

Woodspeen Training PLC

Financial Statements

31 March 2010

Woodspeen Training PLC

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Woodspeen Training PLC

Chairman's statement

I am pleased to enclose the audited financial statements of the Company for the year ended 31 March 2010.

The Group made a profit before tax and amortisation of acquired intangible assets of £780,130 and a profit before tax after amortisation of these assets of £619,560. These figures include a full year's contribution from Futures Training Centres Ltd ("Futures"), 11 months contribution from A&R Training Services Ltd ("A&R") and 2 months contribution from S&S Training Services Ltd ("S&S").

As I mentioned in my interim statement the Group's results were adversely affected by the performance of Futures in the first 6 months of the year. However, I am pleased to confirm that as a result of the remedial action taken by the Board, Futures is now trading profitably.

A&R and S&S, who specialise in apprenticeship programmes and are run as a combined operation, are trading particularly well and the Board believes the prospects for these businesses are good.

We continue to look for further acquisitions concentrating our search on businesses that specialise in apprenticeship programmes for 16 to 18 year olds. Heads of terms have recently been agreed on a potential acquisition satisfying this requirement and we hope to be able to make a further announcement with regards to this acquisition within the next few months.

The Group is entirely dependent on government funding for its programmes. Whilst we expect that the majority of the Group's programmes, especially those that concentrate on helping young people obtain employment, will continue to be supported by the new Coalition Government we are obviously mindful that changes might be made which could adversely affect the Group's businesses. We must react quickly to any changes that come and be in a position to take advantage of any opportunities that may arise.

It is in this regard that I am delighted that we appointed Si Hussain as our Group Chief Executive on 17 May 2010. Si is a chartered accountant, aged 42, and was a main board director of BPP Holdings Plc ("BPP").

Si left BPP in October 2009 after it had been taken over. I look forward to working with him again in order to accelerate the implementation of our strategy to build a substantial vocational training company.

Notwithstanding the uncertainties on the future of government funding I am confident that progress will continue to be made next year.

Charles Prior
Chairman

28 June 2010

Woodspeen Training PLC

Directors' report

The Directors submit their annual report and the audited financial statements of the Group and Company for the year ended 31 March 2010.

Results and dividends

The Group's pre-tax profit for the year before amortisation of acquired intangible assets (£160,570) amounted to £780,130.

The comparatives in these financial statements relate to the 16 month period from incorporation to 31 March 2009.

Reported pre-tax profit for the year amounted to £619,560 (2009 - £48,564) and reported profit after tax for the year was £427,388 (2009 - £10,784).

The Directors do not recommend the payment of a dividend for the year ended 31 March 2010.

Principal activities

The principal activity of the Group is government sponsored vocational training, assessment and related services.

The main programmes offered by the Group are Apprenticeships, Foundation Learning (previously called Entry to Employment), Skills for Life (numeracy and literacy) and NVQs under the aegis of several Government departments.

The Group only operates within the United Kingdom.

Business and financial review

In April/May 2009 the Company raised a total of £1.2 million through placings of shares.

In May 2009 the Company acquired 100% of the issued share capital of A&R Training Services Limited ("A&R Training Services"). The consideration, payable in cash and loan notes, was £3.25 million. The consideration included £0.15 million for net assets in excess of the minimum required in the Sale and Purchase Agreement. A&R Training Services main programmes are Apprenticeship and Foundation Learning. The financial statements include the results of A&R Training Services for just less than 11 months.

In February 2010 the Company acquired 100% of the issued share capital of S&S Training Services Limited ("S&S Training Services"). The consideration, payable in cash and loan notes was £0.8 million. The consideration included £0.3 million for net assets in excess of the minimum required in the Sale and Purchase Agreement. S&S Training Services main programmes are Apprenticeship and Foundation Learning. The financial statements include the results of S&S Training Services for two months.

The Board considers the Group's business through two reporting segments based on principal activity- the A&R group, comprising A&R Training Services and S&S Training Services, and FTC (Futures Training Centres Limited).

Turnover

Group turnover for the year was £5.11 million (2009 - £1.97 million). The increase in turnover is due to the acquisition of A&R Training Services and S&S Training Services during the year.

Turnover for the A&R group, operating in the West Yorkshire area, was £3.36 million of which all, except £80,000, is from A&R Training Services, acquired in May 2009. The principal activity of the A&R group is vocational training for young learners. Turnover for A&R Training Services was ahead of expectations and the same period for the previous year. All business streams were ahead of the forecast made in May 2009 on acquisition of the company.

Turnover from FTC, operating in the South, for the 12 months to 31 March 2010 was £1.74 million, down £0.225 million compared to the 11 months turnover included in results for the period ended 31 March 2009. The principal activity of FTC is the provision of employability training.

Turnover from the core "LearnDirect" business fell compared to the previous year. The LSC (Learning Skills Council) overspent its budget for the academic year to 31 July 2009 part way through the contract year and reduced contract values for all providers for the period April to July 2009. Turnover from LearnDirect in this four month period was £400,000 compared to £610,000 for the period April to July 2008.

FTC secured a "Train to Gain" contract to deliver NVQs in the final six months of the accounting period ended 31 March 2009. Turnover on this programme was £140,000 in the six months to 31 March 2009. Funding for this programme was reduced during 2009 and revenue for the full year to 31 March 2010 amounted to £160,000.

Woodspeen Training PLC

Directors' report

Profit/(loss) from operations

Group profit from operations, before amortisation of intangibles acquired on business combinations (2010 - £160,570; 2009 - £44,814) and exceptional items (2010 – nil; 2009 - £46,755) was £801,557 (2009 - £76,915).

Reported group profit from operations was £640,987 (2009 – loss £14,654).

Segmental profit for the A&R group was £929,126 of which all, except £14,365, is from A&R Training Services, acquired in May 2009. Profit for A&R Training Services was ahead of the forecast made in May 2009 on acquisition of the company and the same period the previous year.

FTC made a loss in the first six months of the year. Whilst the core business of delivering Skills for Life programmes through “LearnDirect” remained profitable, it made a significant loss on its “Train to Gain” contract. As a result of remedial action taken to reduce headcount, FTC traded profitably in the second six months of the year. During the year, FTC has sought to diversify the training programmes to reduce dependency on its “LearnDirect” contract.

Finance income and expense

Interest costs of £21,560 include £21,456 of interest on loan notes issued on the acquisition of A&R Training Services and S&S Training Services.

Tax expense

The tax charge for the year was £192,172 (2009 - £37,780). The effective rate of tax for the year was 31.0%, which is higher than the UK standard rate of corporation tax (28%). The higher effective rate is due to expenses not deductible for tax purposes (predominantly professional fees) net of marginal small company relief. Going forward, the effective tax rate should be close to the UK standard rate of corporation tax.

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 performance indicators monitored by management continue to be developed and, where appropriate, refined to provide relevant and timely metrics to support delivery of group strategy.

The quantity and quality of management information produced by operating units have been substantially improved and continues to improve since their acquisition by the Company.

The key financial performance indicators are: revenue growth; gross profit; gross profit margin; operating profit before amortisation of intangibles acquired on business combinations; earnings per share growth; and net cash generated by operating activities.

