

World Careers Network PLC

Report and Financial Statements

Year ended

31 July 2006

WORLD CAREERS NETWORK

WORLD CAREERS NETWORK PLC

Annual report and financial statements for the year ended 31 July 2006

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Directors and advisers

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Directors

Ian O W Moore, Non-executive chairman
Charles E H Hipps, Managing director
David K Moore, Technical director

Secretary and registered office

Paul Hipps, Emerald House, East Street, Epsom,
Surrey KT17 1HS

Company number

3813540

Auditors

BDO Stoy Hayward LLP,
Emerald House, East Street, Epsom, Surrey KT17 1HS

Nominated advisers and nominated broker

Charles Stanley & Company Limited
25 Luke Street, London EC2A 4AR

Registrars

Capita Registrars Limited
Northern House, Woodsome Park, Fenay Bridge,
Huddersfield, HD8 0LA

WORLD CAREERS NETWORK PLC

Chairman's statement

I am pleased to present the annual accounts of WCN, which show the results of the company for the year to 31 July 2006.

Financial Review

New business and expansion of work with existing clients resulted in sales of £3,716,666, an increase of 30% on the previous year and a profit before tax of £1,022,372, an increase of 70% on the previous year, representing earnings per share of 8.79p (2005: 5.34p).

Although turnover was divided fairly equally between the first and second halves of the year, our cost base rose sharply in the second half due to the recruitment of the additional staff referred to in our interim report. As a result the second half, whilst contributing 51% of turnover contributed just under 43% of the full year profit.

During the year we bought in and have cancelled 48,500 shares and will continue to effect further purchases as shares are offered to us.

The company has voluntarily adopted FRS 20 'Share based payment' a year early, application of which is obligatory for financial periods commencing on or after 1 January 2006, the effect of which has been to reduce the profit before tax for the year by £2,398.

Dividends

The directors are pleased to recommend the payment of a dividend of 3.5p per share, compared with 2.5p per share paid in respect of the previous year. This dividend will be subject to the approval of shareholders at the Annual General Meeting to be held at Level 1 West, Woodman Works, The Crescent, London SW19 8DR at 10.00am on Monday, 18 December 2006 and, if approved, will be payable on Tuesday, 19 December 2006 to shareholders on the register as at Friday, 24 November 2006.

The Board will be seeking at the Annual General Meeting the extension of the authority granted last year to make market purchases of ordinary shares, within the usual limits for a listed company. In assessing whether in practice to use this authority, the Board will take into account all relevant factors including the affect on earnings per share and assets per share ratios and other benefits to shareholders.

Share Option Scheme

During the year, the Board of directors has sought advice as to how share options may be used to retain and incentivise key staff in a tax efficient manner. Following this review the Board proposes to adopt the World Careers Network Plc Enterprise Management Incentive Scheme which will replace the company's existing share option scheme and which will enable the Board to grant qualifying share options under the HM Revenue and Custom's Enterprise Management Incentive ("EMI") tax code.

The structure of the Scheme has been designed with the aim of retaining and motivating key employees and ensuring that their interests are fully aligned with shareholders.

The scheme will grant tax efficient EMI share options where the qualifying criteria are met.

The EMI share options will vest and become exercisable 3 years from the date of grant and will be subject to leaver provisions. No performance conditions will apply to these EMI options. However, the EMI options will have an exercise price equal to the market value of a share in the Company at grant - and, therefore gains made by the participants will only arise to the extent that the Company's share price increases above the price when the options are granted.

Operating Review

Sales growth was fuelled by increased use of E-recruitment software for all types of recruitment but especially for the recruitment of experienced hires. As a result software sales now account for around 90% of our revenues. The remaining portion is made up of E-recruitment tests and response & project management which are sold alongside the software and are, in the main, delivered by other organisations.

Headcount increased across the business except in the administrative areas and rose from 44 to 64 during the financial year. More programmers were hired to enable us to drive forward the development of our software. Project management, configuration, and quality control resources were expanded in order to ensure the high quality of system implementations and to meet increased demand. At the same time the customer support and account management teams were strengthened to maintain and enhance the service to clients.

