

Woodspeen Training Limited

Directors' Report and Financial Statements

Year ended

31 July 2014

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Woodspeen Training Limited
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The following pages do not form part of the statutory financial statements

15	Detailed profit & loss account
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Woodspeen Training Limited
Company information

Directors Stephen Burkes
Lynn Chandler
Saieem Hussain
Charles Prior
Samantha Wilson

Secretary Lynn Chandler

Registered office 32 Wingate Road
Hammersmith
London
W6 0UR

Bankers Lloyds Bank PLC
25 Gresham Street
EC3V 7HN

Auditors BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

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

Results

The profit and loss account is set out on page 5.

Principal activity

The principal activity of the Company is government sponsored vocational training, assessment and related services. The main programmes offered by the Company are Apprenticeships and Employability Training.

Directors

The directors who served during the year are as follows:

Stephen Burkes

Lynn Chandler

Saieem Hussain

Charles Prior

Claire Stephenson

(resigned 31 August 2013)

Paul Thompson

(resigned 13 September 2013)

Samantha Wilson

Insurance

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

Political and charitable donations

During the year, the company made no political or charitable donations (2013 - £nil).

Going concern

The Directors' consideration of going concern and the existence of material uncertainties is set out in note 1 to the financial statements.

Directors' responsibilities

The directors are responsible for preparing the annual 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 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 Company and of the profit or loss of the Company 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 estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Woodspeen Training Limited
Directors' report

The directors are responsible for keeping adequate accounting records that 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors


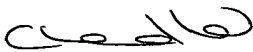
The Directors confirm, that, so far as each director is aware, there is no relevant audit information of which the auditors are unaware and that each director has taken all reasonable steps to make himself or herself aware of any relevant audit information and to establish that the auditors are aware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

The auditors, BDO LLP, are deemed to have been reappointed in accordance with section 487 of the Companies Act 2006.

Small Company Provisions

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By Order of the Board

Lynn Chandler
Company Secretary

17 December 2014

We have audited the financial statements of Woodspeen Training Limited for the year to 31 July 2014 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Emphasis of matter – Going concern

In forming our opinion, on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the Group's ability to continue as a going concern. As set out in note 1, there are material uncertainties that may cast significant doubt about the group's ability to continue as a going concern, in respect of continued availability of existing intercompany loans and the availability of further short term funding as required. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

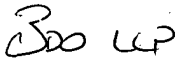
Opinion on other matters prescribed by the Companies Act 2006

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime.



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

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

Woodspeen Training Limited
Profit & Loss Account
Year ended 31 July 2014

	Note	Year 31 July 2014 £	Year 31 July 2013 £
Turnover	1	3,851,307	4,011,676
Cost of sales		(2,957,033)	(3,047,601)
Gross profit		894,274	964,075
Administrative expenses		(956,409)	(1,005,883)
Operating loss	2	(62,135)	(41,808)
Analysed as:			
Profit/(Loss) from operations before costs of exiting onerous lease		32,969	(41,808)
Costs of exiting onerous lease	4	(95,104)	-
		(62,135)	(41,808)
Tax (charge)/credit on loss on ordinary activities	5	(17,990)	1,031
Loss for the year	12 & 13	(80,125)	(40,777)

Turnover and profit all derive from continuing operations.

Statement of total recognised gains and losses for the year ended 31 July 2014

There is no difference between the loss for the year ended 31 July 2014 and 31 July 2013 and the total recognised gains and losses for the year.

A reconciliation of movements in total equity are given in Note 13 to the financial statements.

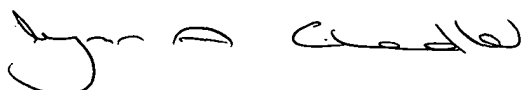
The accompanying Notes form an integral part of these financial statements.

Woodspeen Training Limited
Balance sheet
As at 31 July 2014

Company Number : 02696326

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	6	211,930	277,812
Deferred tax	10	-	17,990
		211,930	295,802
Current assets			
Debtors	7	561,725	530,018
Cash at bank and in hand		91,037	228,645
		652,762	758,663
Creditors: Amounts falling due within one year	8	687,376	779,164
Net current liabilities		(34,614)	(20,501)
Total assets less current liabilities		177,316	275,301
Provisions for liabilities	9	(3,500)	(21,360)
Net assets		173,816	253,941
Capital and reserves			
Called up share capital	11	20,100	20,100
Profit and loss reserve	12	153,716	233,841
Shareholder's funds	13	173,816	253,941