Given the early stage of the Group's development, some key performance indicators such as gross profit margin and operating profit before amortisation of intangibles acquired on business combination are of limited significance.

Revenue growth

On an annual basis, A&R Training Services and S&S Training Services' turnover have increased by 8% on the previous financial year. Futures Training Centres' turnover, despite the problems with its “Train to Gain” contract, was only marginally down on budget taking into account the reduction in “LearnDirect” funding for four months.

Gross profit margin

As a result of the operating loss experienced by FTC during the first half of 2009, the gross profit margin of the Group declined to 42.0% for the year (2009 - 43.4%).

Earnings per share growth

Basic earnings per share for the year was 2.19p (2009 – 0.14p).

Adjusted earnings per share before intangibles amortisation and, in the case of the prior period the exceptional item, increased to 2.78p from 1.15p on adjusted earnings of £545,137 (2009 - £90,132).

At 31 March 2009, the Group had in excess of £1.9 million in cash earning very little in the way of income due to the low base rate (0.5%). During the year, the Company used £2.9m of cash for acquisitions, delivering a much higher rate of return thus significantly increasing earnings per share.

Woodspeen Training PLC

Directors' report

Net cash generated by operating activities

The net cash generated from operating activities was £1,036,091 on operating profits, before amortisation of intangible assets acquired on business combinations, of £801,557. For the period from incorporation to 31 March 2009, the net cash generated from operating activities (excluding the exceptional item) was £70,885 on operating profits of £76,915 before amortisation of intangible assets acquired on business combinations and the exceptional item.

Key risks and uncertainties

The Group is dependent on government funding for its programmes. Whilst it is expected that the majority of the Group's programmes, especially those that concentrate on helping young people obtain employment, will continue to be supported by the new Coalition Government the Group is obviously mindful that changes might be made which could adversely affect the Group.

Government policy or practice in providing funds for vocational training may change. The Group, as with other companies in the sector, may be affected by recent government reforms, including the recent transfer of funding responsibilities to local authorities (for 14 to 19 year olds) and a new Adult Learning Agency (for 19 years and older).

The profitability of the Group will be in part 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 adversely affect the Group's performance.

The Group maintains relationships with the relevant regulatory and funding bodies on an ongoing basis to ensure that it has maximum visibility regarding developments and changes to the basis of government funding and the regulatory environment so that it can plan accordingly.

The Group seeks to reduce reliance on individual training programmes and specific regional funding bodies by diversifying into other programmes and geographical areas.

A fall in the standard of delivery, record keeping or reporting could adversely affect relationships with the funding bodies or the awarding bodies which could in turn impact on the financial performance of the Group. Also a fall in the standard of internal quality controls could result in a poor inspection grading and funding being clawed back.

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

Share capital

Details of the authorised and issued share capital of the Company, including movements in the period, are set out in note 19 to the financial statements.

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 March 2010 are as follows:

	Ordinary shares 31 March 2010 Number	%age share- holding
Lynn Chandler	837,400	4.1
Compton Hellyer (appointed 1 June 2009)	156,456	0.8
Charles Prior	4,000,000	19.5

On 17 May 2010 Si Hussain was appointed a director of the Company. He has no interest in the shares of the Company.

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

Substantial shareholdings

As at 27 June 2010, 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)	4,993,856	24.3
Chase Nominees Limited	624,850	3.0
Evolve Capital LLP	3,000,000	14.6

Woodspeen Training PLC

Directors' report

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 and charitable donations

During the period, the Group made no political or charitable donations.

Corporate governance

The Board has put in place a framework for Corporate Governance which it believes is appropriate to the Company. The Board is committed to maintaining high standards of corporate governance, but is not required to comply with all aspects of the principles of Good Governance and the Code of Best Practice prepared by the Committee on Corporate Governance. The following statement describes how the Board has applied the Principles of Corporate Governance.

The Board

At 31 March 2010, the Board comprised the Chairman, the Finance Director and an independent non-executive director. Since the year end the Company has appointed a Chief Executive.

At this early stage in the development of the Company's strategy the Board believes it to be premature to appoint further directors. Further executive and non-executive appointments will be made as the Company matures and makes further acquisitions.

All directors are subject to re-election by rotation, one-third of their number each year and their re-election is subject to shareholder approval. All newly appointed directors stand for re-election at the Annual General Meeting following their appointment.

The Chairman and Finance Director have service contracts with the Company which are terminable by either party on three months' notice. The Chief Executive, appointed after the year end, has a service contract with the Company which is terminable by either party on six months notice.

The non-executive director has a service contract with the Company for a three year period commencing on 1 June 2009 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.

A Remuneration Committee, chaired by the non-executive director and comprising the non-executive director and Chairman, was established in June 2009. The Remuneration Committee approves any changes to the remuneration of the directors, including approval of the service contracts for any new directors, and the approval of any share options granted.

An Audit Committee, chaired by the Chairman and comprising the Chairman and non-executive director was established in May 2010. The responsibilities of the Audit Committee include review of the Interim and Annual Statements; approval of significant changes in accounting policies and monitors the independence, objectivity and effectiveness of the external auditor.

As all Board appointments are formally considered by the Board, the Board considers that there is no need for a Nominations Committee.

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.

Woodspeen Training PLC

Directors' report

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.

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 activities focus on an important area of Corporate Social Responsibility, namely the provision of high quality vocational 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. Employee development is encouraged 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.

Employee Participation

Employees of the Group are able to participate in the success of the Group through its employee share scheme.

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 and not be less than the nominal value of an Ordinary Share.

No options have been granted yet under this EMI Scheme.

Creditors' payment policy

It is the policy of the Group to agree terms and conditions with suppliers and to pay in accordance with them, provided the goods or services concerned have been supplied in accordance with those terms and conditions.

At 31 March 2010, the Group had an average of 34 days (2009 – 33 days) purchases outstanding in trade creditors.

Financial instruments

Details of the Group's risk management objectives and policies and its exposure to financial risk are set out in note 17 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.

Future developments

The Group intends to continue to develop and extend its range of vocational training activities through organic growth, acquisition and partnering arrangements.

Woodspeen Training PLC

Directors' report

Going concern

The Board reviews the financial position of the Company and Group on a regular basis and as part of the process of approving the financial statements. After reviewing the Group's budget for 2010/11, events subsequent to the year end and its medium term plans, the Directors are confident that the Company and the Group have adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they have continued to adopt the going concern basis in preparing the financial statements.

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 at the offices of Memery Crystal LLP, 44 Southampton Buildings, London WC2A 1AY on 4 August 2010 at 11.30 am.

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

28 June 2010

Biographical Information on Directors:

As at 31 March 2010

Charles Prior - Chairman - Aged 62

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 market capitalisation of over £250M.

Lynn Chandler - Finance Director - Aged 49

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. Lynn is a non-executive committee member of A2Dominion Housing Group.

Compton Hellyer - Non-Executive Director - Age 63

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.

Appointed since year end

Si Hussain – Chief Executive – Age 42

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

Woodspeen Training PLC

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 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 period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

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.