We intend to continue with our recruitment programme and anticipate that our headcount will rise close to 80 by the end of our current financial year.

Principal Risks and Uncertainties

Competitive pressure in the UK is a continuing risk for the company. The company manages this risk by providing added value services to its clients, having fast response times not only in supplying products but in handling all client queries and by maintaining strong relationships with our clients.

The business is dependent upon clients' ability to access data held on our servers and in order to ensure that this is not affected by a breakdown in power supplies or by other physical hazards our servers are housed in secure facilities on the premises of a specialist provider of such facilities.

Outlook

Our depth of experience should put us in a good position to benefit from ongoing growth in our core markets as employers continue to adopt E-recruitment software.

We have started, and expect to continue to make significant investments in bringing out a new generation of products, in marketing our brand, and in strengthening our delivery and client facing resources.

We believe these investments will impact profits in the short term, but are necessary in order to put the foundations in place to ensure the ongoing success of the business.

The past year has been especially demanding, the team have excelled themselves, and I want to thank everyone for their tremendous efforts as we begin what undoubtedly will be another challenging year.

Ian Moore
Chairman, World Careers Network Plc

WORLD CAREERS NETWORK PLC

Report of the directors for the year ended 31 July 2006

The directors present their report, together with the audited financial statements of the company, for the year ended 31 July 2006.

Results and dividends

The results of the company for the year are set out on page 8 and show a profit after taxation of £716,189 (2005: £436,012).

The directors recommend a final dividend of 3.5 pence per share. No interim dividend was paid.

Principal activities, review of business and future developments

The company's principal business is the provision of Internet based recruitment software for the tracking and selection of applicants. In addition, the company provides E-recruitment tests and response and project management in conjunction with its recruitment software and which are, in the main, delivered by other organisations.

A review of the business and details of future developments are given in the Chairman's statement.

Directors

The directors of the company during the year, and their beneficial interests in its ordinary share capital, including options to purchase shares, were as follows:

	Ordinary shares of 0.1p each			
	2006		2005	
	Shares held	Options and similar interests	Shares held	Options and similar interests
I O W Moore	30,000	20,000	30,000	20,000
C E H Hipps	5,404,500	-	5,404,500	-
D K Moore	50,000	54,350	50,000	34,350

There have been no changes in the directors' ordinary shareholdings, as disclosed in the above table, between 31 July 2006 and the date of approval of these financial statements.

Further details of directors' share options are shown in note 5. There were no other directors' interests or transactions with the company during the year.

IOW Moore retires in accordance with the company's Articles of Association and offers himself for re-election.

WORLD CAREERS NETWORK PLC

Report of the directors for the year ended 31 July 2006 *(Continued)*

Substantial shareholdings

Excluding the interests of directors, the company has been notified by the following shareholders of an interest of 3% or more in the company's ordinary share capital at 21 November 2006.

	Number of shares	% held
D S Hipps	477,750	5.8%
V J Hipps	477,750	5.8%
Liontrust Investment Services Ltd	993,507	12.2%

Policy and practice on the payment of creditors

The company's policy concerning the payment of its suppliers is to arrange the best possible terms with them and then pay as appropriate to those terms, subject to satisfactory performance by the suppliers. Any contractual or legal obligations would be honoured, with creditors being paid by the agreed dates to satisfy such commitments. At the financial year-end the number of days' purchases outstanding was 70 (2005: 55).

Financial instruments

Details of financial instruments and their associated risks are given in note 21 to the financial statements.

Going concern

After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue operations for the foreseeable future. For this reason they have adopted the going concern basis in preparing the financial statements.

Auditors

All of the current directors have taken all the steps they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant information of which the auditors are unaware.

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

By order of the Board

P Hipps
Secretary

21 November 2006

WORLD CAREERS NETWORK PLC

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985.

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.

