Range of exercise prices for options outstanding at 31 July	**6p – 18p**	6p – 18p
Weighted average remaining contractual life	**7.4 years**	8.3 years
Weighted average fair value of option awarded in year/year	**2.1p**	2.1p

No options were exercised in the year.

The fair value of the share options is estimated at the grant date using the Black-Scholes model or other appropriate pricing model taking into account the terms and conditions upon which the share options were granted.

The following information was used in the determination of the value of options granted during the year:

		Year ended 31 July 2014	Year ended 31 July 2013
Equity-Settled			
Fair value share price at date of grant	Pence	**6**	6
Exercise price	Pence	**6**	6
Contractual life	Years	**10**	10
Expected volatility	%	**50%**	50%
Expected life	Years	**3**	3
Expected dividends	Pence	**Nil**	Nil
Expected dividend growth rate	%	**0%**	0%
Risk free interest rate	%	**0.7%**	0.7%

The volatility assumption, measured at the standard deviation of expected share price returns is based on a statistical analysis of daily share prices of a range of comparable listed companies.

The expense recognised for employee services received during the year is as follows:

	Year ended 31 July 2014 £	Year ended 31 July 2013 £
Equity-settled share based payment schemes	**42,519**	61,628

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT 31 JULY 2014

19 Obligations under leases

The terms of property leases vary but tend to be tenant repairing leases with rent reviews every two to five years and many have break clauses.

The total value of future minimum lease payments, assuming lease break clauses are not exercised, is as follows:

	31 July 2014	31 July 2013
	£	£
Not later than one year	**8,958**	22,250
After one year and not more than five years	**187,511**	379,937
	196,469	402,187

20 Capital commitments

At the year end the Group had capital commitments as follows:

	31 July 2014	31 July 2013
	£	£
Authorised and contracted	-	6,900
Authorised but not contracted	-	16,800
	-	23,700

21 Reserves

The following describes the nature and purpose of each reserve within equity:

Share premium account — Records the consideration premium for shares issued at a value that exceeds the nominal value.

Merger reserve — The Company has applied the provisions of the Companies Acts allocating the excess of the fair value of the shares issued in the acquisitions below over nominal value:

- the 800,000 ordinary shares issued with a fair value of 52p per share, as part of the acquisition of the entire share capital of Futures Training Centres Limited on 8 May 2008; and
- the 500,000 ordinary shares issued with a fair value of 18p per share, as part of the acquisition of the entire share capital of BDTS Limited on 6 April 2011.

Retained earnings — Records cumulative gains and losses recognised in the statement in consolidated statement of comprehensive income.

22 Post balance sheet events

On 18 December 2014 the Group announced that contracts had been exchanged for the sale of the Company's principal subsidiary, Woodspeen Training Limited, for a consideration of £400,000 payable in cash on completion which is expected to take place on 5 January 2015.

When the disposal is completed, the Directors intend that any surplus cash in the Company will be returned to shareholders in the most tax efficient way. The Notice of Annual General Meeting includes a resolution proposing that the Company withdraws from ISDX Growth Market.

COMPANY BALANCE SHEET

AS AT 31 JULY 2014

COMPANY NUMBER : 06434555

	Note	**31 July 2014**	**31 July 2013**
		£	**£**
Fixed assets			
Tangible fixed assets	3	**507**	1,183
Investments	4	**489,967**	1,971,806
		490,474	1,972,989
Current assets			
Debtors: amounts falling due within one year	5	**207,528**	173,505
Cash at bank and in hand		**2,109,943**	2,361,841
		2,317,471	2,535,346
Creditors: amounts falling due within one year	6	**(168,030)**	(181,144)
Net current assets		**2,149,441**	2,354,202
		2,639,915	4,327,191
Capital and reserves			
Issued share capital	7,8	**357,862**	357,862
Retained earnings	8	**2,282,053**	3,969,329
Equity Shareholders' Funds	8	**2,639,915**	4,327,191

The financial statements were approved and authorised for issue by the Board of Directors on 19 December 2014 and were signed on its behalf by:

Lynn A Chandler
Director

The accompanying Notes form an integral part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

AS AT 31 JULY 2014

1 Accounting policies

(a) General information

The Company's principal activity is that of a holding company.

(b) Basis of preparation

These financial statements present financial information for Woodspeen Training Group plc as a separate entity, and have been prepared in accordance with the historical cost convention, the Companies Act 2006 and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice). The Company's Consolidated Financial Statements, prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted for use in the European Union, are separately presented. The principal accounting policies adopted in these Company financial statements are set out below and, unless otherwise indicated, have been consistently applied for all years presented.

Following the completion of the disposal of Woodspeen Training Limited, it is the directors' intention to cease trading activity and to return any surplus cash to shareholders, subject to shareholder approval, and liquidate the company in the foreseeable future. As a result, the directors have concluded that it is not appropriate to adopt a going concern basis of preparation in these financial statements. No material adjustments arose as a result of ceasing to apply the going concern basis.

The principal accounting policies adopted by the Company are as follows:

(c) Investments

Investments held as fixed assets are stated at cost less any provision to reflect impairment in value.

Where applicable, the Company takes advantage of merger relief, recording the investment in the Company's balance sheet at the nominal value of the shares issued.