Woodspeen Training PLC

Independent auditor's report to the shareholders of Woodspeen Training PLC

We have audited the financial statements of Woodspeen Training plc for the year ended 31 March 2010 which comprise the consolidated statement of financial position and parent company balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flow, 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 495 and 496 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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 March 2010 and of the group's profit 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the 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.

Russell Field

For and on behalf of BDO LLP, Senior Statutory Auditor

Epsom

28 June 2010

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

Woodspeen Training PLC
Consolidated income statement
Year to 31 March 2010

	Note	Year ended 31 March 2010 £	16 Months ended 31 March 2009 £
Revenue	2	5,108,057	1,966,862
Cost of sales	3	(2,962,721)	(1,112,843)
Gross profit		2,145,336	854,019
Administrative expenses	3	(1,504,349)	(868,673)
Profit/(Loss) from operations	2,3	640,987	(14,654)
Analysed as:			
Profit from operations excluding exceptional item		640,987	32,101
Exceptional item	6	-	(46,755)
		640,987	(14,654)
Finance revenue		133	69,595
Finance costs	7	(21,560)	(6,377)
Profit before taxation		619,560	48,564
Tax expense	8	(192,172)	(37,780)
Profit for the period		427,388	10,784
Earnings per share			
- Basic and diluted	9	2.19p	0.14p

Turnover and profit all derive from continuing operations.

Consolidated statement of comprehensive income
Year ended 31 March 2010

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

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

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

Woodspeen Training PLC
Consolidated statement of financial position
As at 31 March 2010

	Note	2010 £	2009 £
Assets			
Non-current assets			
Property, plant and equipment	10	145,007	56,903
Intangible assets	11	4,447,663	1,103,164
		4,592,670	1,160,067
Current assets			
Trade and other receivables	13	941,273	304,502
Cash and short term deposits		693,308	1,931,963
		1,634,581	2,236,465
Total assets		6,227,251	3,396,532
Liabilities			
Current liabilities			
Trade and other payables	14	536,187	181,745
Deferred revenue		13,261	-
Current tax liabilities		270,514	11,554
Financial liabilities	15	250,000	-
Provisions	16	181,037	-
		1,250,999	193,299
Non-current liabilities			
Financial liabilities	15	100,000	-
Provisions	16	5,528	-
Deferred tax liabilities	18	133,466	22,257
		238,994	22,257
Total liabilities		1,489,993	215,556
Net Assets		4,737,258	3,180,976
Equity			
Capital and reserves attributable to equity holders of the Company			
Issued share capital	19,22	2,052,000	976,000
Share premium reserve	22	1,907,822	1,854,928
Merger reserve	22	336,000	336,000
Retained earnings	22	441,436	14,048
Total Equity		4,737,258	3,180,976

The financial statements were approved and authorised for issue by the Board of Directors on 28 June 2010 and were signed on its behalf by:

Charles C L Prior
Chairman

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

Woodspeen Training PLC
Consolidated statement of cash flows
Year to 31 March 2010

	Note	Year ended 31 March 2010 £	Period ended 31 March 2009 £
Cash flows from operating activities			
Profit before taxation		619,560	48,564
Adjustments for:			
Depreciation of property, plant and equipment	10	33,787	14,608
Depreciation leasehold improvements	16	34,703	-
Loss on disposal of property, plant and equipment		2,586	-
Amortisation of intangibles – customer contracts acquired on acquisition	11	160,570	44,814
Amortisation of intangibles – software	11	2,570	-
Finance income		(133)	(69,595)
Finance costs		21,560	6,377
Increase in trade and other receivables		(13,853)	(65,632)
Increase in trade and other payables		174,741	44,994
Cash generated by operations		1,036,091	24,130
Income taxes paid		(260,771)	(27,408)
Cash flows from operating activities		775,320	(3,278)
Cash flows from investing activities			
Acquisitions – Consideration	12	(3,565,638)	(651,487)
Acquisitions – Cash acquired	12	673,713	41,254
Acquisitions – Expenses	12	(48,963)	(153,952)
Purchase of plant and equipment	10	(40,034)	(19,317)
Purchase of intangibles - software	11	(18,915)	-
Interest received		133	69,595
Net cash used in investing activities		(2,999,704)	(713,907)
Cash flows from financing activities			
Proceeds from issue of shares		1,196,000	2,834,000
Expenses in connection with share issues		(67,106)	(83,072)
Repayment of loan notes		(125,000)	(100,000)
Interest paid		(18,165)	(1,780)
Net cash used in financing activities		985,729	2,649,148
(Decrease)/Increase in cash and cash equivalents		(1,238,655)	1,931,963
Cash and cash equivalents at start of period/on incorporation		1,931,963	-
Cash and cash equivalents at end of period		693,308	1,931,963

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

Woodspeen Training PLC
Consolidated statement of changes in equity
as at 31 March 2010

	Issued Share capital	Share Premium account	Merger reserve	Other reserves	Retained earnings	Total Share- holders equity
	£	£	£	£	£	£
On incorporation	-	-	-	-	-	-
Allotment shares in period	375,000	375,000	-	-	-	750,000
Placing of shares in period	521,000	1,563,000	-	-	-	2,084,000
Allotted on acquisition of Futures Training Centres	80,000	-	336,000	-	-	416,000
Expenses of share issues	-	(83,072)	-	-	-	(83,072)
Convertible loan note – equity component	-	-	-	4,597	-	4,597
Deferred tax on equity component	-	-	-	(1,333)	-	(1,333)
Transfers	-	-	-	(3,264)	3,264	-
<i>Total comprehensive income</i>	-	-	-	-	10,784	10,784
At 31 March 2009	976,000	1,854,928	336,000	-	14,048	3,180,976
At 31 March 2009	976,000	1,854,928	336,000	-	14,048	3,180,976
Placing of shares in period	1,076,000	120,000	-	-	-	1,196,000
Expenses of share issues	-	(67,106)	-	-	-	(67,106)
<i>Total comprehensive income</i>	-	-	-	-	427,388	427,388
At 31 March 2010	2,052,000	1,907,822	336,000	-	441,436	4,737,258

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

Woodspeen Training PLC

Notes to the consolidated financial statements

as at 31 March 2010

1 Accounting policies

(a) General information

The Group's principal activity is provision of vocational 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 period ended 31 March 2010, 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.

(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 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 period 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 value in use of the cash generating unit to which goodwill is allocated. This involves estimation of future cash flows and choosing a suitable discount rate;
- The determination of the fair value of intangible assets on acquisition and their useful lives; and
- The estimation of dilapidation provisions.

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.

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

1 Accounting policies (continued)

(e) Intangible assets (continued)

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.

Customer contracts – between 27 and 39 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 reducing balance

Equipment – 25% per annum reducing balance or 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.

Financial Assets

The Group classifies its financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments 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.

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

1 Accounting policies (continued)

(h) Financial instruments (continued)

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.

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 period 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.

Convertible loan stock instruments are regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt and the fair value assigned to the equity component, representing the embedded option to convert the liability into equity of the Group, is included in capital reserves.

(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.

(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 period. Where amounts have been earned but not invoiced during the period, 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.