WORLD CAREERS NETWORK PLC

Report of the independent auditors

To the shareholders of World Careers Network PLC

We have audited the financial statements of World Careers Network PLC for the year ended 31 July 2006 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's Statement and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

WORLD CAREERS NETWORK PLC

Report of the independent auditors *(Continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2006 and of its profit for the year then ended:
- the financial statements have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Directors' Report is consistent with the financial statements

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*
Epsom, Surrey

Date: 21 November 2006

WORLD CAREERS NETWORK PLC

Profit and loss account for the year ended 31 July 2006

	Note	2006 £	2005 as restated £
Turnover	2	3,716,666	2,847,425
Administrative expenses		2,778,202	2,309,625
Operating profit	3	938,464	537,800
Interest receivable		83,908	62,379
Profit on ordinary activities before taxation	2	1,022,372	600,179
Taxation on profit on ordinary activities	7	306,183	164,167
Profit on ordinary activities after taxation	16	716,189	436,012
Earnings per share	9		
Basic		8.79p	5.34p
Diluted		8.77p	5.33p

All amounts relate to continuing activities.

All recognised gains and losses are set out in the profit and loss account.

The notes on pages 12 to 23 form part of these financial statements.

WORLD CAREERS NETWORK PLC

Statement of total recognised gains and losses for the year ended 31 July 2006

	2006	2005
	£	as restated £
Profit attributable to shareholders and total recognised gains and losses related to the year	716,189	436,012
	<hr/>	<hr/>
<i>Note on prior period adjustment</i>		
Total recognised gains and losses related to the year as above	716,189	
Prior period adjustment (as explained in note 16)	2,017	
	<hr/>	
Total gains and losses recognised since last annual report	718,206	
	<hr/> <hr/>	

The notes on pages 12 to 23 form part of these financial statements.

WORLD CAREERS NETWORK PLC

Balance sheet at 31 July 2006

	Note	2006	2006	2005	2005
		£	£	£	as restated £
Fixed assets					
Intangible assets	10		103,973		132,965
Tangible assets	11		66,762		54,111
			170,735		187,076
Current assets					
Debtors	12	978,573		748,261	
Cash at bank and in hand		2,970,630		1,696,578	
			3,949,203		2,444,839
Creditors: amounts falling due within one year	13	1,634,700		615,029	
Net current assets			2,314,503		1,829,810
Total assets less current liabilities			2,485,238		2,016,886
Provisions for liabilities and charges	14		7,100		1,898
			2,478,138		2,014,988
Capital and reserves					
Called up share capital	15		8,121		8,170
Share premium account	16		1,528,278		1,528,278
Capital redemption reserve	16		49		-
Share scheme reserve	16		4,415		2,017
Profit and loss account	16		937,275		476,523
Shareholders' funds	17		2,478,138		2,014,988

The financial statements were approved by the Board of directors and authorised for issue on 21 November 2006

C E H Hipps
Director

The notes on pages 12 to 23 form part of these financial statements.

WORLD CAREERS NETWORK PLC

Cash flow statement for the year ended 31 July 2006

Reconciliation of operating profit to net cash inflow from operating activities

	Note	2006 £	2005 as restated £
Operating profit		938,464	537,800
Amortisation of goodwill	10	28,992	28,992
Depreciation of tangible assets	11	37,522	38,423
Operating costs not represented by cash flows	19	7,600	3,360
Increase in debtors		(230,312)	(282,797)
Increase in creditors		878,249	42,707
Net cash inflow from operating activities		1,660,515	368,485
Net cash inflow from operating activities		1,660,515	368,485
Returns on investments and servicing of finance			
Interest received		83,908	62,379
Taxation		(164,761)	(50,913)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	11	(50,173)	(51,601)
Purchase of own shares		(51,180)	
Dividends paid		(204,257)	(81,703)
Increase in cash in the year		1,274,052	246,647
Reconciliation of net cash flow to net funds and analysis of net funds			
Increase in cash in the year		1,274,052	246,647
Opening net funds		1,696,578	1,449,931
Closing net funds		2,970,630	1,696,578

The notes on pages 12 to 23 form part of these financial statements.