Approved by the Board of Directors and authorised for issue on 7 December 2014



Lynn Chandler
Director

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

Woodspeen Training Limited
Notes to the financial statements
as at 31 July 2014

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

(b) Going concern

Based upon the latest profit and cash flow projections the cash requirements of the Company and, subject to the expectation that existing intercompany loans and additional short term funding are made available, the Directors are confident that the Company will be able to meet its liabilities as they fall due for the foreseeable future. It is on this basis that the Directors consider it appropriate to prepare the Company's financial statements on a going concern basis. However, the Directors recognise that although they have obtained confirmation from the Company's current parent undertaking of their intentions to support the Company, if it remains a subsidiary and should trading performance remain satisfactory, there is no commitment for them to do so. Furthermore, in the event of a change in ownership although it is likely any new owners would intend to continue to support the Company they also recognise that there can be no certainty in this respect. The availability of the existing intercompany loans and additional short term funding is therefore an uncertainty that may cast significant doubt over the Company's ability to continue as a going concern.

(c) Turnover

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

(d) Depreciation

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 on leasehold improvements is calculated using the straight line method. Depreciation of fixtures and equipment is calculated using either reducing balance or straight line method. 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 or straight line

Equipment – 25% per annum reducing balance or straight line

(e) Taxation

The tax charge 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 profit & loss account 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 company'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 recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing difference.

Deferred tax balances are not discounted.

(f) Operating lease rentals

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

(g) Pensions

The Company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

(h) Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Woodspeen Training Limited
Notes to the financial statements
as at 31 July 2014

1 Accounting policies (continued)

(i) Dividends

Equity dividends are recognised when they become legally payable. Final equity dividends are recognised when approved by the shareholders at the Annual General Meeting.

2 Operating loss

	Year 31 July 2014	Year 31 July 2013
Operating loss is stated after charging/(crediting):	£	£
Depreciation of tangible fixed assets	97,257	87,417
Depreciation leasehold improvements (note 9)	3,500	36,292
Release provision for leasehold dilapidations (note 9)	(21,360)	(35,081)
Loss on disposal of tangible fixed assets	4,600	-
Operating lease rentals – property	103,742	154,663
Defined contribution pension cost	10,593	12,829
Costs of exiting onerous lease (note 4)	95,104	-
Auditors' remuneration		
- Audit services	11,950	12,000
- Other services	280	1,620

3 Employees

(a) Staff costs

Staff costs (including directors) consist of:	Year 31 July 2014	Year 31 July 2013
	£	£
Wages and salaries	2,286,834	2,453,831
Social security costs	191,535	189,599
Contributions to defined contribution pension schemes	10,593	12,829
	2,488,962	2,656,259

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

	Year 31 July 2014	Year 31 July 2013
	Number	Number
Tutors, assessors and administrators	99	110
Management	6	6
	105	116

Woodspeen Training Limited
Notes to the financial statements
as at 31 July 2014

3 Employees (continued)

(b) Directors' remuneration

Directors' remuneration consists of:

	Year 31 July 2014	Year 31 July 2013
	£	£
Directors' emoluments	129,954	241,073
Contributions to defined contribution pension schemes	7,500	7,500
Benefits	2,735	2,665
	140,189	251,238

The Company contributes to defined contribution pension schemes on behalf of the directors. During the year the Company made contributions on behalf of 1 (2013 – 1) director.

The total amount payable to the highest paid director in respect of emoluments was £60,653. No pension contributions were made on their behalf by the Company.

Lynn Chandler, Saieem Hussain and Charles Prior are directors of the Company's parent company – Woodspeen Training Group plc – and receive no emoluments from the Company in respect of their services as a director of the Company.

4 Costs to exit onerous lease

During the year the Company incurred costs of £95,104 on early exit of an onerous property lease.

5 Taxation

Tax charged in the profit and loss account

	Year 31 July 2014	Year 31 July 2013
	£	£
Current tax:		
Corporation tax charge for the year	-	-
Over provision in prior years	-	(3,845)
	-	(3,845)
Deferred tax:		
Origination and reversal of timing differences	20,467	3,516
Deferred tax credit arising from reduction in tax rate	(2,477)	(702)
	17,990	2,814
Total tax charge/(credit) on profit on ordinary activities	17,990	(1,031)

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

	Year 31 July 2014	Year 31 July 2013
	£	£
Loss on ordinary activities before tax	(62,135)	(41,808)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 22.33% (2013 – 23.67%)	(13,875)	(9,896)
Tax losses arising in year	5,109	-
Over provision in prior year	-	(3,845)
Loss on disposal fixed assets	1,027	-
Expenses not deductible for tax purposes	826	343
Other timing differences	6,913	9,553
Current tax credit for year	-	(3,845)