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

1 Accounting policies (continued)

(m) Revenue recognition (continued)

Revenue from trading activities (continued)

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.

Interest income

Interest income is recognised as the interest accrues using the effective yield on the asset.

(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) Exceptional 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) 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 net profit 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.

Deferred tax is calculated, on an undiscounted basis, at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the 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.

Woodspeen Training PLC

Notes to the consolidated financial statements

as at 31 March 2010

1 Accounting policies (continued)

(r) New standards and interpretations applied

The following standards, amendments to standards and interpretations issued by the IASB and IFRIC relevant to the Group have been applied for the first time during the year ended 31 March 2010, have had an effect on the financial statements:

- **Amendment to IAS 1 'Presentation of Financial Statements':** As a result of the application of this Amendment the Group has elected to present two separate statements, an income statement and a statement of comprehensive income; previously it presented an income statement and the statement of recognised income and expense. In addition, a statement of changes in equity is now presented as a primary statement where previously the information was included in a note and an analysis of the tax effect of items recognised in other comprehensive income has been included in the note on income taxes. The Amendment does not change the recognition or measurement of transactions and balances in the financial statements.
- **Amendment to IFRS 8 'Operating segments':** Requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes and regularly reviewed by the Board in order to allocate resources to the segment and assess its performance.

Other new standards, amendments to standards and interpretations issued by the IASB and IFRIC also effective for the first time from 1 April 2009 are either not relevant to the Group or have not had a material effect on the financial statements.

(s) New standards and interpretations not applied

The IASB and IFRIC have issued the following new standards, amendments to standards and interpretations relevant to the Group which are not effective for the financial period beginning on 1 April 2009 and have not been early adopted:

- Amendment to IFRS 3 'Business Combinations'- effective 1 July 2009. Applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. From the date of adoption, acquisition costs will be written off through the profit and loss account rather than capitalised as part of the cost of the asset.

Other than the above, the Directors do not anticipate that any other IASB pronouncements issued but not yet effective will impact the Group.

2 Segment information

The Chief Operating Decision Maker has been identified as the Board of Directors. The Board 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 Board.

The principal activity of the Group is government sponsored training, assessment and related services. The Board considers the Group's business through two reporting segments based on principal activity: the A&R group and FTC.

The A&R group comprises A&R Training Services and S&S Training Services, both of whom were acquired during the year. The A&R group's principal activity is government sponsored vocational training (Apprenticeships, Entry to Employment) in the West Yorkshire area.

FTC (Futures Training Centres) was acquired during the accounting period from incorporation to 31 March 2009. FTC's principal activity is government sponsored employability training (Skills for Life and NVQs) in the south-east and south-west of England.

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

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

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

2 Segment information (continued)

A Group Chief Executive was appointed, subsequent to the year end, on 17 May 2010 to lead strategy and oversee the management of the group. The group will keep under constant review the segmental information and analysis required to appropriately reflect the group's activities.

	Year to 31 March 2010		16 Months to 31 March 2009	
	Revenue	Profit/ (Loss)	Revenue	Profit/ (Loss)
	£	£	£	£
A&R Group	3,366,485	929,126	-	-
FTC	1,741,572	44,172	1,966,862	221,706
	5,108,057	973,298	1,966,862	221,706
Unallocated	-	(171,741)	-	(144,791)
Segmental revenue/profit	5,108,057	801,557	1,966,862	76,915

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

	Year to 31 March 2010		16 Months to 31 March 2009	
		Profit/ (Loss)		Profit/ (Loss)
		£		£
Segmental profit		801,557		76,915
Exceptional item		-		(46,755)
Amortisation of acquired intangible assets		(160,570)		(44,814)
		640,987		(14,654)
Finance income		133		69,595
Finance costs		(21,560)		(6,377)
Group profit		619,560		48,564

Total segment assets are:

	Year to 31 March 2010		16 Months to 31 March 2009	
		Segmental Assets		Segmental Assets
		£		£
A&R Group		2,630,526		-
FTC		1,354,673		1,228,881
Segmental assets		3,985,199		1,228,881

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

	Year to 31 March 2010		16 Months to 31 March 2009	
		Total Assets		Total Assets
		£		£
Segmental assets		3,985,199		1,228,881
Unallocated assets		58,751		20,132
Cash and short-term deposits		693,308		1,931,963
Group assets		4,737,258		3,180,976

All income is derived from the United Kingdom.

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

3 Expenses by nature

	Year ended 31 March 2010	16 Months ended 31 March 2009
	£	£
Staff costs	2,499,725	842,427
Direct training costs:		
Licence & registration fees, sub-contractors & trainee allowances etc	740,126	408,081
Staff travel & subsistence	122,463	58,151
Depreciation, amortisation & profit/loss on disposal		
Depreciation of property, plant and equipment (note 10)	33,787	14,608
Depreciation leasehold improvements (note 16)	34,703	-
Loss on disposal of property, plant and equipment	2,586	-
Amortisation of intangibles – software	2,570	-
Amortisation intangibles – customer contracts	160,570	44,814
Property costs:		
Operating lease rentals – property	271,799	99,464
Rates, service charges, utilities, repairs etc	144,565	47,944
Other costs	454,176	419,272
Exceptional item:		
Flotation costs	-	46,755
Total cost of sales and administrative expenses	4,467,070	1,981,516

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

	Year ended 31 March 2010	16 Months ended 31 March 2009
Auditors' remuneration		
- Audit of financial statements	13,512	18,800
Other fees paid to auditors and their associates		
- Statutory audit of subsidiaries	18,800	9,775
- Other services	4,050	12,493
- Services relating to corporate finance transactions	-	6,345

In addition, in the year ended 31 March 2010 the auditors received £3,015 for services relating to the placing of shares. In the period ended 31 March 2009 the auditors received £75,506 for services relating to corporate finance transactions in connection with the listing and admission of the Company to PLUS, the placing of shares and the acquisition of Futures Training Centres Limited.)

4 Staff costs

	Year ended 31 March 2010	16 Months ended 31 March 2009
	£	£
Wages and salaries	2,290,703	766,918
Defined pension contribution costs	10,222	-
Short-term non-monetary benefits	8,386	5,385
Social security costs	190,414	70,124
	2,499,725	842,427

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

4 Staff costs (continued)

Subsidiary companies operate defined contribution pension schemes.

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

	Year ended 31 March 2010	Period ended 31 March 2009
	Number	Number
Tutors, assessors and administrators	135	36
Management	6	3
	141	39

The directors are included in the figures and numbers above.

5 Directors and key management personnel emoluments

	Salary £	Benefits £	Year ended 31 March 2010 Total £	16 months ended 31 March 2009 Total £
Executive Directors				
Lynn Chandler	22,000	-	22,000	16,500
Charles Prior	18,000	2,948	20,948	18,122
	40,000	2,948	42,948	34,622
Non-Executive Directors				
Compton Hellyer	10,000	-	10,000	-
	50,000	2,948	52,948	34,622

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 Exceptional items

	Year ended 31 March 2010 £	16 Months ended 31 March 2009 £
Recognised in arriving at Group operating profit from continuing operations:		
Flotation costs	-	46,755
	-	46,755

The Company incurred costs of £129,827 in connection with the placing of 5,000,000 shares and the admission of the Company to PLUS Markets on 17 March 2008.