1 Accounting policies

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

The company's principal accounting policies, which were applied consistently during the period with the exception of those relating to share based payments and dividends, were as follows:

Goodwill

Goodwill arising on an acquisition of a business undertaking is the difference between the fair value of the consideration paid and the fair value of the identifiable assets and liabilities acquired. It is capitalised and amortised evenly through the profit and loss account over the directors' estimate of its useful economic life of 10 years. Impairment tests on the carrying value of goodwill are undertaken:

- at the end of the first full financial year following acquisition;
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Impairment of fixed assets and goodwill

The need for any fixed asset impairment write-down is assessed by comparing the carrying value of the asset with the higher of net realisable value and value in use.

Turnover

Turnover represents the invoiced amount of services provided to external customers, less value added tax or local taxes, adjusted for the amount invoiced to customers which relates to services provided after the period-end and where appropriate, amounts un-invoiced for services provided before the period end.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Computer equipment	-	33.3% per annum
Office furniture	-	20% per annum

Foreign currency

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

1 Accounting policies (Continued)

Deferred taxation

Deferred tax balances are 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 to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Pension costs

Contributions to employees' personal pension schemes (defined contribution) are charged to the profit and loss account in the period in which they become payable.

Operating leases

The annual rentals of operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

FRS 20 'Share based payment'

The company has voluntarily adopted FRS 20 'Share based payment' a year early, application of which is obligatory for periods commencing on or after 1 January 2006.

FRS 20 'Share based payment' requires the recognition of share-based payments at fair value at the date of grant. Prior to the adoption of FRS20, the company recognised the financial effect of share based payments in the following way: when share options were awarded to employees a charge was made to the profit and loss account based on the difference between the market value at the date of grant and the option exercise price in accordance with UITF17(revised 2003) 'Employee Share Schemes'. The credit entry for this charge was taken to the profit and loss reserve and reported in the reconciliation of movements in shareholders' funds.

In accordance with the transitional provisions of FRS20, the standard was applied retrospectively to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2006, and to liabilities for share-based transactions existing at 1 January 2006.

For 2005, the change in accounting policy has resulted an increase in administrative expenses and in a decrease in profit for the year of £2,017.

For 2006, the impact of share-based payments is a charge to administrative expenses of £2,398.

FRS21 'Events after the balance sheet date'

The company has adopted FRS21 'Events after the balance sheet date'. Previously, equity dividends declared after the balance sheet date were recognised as liabilities at the year end, as required by company law and SSAP17' Accounting for post balance sheet events'. In accordance with FRS17 and recent changes to the law, if a final equity dividend is declared after the balance sheet date but before the financial statements are authorised for issue, the dividend is not recognised as a liability at the balance sheet date.

WORLD CAREERS NETWORK PLC

Notes forming part of the financial statements for the year ended 31 July 2006 *(Continued)*

1 Accounting policies *(Continued)*

The adoption of FRS21 has resulted in an increase in shareholder funds of £204,257 at 1 August 2005 (2004 - £81,703) due to the write back of the dividend proposed at 31 July 2005.

2 Turnover and results

Turnover and the result for the period are wholly attributable to the principal activity of the company.

Analysis of geographical market by origin of customer:

	Pre-tax profit		Turnover	
	2006	2005	2006	2005
	£	£	£	£
United Kingdom	1,019,978	560,862	3,707,962	2,792,562
Mainland Europe	2,394	39,317	8,704	54,863
	<hr/>	<hr/>	<hr/>	<hr/>
	1,022,372	600,179	3,716,666	2,847,425
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

WORLD CAREERS NETWORK PLC

Notes forming part of the financial statements for the year ended 31 July 2006 (Continued)

3	Operating profit	2006	2005
		£	£
	This is arrived at after charging:		
	Depreciation of tangible assets	37,521	38,423
	Amortisation of goodwill	28,992	28,992
	Hire of assets - operating leases	48,023	40,000
	Auditors' remuneration - audit services	20,000	18,000
	- other services	3,000	2,000
	Share based payments	2,398	1,462
		<u><u> </u></u>	<u><u> </u></u>