Woodspeen Training Limited
Notes to the financial statements
as at 31 July 2014

6 Tangible fixed assets

	Software	Fixtures	Equipment	Leasehold	Total
	£	£	£	£	£
Cost					
At 1 August 2013	30,136	137,107	231,339	144,326	542,908
Additions	8,604	1,140	17,765	8,466	35,975
Disposals	(10,607)	-	-	-	(10,607)
At 31 July 2014	28,133	138,247	249,104	152,792	568,276
Accumulated depreciation					
At 1 August 2013	13,903	89,109	133,131	28,953	265,096
Charge for the year	6,104	18,010	37,483	35,660	97,257
Adjustment for disposals	(6,007)	-	-	-	(6,007)
At 31 July 2014	14,000	107,119	170,614	64,613	356,346
Net book value					
At 31 July 2014	14,133	31,128	78,490	88,179	211,930
At 31 July 2013	16,233	47,998	98,208	115,373	277,812

7 Debtors

	2014	2013
	£	£
Trade debtors	388,052	395,674
Other debtors	38,790	8,592
Prepayments and accrued income	134,883	125,752
	561,725	530,018

All amounts are due within one year.

8 Creditors: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	173,386	286,256
Other creditors	100,081	192,078
Amounts due to group undertakings	190,990	157,689
Other taxes and social security taxes	67,383	59,769
Accruals and deferred income	155,536	83,372
	687,376	779,164

Woodspeen Training Limited
Notes to the financial statements
as at 31 July 2014

9 Provision for liabilities

	2014	2013
	£	£
Dilapidations provision	3,500	21,360
		Dilapidation Provision
		£
At 1 August 2013		21,360
Arising in year		3,500
Released in year		(21,360)
At 31 July 2014		3,500
Non-current		3,500
Total		3,500

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 Company has decided to exercise a break clause) where reinstatement is required by the lease. 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.

10 Deferred taxation

Deferred tax is calculated in full on temporary differences under the liability method using tax rates of 20% (2013 – 21% -23.67%).

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

	2014
	£
Asset as at 1 August 2013	17,990
Profit and loss charge	(17,990)
Asset as at 31 July 2014	-

Details of the deferred tax asset and liability and amounts (charged)/credited to the profit and loss account are as follows:

	Asset/ (Liability) 2014	Charged/ (Credited) to Profit and Loss account 2014	Asset/ (Liability) 2013	Charged/ (Credited) to Profit and Loss Account 2013
	£	£	£	£
Accelerated capital allowances	(14,465)	(14,805)	(26,504)	6,647
Tax losses	12,465	11,782	36,120	(36,120)
Other timing differences	2,000	5,500	8,374	32,989
Effect of reduction in tax rate		(2,477)		(702)
	-	17,990	17,990	2,814

On the grounds of prudence has the Company has made a loss for the last two years, the Company has not recognised a deferred tax asset in respect of £125,000 of taxable losses available to offset against future taxable profits of the Company.

11 Share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
20,100 (2013 –20, 100) Ordinary shares of £1 each	20,100	20,100

Woodspeen Training Limited
Notes to the financial statements
as at 31 July 2014

12 Reserves

	Profit & Loss Reserve £
At 1 August 2013	233,841
Net loss for the year	(80,125)
At 31 July 2014	153,716

13 Reconciliation of movements in shareholder's funds

	2014 £	2013 £
(Loss)/Profit attributable to members of the Company	(80,125)	(40,777)
Opening shareholder's funds	253,941	294,718
Closing shareholder's funds	173,816	253,941

14 Related party transactions

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

Ms S Wilson, a director of the Company is a director of West Yorkshire Learning Providers (WYLP). WYLP is a membership organisation of learning providers in the Yorkshire and Humber area. Ms Wilson received no remuneration for her services as a director of WYLP. Woodspeen Training Limited is a sub-contractor to WYLP, on the same terms and conditions as other providers, for Train 2 Gain. The value of income earned from this sub-contracting provision with WYLP was £nil (2013 – £654).

15 Commitments under operating leases

The Company had annual commitments under non-cancellable operating leases in respect of land and buildings as follows:

	2014 £	2013 £
Within one year	8,958	30,500
After one year and not more than five years	71,055	112,055
	80,013	142,555

16 Capital commitments

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

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

17 Cash flow statement

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 1 "*Cash Flow Statements*" (*Revised 1996*), not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the Company are controlled within the group headed Woodspeen Training Group plc and the Company is included in those consolidated financial statements.

Woodspeen Training Limited
Notes to the financial statements
as at 31 July 2014

18 Ultimate parent company

The Company's ultimate parent company is Woodspeen Training Group plc, which is the parent of the largest and smallest group of which the Company is a member.

Copies of the consolidated financial statements of Woodspeen Training Group plc are available from Companies House.