Flotation costs are treated as a revenue item rather than being set off against share premium. £46,755 of the costs incurred related to the flotation of the Company on PLUS markets and have therefore, in the comparative figures, been expensed as an exceptional item. The £83,072 of costs relating to the placing of shares has been set off against the share premium account in the period to 31 March 2009.

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

7 Finance costs

	Year ended 31 March 2010 £	16 Months ended 31 March 2009 £
Bank loans and overdrafts	104	422
Interest on loan notes	21,456	-
Notional interest on convertible loan notes	-	4,597
Other	-	1,358
	21,560	6,377

8 Income tax expense

(a) Tax on profit for the period

Tax charged in the income statement	Year ended 31 March 2010 £	16 Months ended 31 March 2009 £
Current tax:		
UK corporation tax on profits for the year	221,873	52,897
Adjustment for under provision in prior periods	1,291	-
	223,164	52,897
Deferred tax (Note 18)		
Origination and reversal of temporary differences	(30,992)	(15,117)
Tax charge in the income statement	192,172	37,780

(b) Reconciliation of the total tax charge

The reasons for the difference between the actual tax charge for the period and the standard rate of corporation tax in the UK applied to profits for the period are as follows:

	Year ended 31 March 2010 £	16 Months ended 31 March 2009 £
Accounting profit before tax	619,560	48,564
Expected tax charge based on the standard rate of corporation tax in the UK of 28%	173,477	13,598
Effects of:		
Marginal relief	(2,715)	(4,473)
Tax losses for which no deferred tax asset has been recognised	-	7,868
Expenses not deductible for tax purposes	13,174	23,703
Other items	6,945	(2,916)
Adjustment to tax charge in previous period	1,291	-
Total tax charge for the period	192,172	37,780

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

9 Earnings per share

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

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

	Year ended 31 March 2010	16 Months ended 31 March 2009
	£	£
Earnings attributable to ordinary shareholders	427,388	10,784
Amortisation of acquired intangible assets	160,570	44,814
Taxation impact amortisation of acquired intangible assets	(44,601)	(12,221)
Flotation costs	-	46,755
Adjusted profit on ordinary activities after tax	543,357	90,132
Weighted average number of shares – basic	19,542,951	7,805,706
	Pence	Pence
Basic earnings per share	2.19	0.14
Amortisation of acquired intangible assets	0.82	0.57
Taxation impact amortisation of acquired intangible assets	(0.23)	(0.16)
Flotation costs	-	0.60
Adjusted basic earnings per share (pence)	2.78	1.15

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

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

10 Property, plant and equipment

	Leasehold improvements	Motor Vehicles	Fixtures	Equipment	Total
	£	£	£	£	£
Cost					
Additions	11,959	-	3,104	4,254	19,317
Acquired through business combinations	-	-	14,120	38,074	52,194
At 31 March 2009	11,959	-	17,224	42,328	71,511
Additions	2,220	-	9,387	28,427	40,034
Acquired through business combinations	-	2,191	27,301	54,951	84,443
Disposals	-	-	-	(8,542)	(8,542)
At 31 March 2010	14,179	2,191	53,912	117,164	187,446
Accumulated depreciation					
Charge for the period	747	-	3,242	10,619	14,608
At 31 March 2009	747	-	3,242	10,619	14,608
Charge for the year	1,607	102	10,528	21,550	33,787
Adjustment for disposals	-	-	-	(5,956)	(5,956)
At 31 March 2010	2,354	102	13,770	26,213	42,439
Net book value					
At 31 March 2010	11,825	2,089	40,142	90,951	145,007
At 31 March 2009	11,212	-	13,982	31,709	56,903

11 Intangible assets

	Goodwill	Customer Contracts	Software	Total
	£	£	£	£
Cost				
Acquired through business combinations	1,037,978	110,000	-	1,147,978
At 31 March 2009	1,037,978	110,000	-	1,147,978
Additions	-	-	18,915	18,915
Acquired through business combinations	3,008,724	480,000	-	3,488,724
At 31 March 2010	4,046,702	590,000	18,915	4,655,617
Amortisation				
Charge for the period	-	44,814	-	44,814
At 31 March 2009	-	44,814	-	44,814
Charge for the period	-	160,570	2,570	163,140
At 31 March 2010	-	205,384	2,570	207,954
Net book value				
At 31 March 2010	4,046,702	384,616	16,345	4,447,663
At 31 March 2009	1,037,978	65,186	-	1,103,164

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

11 Intangible assets

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

	2010	2009
	£	£
FTC		
Futures Training Centres	1,037,978	1,037,978
A&R Group		
A&R Training Services	2,611,205	-
S&S Training Services	397,519	-
	3,008,724	-
	4,046,702	1,037,978

Impairment of goodwill and intangible assets

The total amount of goodwill acquired through business combinations and recognised at 31 March 2010 is allocated for impairment testing to three cash generating units. This represents the lowest level within the Group at which goodwill is monitored for internal management purposes.

The carrying value of goodwill is compared with the asset's recoverable amount, based on value in use, on an annual basis to determine whether impairment exists. The value in use calculation was performed using pre-tax cash flow projections based on financial plans approved by management for the next year. Cash flows beyond the budgeted period are extrapolated using a 1% growth rate. These future cash flows are discounted by an appropriate risk adjusted pre-tax discount rate (17.45%) to give the value in use.

Management believe that the assumptions used to determine value in use are appropriate and reasonable.

The same approach for calculating the recoverable value of goodwill is used for all cash generating units.

Following the impairment test during the year, no charge has been recognised in the income statement in respect of goodwill impairment.

Key assumptions

The calculation of value in use is most sensitive to the following assumptions:

- Budget or base year profit – the value in use calculation assumes the budget for the year is achieved;
- Growth of market and market share – the value in use calculation assumes a modest growth (1%) and that the Group will retain rather than increase its market share; and
- Discount rate – cash flows are discounted using the Group's nominal pre-tax discount rate based on the Group's weighted average cost of capital, adjusted to reflect management's estimate of the risk profile for the business.

The value in use calculation assumes that the Group's programmes will continue to be supported by the Government and attract funding.

Sensitivity to changes in assumptions

Impairment analysis requires the use of certain future market assumptions and discount factors, which are subjective in nature. Estimated values can be affected by many factors beyond the Group's control such as business and economic trends, government funding and regulation etc. Changes in circumstances affecting assumptions used could have a significant impact on the value in use potentially resulting in an impairment write down.

Management has considered the impact of budget profit not being achieved in the base year; a reduction in the growth rate; and the impact of an increase in the pre-tax discount rate applied to the calculation.

For both A&R Training Services and S&S Training Services budget or base year profit could fall by 20%; or the extrapolated growth rate of 1% could be negative 1%; or the pre-tax discount rate could increase to 22% before the value in use would be close to the carrying value.