4 Employees

The average monthly number of employees during the period, including executive directors, was as follows:

	2006	2005
	Number	Number
Professional staff	51	39
	<u><u> </u></u>	<u><u> </u></u>

Staff costs for all employees, including executive directors, consisted of:

	2006	2005
	£	£
Wages and salaries	1,635,894	1,270,232
Social security costs	165,806	118,041
Pension costs	13,720	13,680
	<u><u> </u></u>	<u><u> </u></u>
	1,815,420	1,401,953
	<u><u> </u></u>	<u><u> </u></u>

Pension costs relate to company payments to personal pension plans (defined contribution). There were no amounts payable at the year end.

5	Directors	2006	2005
		£	£
	Directors remuneration consists of:		
	Fees and emoluments for management services	202,507	176,615
		<u><u> </u></u>	<u><u> </u></u>

Pension contributions to defined contribution schemes paid by the company on behalf of two directors (2005: two directors) amounted to £10,100 (2005: £10,100).

Emoluments of the highest paid director amounted to £126,332 (2005: £104,604). In addition, pension contributions of £6,500 (2005: £6,500) were paid in the year.

5 Directors (Continued)

Share options

Share options granted to directors are set out below:

Name	Number at 1 August 2005	Granted/ (lapsed) in year	Exercised	Number at 31 July 2006	Exercise price	Date from which exercisable	Expiry date
I O W Moore	20,000	-	-	20,000	110p	10 March 2003	9 March 2010
D K Moore	6,750	-	-	6,750	152p	29 June 2004	28 June 2011
D K Moore	7,600	-	-	7,600	92.5p	31 May 2005	30 May 2012
D K Moore	10,000	-	-	10,000	50p	18 December 2006	17 December 2013
D K Moore	10,000	-	-	10,000	65p	6 December 2007	5 December 2014
D K Moore	-	20,000	-	20,000	104p	26 January 2009	25 January 2016

No directors' share options were exercised in the year.

6 Share based payments

The following information is relevant in the determination of the fair value of options granted under the equity settled share based remuneration schemes operated by the company

	2006	2005
Equity - settled		
Option pricing model used	Black-Scholes	Black-Scholes
Weighted average share price and exercise price at grant date (p.)	70	43
Weighted average contractual life (days)	2,555	2,555
Expected volatility	10-15%	10-15%
Expected dividend yield	0-2.5%	0-2.5%
Risk free interest rate	4.31-4.58%	4.31-4.58%

WORLD CAREERS NETWORK PLC

Notes forming part of the financial statements for the year ended 31 July 2006 (Continued)

7 Taxation on profit from ordinary activities

	2006 £	2005 £
Taxation on profit on ordinary activities	306,183	164,167

Factors affecting tax charge for year

The tax assessed for the year differs from the standard rate of corporation tax in the UK (30%).

The differences are explained below:

	2006 £	2005 £
Profit on ordinary activities before tax	1,022,372	600,179
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	306,712	180,054
<i>Effects of:</i>		
Expenses not deductible for tax purposes	3,623	150
Capital allowances in deficit of depreciation	7,456	8,698
Other timing differences	-	(676)
Marginal relief	(12,119)	(23,996)
Adjustments in respect of previous periods	511	(63)
Total current tax	306,183	164,167

Deferred tax

On 31 July 2006 there was an unprovided deferred tax asset as set out below.

	As at 31 July 2006 £	As at 31 July 2005 £
Accelerated capital allowances	11,160	8,923

WORLD CAREERS NETWORK PLC

Notes forming part of the financial statements for the year ended 31 July 2006 (Continued)

8 Dividends

	2006	2005 as restated
	£	£
<i>Ordinary shares</i>		
Final dividend proposed for the prior year of 2.5p (2005 -1p) per share	204,257	81,703
	=====	=====
<i>Ordinary shares</i>		
Final dividend proposed for the year of 3.5p (2005 - 2.5p) per share	284,263	204,257
	=====	=====

9 Earnings per share

Basic earnings per share

This is calculated by dividing the profit of £716,189 (2005: £436,012), being the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue throughout the year of 8,149,321 (2005: 8,170,279).