(d) Impairment of fixed assets

Investments held as fixed assets are tested at least annually (or whenever events or changes in circumstances indicate that carrying value may be impaired) for impairment and carried at cost less accumulated impairment losses. Provisions for any impairment in value are taken to the profit and loss account.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units).

(e) Equity instruments

Equity instruments issued by the Company are recorded the fair value of the proceeds received, net of direct issue costs.

(f) Financial liabilities and equity instruments

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

(g) Taxation

Deferred taxation is recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. An asset is not recognised to the extent that the realisation of economic benefits in the future is uncertain. Deferred tax assets and liabilities are not discounted.

2 Loss for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements. The Group loss for the year includes a loss after tax of £1,729,795 (2013 – £414,568 loss after tax) which is dealt with in the financial statements of the Company.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

AS AT 31 JULY 2014

3 Tangible fixed assets

	Equipment
	£
Cost	
At 1 August 2013 and 31 July 2014	**6,088**
Accumulated depreciation	
At 1 August 2013	4,905
Charge for the year	676
At 31 July 2014	**5,581**
Net book value	
At 31 July 2014	**507**
At 31 July 2013	1,183

4 Investments

	Investment in Subsidiary Undertakings
	£
Cost	
At 1 August 2013 and 31 July 2014	**4,648,209**
Provision	
At 1 August 2013	2,676,403
Charge for the year	1,481,839
At 31 July 2014	**4,158,242**
Net book value	
At 31 July 2014	**489,967**
At 31 July 2013	1,971,806

Subsidiary undertakings

The following were subsidiary undertakings at the end of the year included in the consolidated financial statements:

Name	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
Trading subsidiary undertakings			
Woodspeen Training Limited	UK	100%	Vocational & Skills Training
Dormant subsidiary undertakings			
BDTS Limited	UK	100%	Dormant
Futures Training Centres Limited	UK	100%	Dormant
S&S Training Services Limited	UK	100%	Dormant
Woodspeen Recruitment & Employment Services Limited	UK	100%	Dormant
Woodspeen Recruitment & Employment Services ATA Limited	UK	100%	Dormant
Subsidiary undertakings dormant since incorporation:			
A & R Training Services Limited	UK	100%	Dormant
The Apprenticeship College Limited	UK	100%	Dormant

NOTES TO THE COMPANY FINANCIAL STATEMENTS

AS AT 31 JULY 2014

5 Debtors

Debtors: amounts falling due within one year

	31 July 2014	31 July 2013
	£	£
Subsidiary undertakings	**193,435**	158,613
Other receivables	**-**	2,100
Prepayments and accrued income	**14,093**	12,792
	207,528	173,505

6 Creditors: amounts falling due within one year

	31 July 2014	31 July 2013
	£	£
Taxation and social security costs	**1,801**	3,549
Subsidiary undertakings	**142,166**	141,482
Other payables	**2,000**	2,000
Accruals	**22,063**	34,113
	168,030	181,144

7 Share capital

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 2013 and 31 July 2014	**677,924,164**	**6,779,242**	**35,786,204**	**3,220,758**

	Ordinary Shares		Deferred Shares	
	Number	**£**	**Number**	**£**
Allotted, called up and fully paid				
Ordinary & Deferred shares				
At 31 July 2013 and 31 July 2014	**35,786,204**	**357,862**	**-**	**-**

8 Reconciliation of movements in share capital and reserves

	Issued Share Capital	Share Premium Account	Retained Earnings	Total Share-Holders Equity
	£	£	£	£
As at 31 July 2012	3,578,620	2,997,637	(1,896,126)	4,680,131
Retained loss	-	-	(414,568)	(414,568)
Share based payment	-	-	61,628	61,628
Reduction of capital and cancellation of share premium account	(3,220,758)	(2,997,637)	6,218,395	-
As at 31 July 2013	**357,862**	**-**	**3,969,329**	**4,327,191**
Retained loss	**-**	**-**	**(1,729,795)**	**(1,729,795)**
Share based payment	**-**	**-**	**42,519**	**42,519**
At 31 July 2014	**357,862**	**-**	**2,282,053**	**2,639,915**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

AS AT 31 JULY 2014

9 Related party transactions

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "*Related Party Disclosures*" not to disclose transactions with members of the group headed by Woodspeen Training Group plc on the grounds that 100% of the voting rights in the Company are controlled within the group and the Company is included in consolidated financial statements.

10 Post balance sheet events

On 18 December 2014 the Group announced that contracts had been exchanged for the sale of the Company's principal subsidiary, Woodspeen Training Limited, for a consideration of £400,000 payable in cash on completion which is expected to take place on 5 January 2015. In addition, the amount of the Inter-Company Loan Account owed to the Company on completion, expected to amount to some £300,000, will be paid to the Company on 18 December 2015.

When the disposal is completed, the Directors intend that any surplus cash in the Company will be returned to shareholders in the most tax efficient way. The Notice of Annual General Meeting includes a resolution proposing that the Company withdraws from ISDX Growth Market.

OFFICERS, COMPANY DETAILS & PROFESSIONAL ADVISERS

Officers and Company Details

Directors

Charles Prior FCA	Chairman
Lynn Chandler ACA	Finance Director
Compton Hellyer	Non-Executive Director
Si Hussain FCA	Chief Executive

Secretary
Lynn Chandler ACA

Company number
06434555

Registered office
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Country of incorporation
Great Britain

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Public company limited by shares

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