For Futures Training Centres budget or base year profit could fall by 20%; or the extrapolated growth rate of 1% could be 0%; or the pre-tax discount rate could increase to 20% before the value in use would be close to the carrying value.

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

12 Acquisitions

The Company made two acquisitions in the year. The total consideration for acquisitions made in the year was £4,040,638 of which £3,565,638 was paid in cash and £475,000 by the issue of loan notes. The cash acquired on acquisition totalled £673,713.

It is not possible because of S&S Training Services' non-coterminous year end prior to acquisition to accurately determine group revenue and operating profit for the year to 31 March 2010 as though the acquisition date for all business combinations effected in the year was 1 April 2009.

A&R Training Services Limited

On 6 May 2009 the Company acquired 100% of the issued share capital of A&R Training Services Limited which provides government sponsored vocational training. The acquisition was satisfied by way of cash consideration and the issue of loan notes. The transaction has been accounted for by the purchase method of accounting.

Fair Values

The book and fair values of the assets and liabilities acquired were as follows:

	Book value	Fair value adjust- ments	Fair value
	£	£	£
Intangible assets	-	370,000	370,000
Tangible assets	136,261	(64,838)	71,423
Trade and other receivables	528,529	-	528,529
Bank balances and cash	352,717	-	352,717
Trade and other payables	(171,492)	(11,050)	(182,542)
Provisions	-	(130,581)	(130,581)
Current tax liabilities	(264,689)	38,530	(226,159)
Deferred tax liabilities	(25,218)	(85,385)	(110,603)
	556,108	116,676	672,784
Goodwill			2,611,205
			3,283,989

Fair value adjustments comprise intangible assets recognised on acquisition in accordance with IFRS 3 'Business Combinations; the related deferred tax liability in respect of the intangible asset recognised; the write down of tangible assets to fair value; provision, net of current and deferred tax, for unrecognised liabilities; adjustment to current tax liabilities reflecting the increase in the effective rate of tax payable by the company on becoming part of the group; and the recognition of liabilities, net of current and deferred tax, in accordance with IFRS which are not recognised under UK GAAP.

Satisfied by:	£
Cash	2,850,202
Convertible Loan Notes	400,000
	3,250,202
Acquisition costs	33,787
	3,283,989

The outflow of cash resulting from the acquisition is as follows:

	£
Cash	2,850,202
Acquisition costs	33,787
Cash and cash equivalents acquired	(352,717)
	2,531,272

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

12 Acquisitions (continued)

A&R Training Services Limited (continued)

The £400,000 of Convertible Loan Notes issued as part of the consideration for A&R Training Services Limited are unsecured, bear interest at 6% per annum and are redeemable in four semi-annual payments of £100,000 commencing on 31 January 2010. The Loan Notes are convertible, at the Loan Note holders' option, should the Company fail to make a redemption payment by the due date.

The intangible assets identified on the acquisition of A&R Training Services Centres Limited represent the Directors' estimate of the fair value of customer contracts at acquisition.

The main factors leading to the recognition of goodwill are:

- the presence of certain intangible assets, such as the company's workforce and delivery model, systems and processes, which do not qualify for separate recognition as they cannot be reliably measured due to their natures; and
- the fact that a lower cost of capital is ascribed to the expected future cash flows of the entire operation acquired than might be to individual assets.

A&R Training Services Limited's profit for the period 6 May 2009 to 31 March 2010 was £915,113.

S&S Training Services Limited

On 1 February 2010 the Company acquired 100% of the issued share capital of S&S Training Services Limited which provides government sponsored vocational training. The acquisition was satisfied by way of cash consideration and the issue of loan notes. The transaction has been accounted for by the purchase method of accounting.

Fair Values

The book and fair values of the assets and liabilities acquired were as follows:

	Book value	Fair value adjust- ments	Fair value
	£	£	£
Intangible assets	-	110,000	110,000
Tangible assets	13,018	-	13,018
Trade and other receivables	86,997	-	86,997
Bank balances and cash	320,996	-	320,996
Trade and other payables	(3,999)	-	(3,999)
Provisions	-	(21,281)	(21,281)
Current tax liabilities	(64,344)	(1,696)	(66,040)
Deferred tax liabilities	(798)	(30,800)	(31,598)
	351,870	56,223	408,093
Goodwill			397,519
			805,612

Due to the proximity of the acquisition to the year end, the fair value adjustments contain provisional amounts which will be finalised in the accounting period ending 31 March 2011.

The fair value adjustments for S&S Training Services are the same as detailed above for A&R Training Services.

Satisfied by:	£
Cash	715,436
Loan notes	75,000
	790,436
Acquisition costs	15,176
	805,612

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

12 Acquisitions (continued)

S&S Training Services Limited (continued)

The outflow of cash resulting from the acquisition is as follows:

	£
Cash	715,436
Acquisition costs	15,176
Cash and cash equivalents acquired	(320,996)
	409,616

The £75,000 (nominal value) of Loan Notes issued as part of the consideration for S&S Training Services Limited are unsecured, bear interest at 6% per annum and are redeemable in three equal instalments of £25,000 on 31 March, 30 June and 30 September 2010.

The intangible assets identified on the acquisition of S&S Training Services Limited represent the Directors' estimate of the fair value of customer contracts at acquisition.

The main factors leading to the recognition of goodwill for S&S Training Services are the same as detailed above for A&R Training Services and in addition include expected synergistic cost savings and economies of scale which result in the Group being prepared to pay a premium.

S&S Training Services Limited's profit for the period 1 February 2010 to 31 March 2010 was £14,013.

13 Trade and other receivables

	2010	2009
	£	£
Current		
Trade receivables	724,361	186,996
Other receivables	14,439	18,311
Prepayments and accrued income	202,473	99,195
	941,273	304,502

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.

14 Trade and other payables

	2010	2009
	£	£
Current		
Trade payables	184,259	71,214
Other taxes and social security taxes	60,545	27,518
Other payables	36,049	-
Accruals	255,334	83,013
	536,187	181,745

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

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

15 Financial liabilities

	2010	2009
	£	£
Current		
Convertible Loan Note	200,000	-
Loan Note	50,000	-
	250,000	-
Non-Current		
Convertible Loan Note	100,000	-
	350,000	-

Convertible Loan Note

£400,000 (nominal value) of Convertible Loan Notes were issued as part of the consideration for A&R Training Services Limited. The Convertible Loan Notes are unsecured, bear interest at 6% per annum and are redeemable in four semi-annual payments of £100,000 with the first payment made on 31 January 2010. Should the Company fail to make a redemption payment by the due date, the Loan Note holders may either grant an extension of time for payment or convert the Loan Notes being redeemed into Ordinary Shares. The conversion price is the higher of: i) the mid-market price per Ordinary Share on the date of conversion; or ii) 30 pence per Ordinary Share. Interest will be paid on each redemption date.

The Convertible Loan Note is a liability instrument because the conversion feature is not a fixed amount of shares for a fixed amount of debt. The derivative asset element of the conversion feature is at present not material.

Loan Note

£75,000 (nominal value) of Loan Notes were issued as part of the consideration for S&S Training Services Limited. The Loan Notes are unsecured, bear interest at 6% per annum and are redeemable in three equal instalments of £25,000 on 31 March, 30 June and 30 September 2010.