Diluted earnings per share

The weighted average number of shares for 2006 for this calculation was 8,167,488 (2005: 8,177,780). This is calculated based on the weighted average number of ordinary shares adjusted by 18,167 (2005: 7,501) to recognise the effect of the potential issue of further ordinary shares as a result of the exercise of share options.

10 Intangible assets

	Goodwill on acquisition £
<i>Cost</i>	
At 1 August 2005 and 31 July 2006	290,000
	=====
<i>Amortisation</i>	
At 1 August 2005	157,035
Provision for the year	28,992

At 31 July 2006	186,027

<i>Net book value</i>	
At 31 July 2006	103,973
	=====
At 31 July 2005	132,965
	=====

Goodwill arose on the acquisition of World Careers Network, an unincorporated business, on 8 March 2000

WORLD CAREERS NETWORK PLC

Notes forming part of the financial statements for the year ended 31 July 2006 *(Continued)*

11 Tangible assets

	Computer equipment £	Office furniture £	Total £
<i>Cost</i>			
At 1 August 2005	81,779	24,500	106,279
Additions	38,990	11,183	50,173
Write down of fully depreciated assets	(9,001)	(7,900)	(16,901)
	<hr/>	<hr/>	<hr/>
At 31 July 2006	111,768	27,783	139,551
<i>Depreciation</i>			
At 1 August 2005	38,652	13,516	52,168
Provision for the year	32,106	5,416	37,522
Write down of fully depreciated assets	(9,001)	(7,900)	(16,901)
	<hr/>	<hr/>	<hr/>
At 31 July 2006	61,757	11,032	72,789
<i>Net book value</i>			
At 31 July 2006	50,011	16,751	66,762
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 July 2005	43,127	10,984	54,111
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

12 Debtors

	2006 £	2005 £
Trade debtors	934,361	715,605
Prepayments	43,502	28,661
Other debtors	710	3,995
	<hr/>	<hr/>
	978,573	748,261
	<hr/> <hr/>	<hr/> <hr/>

All amounts recorded as debtors fall due for payment within one year.

13 Creditors: amounts falling due within one year

	2006	2005
	£	As restated £
Trade creditors	164,297	139,035
Corporation tax	305,671	164,249
Taxation and social security	139,608	84,097
Accruals and deferred income	1,025,124	227,648
	<hr/>	<hr/>
	1,634,700	615,029
	<hr/>	<hr/>

14 Provisions for liabilities and charges

	2006	2005
	£	£
Provision for Employer's National Insurance in respect of outstanding share options, pursuant to <i>UITF Abstract 25</i> :		
At start of year	1,898	-
Charged to staff costs in the year	5,202	1,898
	<hr/>	<hr/>
At 31 July 2006	7,100	1,898
	<hr/>	<hr/>

An Employer's National Insurance liability will arise upon the exercise of the outstanding share options disclosed in note 14. This liability may occur at any time between March 2004 and January 2016 and is dependent upon (i) the number of options exercised, (ii) the market value of the company's shares at the exercise date and (iii) the prevailing National Insurance rate at that time.

WORLD CAREERS NETWORK PLC

Notes forming part of the financial statements for the year ended 31 July 2006 (Continued)

15 Called up share capital

	2006 and 2005	
	Number	£
<i>Authorised</i>		
Ordinary shares of 0.1p each	56,370,000	56,370
	=====	=====
Redeemable preference shares of £1 each	43,630	43,630
	=====	=====
	Ordinary shares of 0.1p each	
	Number	£
In issue at 1 August 2005	8,170,279	8,170
Bought in and cancelled during the year	(48,500)	(49)
	-----	-----
In issue at 31 July 2006	8,121,799	8,121
	=====	=====

There have been no changes to the company's share capital since the balance sheet date.

