



World Careers Network Plc

report and financial statements

year ended 31 July 2010



World Careers Network Plc

Annual report and financial statements for the year ended 31 July 2010

Contents

- 2 Chairman's statement
- 3 Report of the directors
- 4 Statement of directors' responsibilities
- 5 Report of the independent auditors
- 6 Profit and loss account
- 7 Balance sheet
- 8 Cash flow statement
- 9 Notes forming part of the financial statements

Directors

Ian O W Moore, Non-Executive Chairman
Charles E H Hipps, Managing Director
David K Moore, Technical Director
David J Earland, Operations Director

Secretary and registered office

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

Company number 3813540

Auditors

BDO 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 0GA

I am pleased to present the annual accounts of WCN, which show the results of the company for the year to 31 July 2010.

Financial Review

Compared to the previous year, profits before tax fell £156,000 to £585,000. This resulted from a 14% fall of £653,000 in sales to £4,146,000 (2009: £4,799,000) the impact of which was softened by a reduction of £546,000 in our costs and a £50,000 decrease in interest received as a consequence of the reduction in interest rates.

As foreseen in my statement which accompanied our accounts for the year ended 31 July 2009 the fall in revenues has resulted from lower levels of economic activity and the loss of some business as the result of consolidation in the financial sector. While costs have been reduced where possible to match lower levels of activity, our continued investment in product development and ongoing commitment to maintaining our high levels of service to clients have resulted in the reported decline in profits. The profit represents basic earnings per share of 5.65p. (2009: 6.54p)

During the year we bought in and cancelled 214,253 shares for a total consideration of £201,030 and will continue to effect further purchases as shares are offered to us at a suitable price.

Despite the reduction in profits our balance sheet remains robust with cash of £3.4m at 31 July 2010.

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.

Dividends

The directors are pleased to recommend the payment of a dividend of 3.5p per share, which is the same as that 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 5-7 Bridgeworks, The Crescent, London SW19 8DR at 10.00 am on Friday, 10 December 2010 and, if approved, will be payable on Tuesday, 14 December 2010 to shareholders on the register as at 12 November 2010.

Operating Review

While sales for the full year were down 14% as a result of clients that failed during the financial crisis and lower levels of discretionary expenditure on change requests and implementations, second half sales were £100,000 up on the first half as a result of the addition of new clients.

At the same time action taken in the first half year to reduce our costs resulted in a reduction in overheads in the second half of £220,000.

Our average headcount for the whole year reduced to 66 (2009: 72) reflecting the lower levels of sales and delivery activities.

Principal Risks and Uncertainties

Competitive pressure and economic instability is a continuing risk for the company. The company manages this risk by providing leading edge products and high levels of customer service, by managing resources levels and pursuing opportunities for continuous improvement.

The business is dependent upon clients' ability to safely access data held on our servers. In order to ensure that this is not affected by a breakdown in power supplies or by other physical hazards our servers are housed offsite in secure facilities on the premises of a specialist provider of such facilities. Third party security experts are also regularly engaged to advise on data security.

Outlook

Over the past years we have invested heavily in new product development and our software is highly regarded in the HR market. We expect to continue to build on this position of strength by launching our first clients in the latest version of our software in the first half of our current financial year.

The slight growth in sales in the second half of 2009/10 was underpinned by high levels of activity within the business and we are hopeful that this momentum will continue into 2010/11. However the economic environment remains extremely uncertain making it impossible to assess prospects for the coming year.

Despite this we believe it is crucial to invest in continued improvements in product and service and have begun to increase headcount to ensure we can maintain high levels of client satisfaction, continue to deliver leading edge software and are ready to take advantage of opportunities as they emerge.

The uncertain economic environment and high levels of activity towards the end of the year, have made this a particularly gruelling year for the team at WCN to which everyone has responded magnificently. I would like to thank the whole team for their dedication, energy and commitment.

Ian Moore

Chairman, World Careers Network Plc

Date: 28 October 2010

The directors present their report, together with the audited financial statements of the company, for the year ended 31 July 2010.

Results and dividends

The results of the company for the year are set out on page 8 and show a profit after taxation of £440,801 (2009 - £525,094).

The directors recommend a final dividend of 3.5p 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, including the principle risks and uncertainties, and details of future developments are given in the Chairman's statement.

The changes in Key Performance Indicators between the financial years 2009/10 and 2008/09 were as follows:

	2009/10	2008/09
Sales per employee	62,829	66,653
Operating Profit per employee	8,435	9,203

Directors

The directors of the company during the year were:

I O W Moore
C E H Hipps
D K Moore
D J Earland

CEH Hipps retires by rotation and being eligible offers himself for re-election.