16 Provisions

	Leasehold Dilapidations £
At 1 April 2009	-
Arising in year	34,703
Acquired on business combinations	151,862
As at 31 March 2010	186,565
Current	181,037
Non-current	5,528
Total	186,565

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

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

17 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 period, are set out below.

Market Risk

Interest rate risk

The Group's interest rate risk arises from interest bearing assets and liabilities.

The Group has in place a policy of maximising finance income by ensuring that cash balances earn a market rate of interest; offsetting, where possible, cash balances and by forecasting and financing its working capital requirements.

Market Risk

The Group has eliminated the cash flow risk arising on interest bearing liabilities by fixing the rate of interest payable on loan notes prior to issue. Although this does not protect the Group from paying interest rates in excess of market rates, it does protect the Group by eliminating the cash flow risk inherent in variable rate financial liabilities.

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 indirectly by the Government and are reliant on continued funding for vocational training. The Group enters into contracts, generally on an annual basis, with these customers determining the level of approved activity for the period.

At 31 March 2010 trade receivables of £13,605 were past due but not impaired. These debts relate to customers with no default history. Payment of these debts has been received since the year end. At 31 March 2009 there were no debts past their due date.

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

Analysis of financial assets and liabilities

The Group's financial instruments are categorised as follows:

Financial assets

	Loans and receivables	
	2010	2009
	£	£
Trade receivables	724,361	186,996
Accrued income	9,200	43,315
Cash and cash equivalents	693,308	1,931,963
	1,426,869	2,162,274

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

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

17 Financial instruments (continued)

Financial liabilities

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

	Within 1 Year £	1 and 2 Years £	Total £
At 31 March 2010			
Interest bearing – fixed rate			
Convertible loan notes	200,000	100,000	300,000
Loan notes	50,000	-	50,000
	250,000	100,000	350,000
Non-interest bearing			
Trade and other payables	184,259	-	184,259
Accruals and other payables	302,766	-	302,766
	487,025	-	487,025
At 31 March 2009			
Non-interest bearing			
Trade payables	71,214	-	71,214
Accruals and other payables	83,013	-	83,013
	154,227	-	154,227

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.

18 Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 28%.

The movement on the deferred tax account is as shown below:

	£
<i>Recognised in profit & loss</i>	
Tax credit	(15,117)
<i>Recognised in equity</i>	
Conversion element convertible loan notes on lapse option	1,333
	(13,784)
<i>Business combinations</i>	
Acquired on business combinations	41
Fair value adjustments on business combinations	36,000
	22,257
At 31 March 2009	
<i>Recognised in profit & loss</i>	
Tax credit	(30,992)
<i>Business combinations</i>	
Acquired on business combinations	26,016
Fair value adjustments on business combinations	116,185
	133,466
At 31 March 2010	

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

18 Deferred tax (continued)

Details of the deferred tax liability and amounts charged/(credited) to the income statement are as follows:

	Liability 2010	Charged/ (Credited) to income statement 2010
	£	£
Accelerated capital allowances	25,888	13,609
Intangibles amortisation re customer contracts	107,578	(44,601)
	133,466	(30,992)

	Liability 2009	Charged/ (Credited) to income statement 2009
	£	£
Accelerated capital allowances	4,478	(1,563)
Intangibles amortisation re customer contracts	17,779	(12,221)
Release items taken directly to equity	-	(1,333)
	22,257	(15,117)

Deferred tax assets are recognised for 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 £7,868 (2009 - £7,868) in respect of losses amounting to £28,099 that can be carried forward against future taxable income. These losses have no set expiry date.

19 Share capital

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

	Number	£
Authorised		
Ordinary shares of 10p each	100,000,000	10,000,000
Allotted, called up and fully paid		
Ordinary shares of 10p each		
Issued on incorporation	2	-
Allotment of shares 26 November 2007	499,998	50,000
Allotment of shares 30 January 2008	3,250,000	325,000
Placing of shares 17 March 2008	5,000,000	500,000
Placing of shares 31 March 2008	100,000	10,000
Placing of shares 1 April 2008	25,000	2,500
Placing of shares 3 April 2008	35,000	3,500
Placing of shares 25 April 2008	50,000	5,000
Allotted on 8 May 2008 on acquisition of Futures Training Centres Limited	800,000	80,000
As at 31 March 2009	9,760,000	976,000
Placing of shares 16 April 2009	1,000,000	100,000
Placing of shares 5 May 2009	9,760,000	976,000
At 31 March 2010	20,520,000	2,052,000

Woodspeen Training PLC
Notes to the consolidated financial statements
as at 31 March 2010

20 Related party transactions

The Company paid £10,350 (2009 - £48,917) to Whim Gully Capital LLP for corporate finance services during the year. Mr Edward Vandyk is a partner of Whim Gully Capital LLP and also a director of Evolve Capital plc, a substantial shareholder.

The Company paid £3,525 (2009 - £nil) to St Helens Capital LLP for corporate finance services during the year. St Helens Capital LLP is a wholly owned subsidiary of Evolve Capital plc, a substantial shareholder.

21 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 is as follows:

	2010	2009
	£	£
Not later than one year	80,816	2,750
After one year and not more than five years	73,125	68,517
After five years	123,750	193,060
	277,691	264,327

22 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 Section 131 of the Companies Act 1985 and obtained merger relief on 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
Other reserves	records movements, including deferred tax, on items taken directly to equity. The transactions in the prior period related to the conversion element of the loan notes. The conversion option lapsed during the prior period and the items were released to retained earnings
Retained earnings	records cumulative gains and losses recognised in the statement in consolidated statement of comprehensive income

Woodspeen Training PLC
Company balance sheet
As at 31 March 2010

	Note	2010 £	2009 £
Fixed assets			
Tangible fixed assets	3	1,954	-
Investments	4	5,075,040	985,439
		5,076,994	985,439
Current assets			
Debtors: amounts falling due within one year	5	56,797	1,243,632
Cash at bank and in hand		-	502,900
		56,797	1,746,532
Creditors: amounts falling due within one year	6	(804,285)	(18,387)
Net current assets		(747,488)	1,728,145
Total assets less current liabilities		4,329,506	2,713,584
Creditors: amounts falling due in over one year	7	(100,000)	-
		4,229,506	2,713,584
Capital and reserves			
Issued share capital	9,10	2,052,000	976,000
Share premium account	10	1,907,822	1,854,928
Retained earnings	10	269,684	(117,344)
Equity Shareholders' Funds		4,229,506	2,713,584

The financial statements were approved and authorised for issue by the Board of Directors on 28 June 2010 and were signed on its behalf by:

Charles C L Prior
Chairman

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

Woodspeen Training PLC
Notes to the Company financial statements
As at 31 March 2010

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 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 periods presented.

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 Profit for the period

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 profit for the year includes a profit after tax of £387,028 (2009 - £121,941 loss) which is dealt with in the financial statements of the Company.