Redeemable preference shares do not entitle the holder to any rights of participation in the profits of the company or carry any voting rights. However, they rank in priority to the ordinary shares for repayment in the event of the company being wound up.

The market price of the company's ordinary shares at 31 July 2006 was 137.5p and the range during the financial year was from 95 p to 137.5 p.

Share options

At 31 July 2006 the following share options under unapproved and approved schemes were outstanding in respect of the ordinary 0.1p shares:

Date of grant	At 1 August 2005	Granted	Lapsed	Exercised	At 31 July 2006	Nominal value £	Period of option	Exercise price per share
Unapproved Schemes								
10 March 2000	20,000	-	-	-	20,000	20	10 March 2003 - 9 March 2010	110p
26 January 2006	-	18,835	-	-	18,835	19	26 January 2009 - 25 January 2016	104p
	-----	-----	-----	-----	-----			
	20,000	18,835	-	-	38,835			
	=====	=====	=====	=====	=====			
Approved Scheme								
29 June 2001	10,900	-	3,000	-	7,900	11	29 June 2004 - 28 June 2011	152p
31 May 2002	17,200	-	5,900	-	11,300	17	31 May 2005 - 30 May 2012	92.5p
18 December 2003	19,500	-	-	-	19,500	19	18 December 2006 - 17 December 2013	50.0p
6 December 2004	19,250	-	-	-	19,250	19	6 December 2007 - 5 December 2014	65.0p
26 January 2006	-	14,815	-	-	14,815	15	26 January 2009 - 25 January 2016	104p
	-----	-----	-----	-----	-----			
	66,850	14,815	8,900	-	72,765			
	=====	=====	=====	=====	=====			

Directors' interests in share options are disclosed in note 5.

WORLD CAREERS NETWORK PLC

Notes forming part of the financial statements for the year ended 31 July 2006 (Continued)

16 Reserves	Share premium account	Capital redemption reserve	Share scheme reserve £	Profit and loss account £
At 1 August 2005 as previously stated	1,528,278	-	-	274,283
Prior year adjustments - share options	-	-	2,017	(2,017)
- dividends	-	-	-	204,257
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 August 2005 as restated	1,528,278	-	2,017	476,523
Purchase and cancellation of shares	-	49	-	(51,180)
Retained profit for the year	-	-	-	716,189
Dividends	-	-	-	(204,257)
Charge for share options	-	-	2,398	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2006	1,528,278	49	4,415	937,275
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

17 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Opening shareholders funds	1,810,731	1,577,514
Prior year adjustments - dividends	204,257	81,703
- share options	-	(555)
	<hr/>	<hr/>
Opening shareholders funds as restated	2,014,988	1,658,662
	<hr/>	<hr/>
Profit for the year	716,189	436,012
Increase in share scheme reserve	2,398	2,017
Dividends paid	(204,257)	(81,703)
Purchase and cancellation of shares	(51,180)	-
	<hr/>	<hr/>
Net increase in shareholders funds	463,150	356,326
	<hr/>	<hr/>
Closing shareholders funds	2,478,138	2,014,988
	<hr/> <hr/>	<hr/> <hr/>

18 Commitments under operating leases

As at 31 July 2006, the company had annual commitments under non-cancellable operating leases for land and buildings as set out below:

	2006 £	2005 £
Operating leases which expire:		
In less than one year	40,000	-
In two to five years	25,000	40,000
	<hr/> <hr/>	<hr/> <hr/>

19 Operating costs not represented by cash flows

	2006	2005
	£	as restated £
Appropriation to share scheme reserve (note 16)	2,398	1,462
National insurance charge on share options (note 14)	5,202	1,898
	<hr/>	<hr/>
	7,600	3,360
	<hr/> <hr/>	<hr/> <hr/>

20 Controlling shareholder

Charles Hipps, a director, is the company's controlling shareholder.

21 Financial instruments and treasury management

The company's principal financial instruments comprise cash, trade debtors and trade creditors. There is no difference between the fair values of these financial instruments and the amounts shown in the balance sheet.

The company's policy is that it does not trade in financial instruments.

The main risks arising from the company's activities are interest rate risk and liquidity risk. These are monitored by the Board of directors and were not considered to be significant at the balance sheet date.

The company's policy in respect of interest rate risk and liquidity risk is to retain in readily accessible bank deposit accounts sufficient funds to enable the company to meet its debts as they fall due, whilst earning interest at a guaranteed rate. At the balance sheet date cash funds of £2,600,000 (2005: £1,600,000) were held in a one week fixed term treasury reserve account at a 4.12 % (2005: 4.43%) fixed rate of interest. The balance of the cash was held in various current accounts in order to fund the day to day working capital requirements of the company.

The company does not hold hedging instruments in respect of foreign currency risk that may arise from its transactions with Mainland Europe, as the directors consider the company's foreign exchange liabilities to be negligible.

The company is mainly exposed to credit risk from credit sales. It is company policy to assess the credit risk of new customers and to factor the information from these credit ratings into future dealings with the customers. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

WORLD CAREERS NETWORK PLC

Notice of meeting

Notice is hereby given that the Annual General Meeting of the shareholders of World Careers Network Plc will be held at Woodman Works, The Crescent, London, SW19 8DR on Monday, 18 December 2006 at 10.00am for the following purposes:

- 1 To consider the financial statements and the reports of the directors and of the auditors for the year ended 31 July 2006.
- 2 To approve the payment of a dividend of 3.5p per share.
- 3 To consider the re-election of IOW Moore who retires as a director in accordance with the Articles of Association.
- 4 To re-appoint BDO Stoy Hayward LLP as auditors and to authorise the directors to fix their remuneration for the ensuing year.
- 5 (a) To approve the World Careers Network Plc Enterprise Management Incentive Scheme ("the Scheme") constituted by the rules produced in draft to this meeting and signed by the Chairman for the purposes of identification; and

(b) To authorise the Directors to adopt the rules (subject to such modifications as the Directors may consider necessary or desirable) and do all acts and things necessary or expedient to operate the Scheme.

As Special Business:

- 6 To consider and, if thought fit, to pass the following resolution as a special resolution:

That pursuant to article 9 of the Company's Articles of Association and in accordance with Section 166 of the Companies Act 1985, the Company be generally and unconditionally authorised during the period expiring on the date of the next annual general meeting of the Company after passing this resolution or 18 months from the passing of this resolution, whichever is the earlier, to make market purchases (as defined in Section 163(3) of the said Act) of ordinary shares in the capital of the Company (Ordinary Shares) on such terms and in such manner as the directors determine, provided that this authority shall:

- (i) be limited to a maximum of 406,090 Ordinary Shares representing 5% of the Company's issued Ordinary Share capital as at the date of the passing of this resolution;
- (ii) not permit payment by the Company, exclusive of any expenses, of less than the par value of each Ordinary Share;
- (iii) not permit payment by the Company, exclusive of any expenses, of more than 105% of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which such Ordinary Share is contracted to be purchased; and
- (iv) permit the Company to make a contract or contracts to purchase Ordinary Shares prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of this authority, and the Company may make a purchase of Ordinary Shares in pursuance of any such contract or contracts notwithstanding such expiry.

By order of the Board

P. Hipps
Secretary

21 November 2006

Notes

- 1) A member entitled to attend and vote at this meeting may appoint a proxy or proxies to attend and, on a poll, vote instead of him or herself. The proxy need not be a member. Instruments appointing proxies must be lodged with the company's registrars not less than seventy two hours before the time fixed for the meeting.

- 2) Pursuant to regulation 41(1) of the Uncertificated Securities Regulations 2001 (2001 No. 3755), the Company has specified that only those members registered on the register of members of the Company at 11am on Friday, 15 December 2006 or, in the event that the meeting is adjourned, on the register of members 72 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of Shares registered in their name at that time. Changes to the register of members after 11am on Friday, 15 December 2006 or, in the event that the meeting is adjourned, in the register of members 72 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend and vote at the meeting.

<http://www.wcn.co.uk>