Woodspeen Training PLC
Notes to the Company financial statements
As at 31 March 2010

3 Property, plant and equipment

	Equipment
	£
Cost	
At 1 April 2009	-
Additions	2,522
At 31 March 2010	2,522
Accumulated depreciation	
At 1 April 2009	-
Charge for the year	568
At 31 March 2010	568
Net book value	
At 31 March 2010	1,954
At 31 March 2009	-

4 Investments

	Investment in Subsidiary undertakings
	£
Cost	
At 1 April 2009	985,439
Purchase of subsidiary undertakings	4,089,601
At 31 March 2010	5,075,040
Provision	
At 1 April 2009	-
Provided in year	-
At 31 March 2010	-
Net book value	
At 31 March 2010	5,075,040
At 31 March 2009	985,439
<i>Purchase of subsidiary undertakings in year</i>	
	£
A&R Training Services Limited	3,283,989
S&S Training Services Limited	805,612
	4,089,601

Woodspeen Training PLC
Notes to the Company financial statements
As at 31 March 2010

4 Investments (continued)

On 6 May 2009 the Company acquired 100% of the issued share capital of A&R Training Services Limited which provides government sponsored vocational training courses, predominantly to young people, in the UK. The cost of the acquisition is as follows:

	£
Cash	2,850,202
Convertible Loan Notes	400,000
	3,250,202
Acquisition costs	33,787
	3,283,989

On 1 February 2010 the Company acquired 100% of the issued share capital of S&S Training Services Limited which provides government sponsored vocational training courses, predominantly to young people, in the UK. The cost of the acquisition is as follows:

	£
Cash	715,436
Loan notes	75,000
	790,436
Acquisition costs	15,176
	805,612

Subsidiary undertakings

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

Name	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
A&R Training Services Limited	UK	100%	Vocational Training
Futures Training Centres Limited	UK	100%	Vocational Training
S&S Training Services Limited	UK	100%	Vocational Training

5 Debtors: amounts falling due within one year

	2010	2009
	£	£
Corporation tax	42,404	6,000
Subsidiary undertakings	-	1,217,500
Prepayments and accrued income	14,393	20,132
	56,797	1,243,632

6 Creditors: amounts falling due within one year

	2010	2009
	£	£
Convertible loan note	200,000	-
Loan Note	50,000	-
Bank overdraft	20,159	-
Taxation and social security costs	5,885	1,175
Other payables	3,526	-
Subsidiary undertakings	479,395	-
Accruals	45,320	17,212
	804,285	18,387

Woodspeen Training PLC
Notes to the Company financial statements
As at 31 March 2010

7 Creditors: amounts falling due on over one year

	2010	2009
	£	£
Convertible loan note	100,000	-
	100,000	-

8 Borrowings

	2010	2009
	£	£
Creditors: amounts due within one year		
Convertible Loan Note	200,000	-
Loan Note	50,000	-
	250,000	-
Creditors: amounts due in over one year		
Convertible Loan Note	100,000	-
	350,000	-

Convertible Loan Note

£400,000 (nominal value) of Convertible Loan Notes were issued as part of the consideration for A&R Training Services Limited. The Convertible Loan Notes are unsecured, bear interest at 6% per annum and are redeemable in four semi-annual payments of £100,000 with the first payment made on 31 January 2010. Should the Company fail to make a redemption payment by the due date, the Loan Note holders may either grant an extension of time for payment or convert the Loan Notes being redeemed into Ordinary Shares. The conversion price is the higher of: i) the mid-market price per Ordinary Share on the date of conversion; or ii) 30 pence per Ordinary Share. Interest will be paid on each redemption date.

Convertible loan stock instruments are regarded as compound instruments, consisting of a liability component and an equity component. No value has been assigned to the equity component as the loan is only convertible in the event of default by the Company and the interest rate payable on the convertible loan note is the same as for non-convertible debt issued by the Company.

Loan Note

£75,000 (nominal value) of Loan Notes were issued as part of the consideration for S&S Training Services Limited. The Loan Notes are unsecured, bear interest at 6% per annum and are redeemable in three equal instalments of £25,000 on 31 March, 30 June and 30 September 2010.

9 Share capital

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

	Number	£
Authorised		
Ordinary shares of 10p each	100,000,000	10,000,000
	Number	£
As at 1 April 2009	9,760,000	976,000
Placing of shares 16 April 2009	1,000,000	100,000
Placing of shares 5 May 2009	9,760,000	976,000
At 31 March 2010	20,520,000	2,052,000

Woodspeen Training PLC
Notes to the Company financial statements
As at 31 March 2010

10 Reconciliation of movements in share capital and reserves

	Issued share capital	Share premium account	Other reserves	Retained earnings	Total share- holders equity
	£	£	£	£	£
On incorporation	-	-	-	-	-
Retained loss	-	-	-	(121,941)	(121,941)
Allotment of shares	375,000	375,000	-	-	750,000
Placing of shares	521,000	1,563,000	-	-	2,084,000
Allotted on acquisition of Futures Training Centres Limited	80,000	-	-	-	80,000
Expenses of share issues	-	(83,072)	-	-	(83,072)
Convertible loan note – equity component	-	-	4,597	-	4,597
Transfers	-	-	(4,597)	4,597	-
As at 31 March 2009	976,000	1,854,928	-	(117,344)	2,713,584
Retained profit	-	-	-	387,028	387,028
Placing of shares	1,076,000	120,000	-	-	1,196,000
Expenses of share issues	-	(67,106)	-	-	(67,106)
At 31 March 2010	2,052,000	1,907,822	-	269,684	4,229,506

The Company has applied the provisions of Section 131 of the Companies Act 1985 and obtained merger relief on 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.

11 Related party transactions

The Company paid £10,350 (2009 - £48,917) to Whim Gully Capital LLP for corporate finance services during the year. Mr Edward Vandyk is a partner of Whim Gully Capital LLP and also a director of Evolve Capital plc, a substantial shareholder.

The Company paid £3,525 (2009 - £nil) to St Helens Capital LLP for corporate finance services during the year. St Helens Capital LLP is a wholly owned subsidiary of Evolve Capital plc, a substantial shareholder.

Woodspeen Training PLC

Officers, company details and professional advisers

Officers and Company Details

Directors

Charles Prior FCA (Chairman)
Lynn Chandler ACA (Finance Director)
Compton Hellyer (Non-Executive Director)

Appointed since year end

Si Hussain (Chief Executive)

Secretary

Lynn Chandler ACA

Company number

6434555

Registered office

32 Wingate Road
Hammersmith
London
W6 0UR

Country of incorporation

Great Britain

Legal form

Public company limited by shares

Professional Advisers

Auditors

BDO LLP
Emerald House
East Street
Epsom
Surrey KT17 1HS

Bankers

Lloyds TSB Bank plc
Suite A1 Brunel House
Mead Avenue
Houndstone Business Park
Yeovil
Somerset BA22 8RT

Broker

Fairfax I.S. PLC
46 Berkeley Square
Mayfair
London
W1J 5AT

PLUS Corporate Advisor

St Helens Capital Partners LLP
223a Kensington High Street
London
W8 6SG

Registrars and Transfer Office

Capita Registrars Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Solicitors

Memery Crystal LLP
44 Southampton Buildings
London WC2A 1AP