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 34 (2009: 49).

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 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

Date: 28 October 2010

The directors are responsible for preparing the director's 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. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

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;
- state whether they applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 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 requirements of 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.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company'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 company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein

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 2010 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and 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 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 company's affairs as at 31 July 2010 and its profit 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.

Opinion on other matter 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:

Under the Companies Act 2006 we are required 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.

Sophia Hill (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Epsom, Surrey
United Kingdom

Date: 28 October 2010

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

Profit and loss account for the year ended 31 July 2010

	Note	2010 £	2009 £
Turnover	2	4,146,717	4,799,018
Administrative expenses		3,590,012	4,136,360
Operating profit	3	556,705	662,658
Interest receivable		28,389	78,793
Profit on ordinary activities before taxation		585,094	741,451
Taxation on profit on ordinary activities	7	144,293	216,357
Profit on ordinary activities after taxation	16	440,801	525,094
Earnings per share	9		
Basic		5.65p	6.54p
Diluted		5.64p	6.53p

All amounts relate to continuing activities.

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

The notes on pages 9 to 17 form part of these financial statements.

	Note	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Intangible assets	10		-		16,997
Tangible assets	11		110,719		106,036
			110,719		123,033
Current assets					
Debtors	12	983,701		810,338	
Cash at bank and in hand		3,388,609		3,555,711	
		4,372,310		4,366,049	
Creditors: amounts falling due within one year	13	1,092,951		1,072,680	
Net current assets			3,279,359		3,293,369
Total assets less current liabilities			3,390,078		3,416,402
Provisions for liabilities	14		-		1,136
			3,390,078		3,415,266
Capital and reserves					
Called up share capital	15		7,636		7,850
Share premium account	16		1,531,472		1,531,472
Capital redemption reserve	16		540		326
Share scheme reserve	16		29,748		19,949
Profit and loss account	16		1,820,682		1,855,669
Shareholders' funds	17		3,390,078		3,415,266

The financial statements were approved by the Board of directors and authorised for issue on 28 October 2010.

C E H Hipps
Director

Reconciliation of operating profit to net cash inflow from operating activities

	Note	2010 £	2009 £
Operating profit		556,705	662,658
Amortisation of goodwill	10	16,997	28,992
Depreciation of tangible assets	11	73,222	92,636
Operating costs not represented by cash flows	19	8,663	7,500
(Increase)/decrease in debtors		(173,363)	231,480
(Decrease)/increase in creditors		(6,797)	(42,066)
Net cash inflow from operating activities		475,427	981,200
Net cash inflow from operating activities		475,427	981,200
Returns on investments and servicing of finance			
Interest received		28,389	78,793
Taxation		(117,225)	(290,542)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	11	(77,905)	(19,887)
Equity Dividends paid	8	(274,758)	(283,291)
Financing			
Issue of ordinary share capital		-	1,350
Purchase of own shares	15	(201,030)	(244,116)
(Decrease)/increase in cash in the year		(167,102)	223,507
Reconciliation of net cash flow to net funds and analysis of net funds			
(Decrease)/increase in cash in the year		(167,102)	223,507
Opening net funds - cash		3,555,711	3,332,204
Closing net funds - cash		3,388,609	3,555,711

The notes on pages 9 to 17 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 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. Turnover in respect of support contracts is recognised evenly over the contract period. Turnover in respect of project income is recognised with reference to the stage of completion of individual projects at the period end providing that it is probable that the consideration due will be received

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
Leasehold improvements	-	over the period of the lease

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.

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.

Research and development

Expenditure on pure and applied research and development costs are charged to the profit and loss account in the year in which they are incurred.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. As long as all other vesting conditions are satisfied, a charge is made.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss account for the remaining vesting period.

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.

Dividends

Equity dividends are recognised when they become legally payable following approval by the shareholders at an annual general meeting.

2. Turnover and results

Turnover and the result for the period, both of which arose in the United Kingdom, are wholly attributable to the principal activity of the company.

3. Operating profit

	2010	2009
	£	£
This is arrived at after charging:		
Depreciation of tangible assets	73,222	92,636
Amortisation of goodwill	16,997	28,992
Hire of assets - operating leases	102,500	102,500
Auditors' remuneration		
- audit services	22,000	21,000
- taxation services	4,026	3,000
Equity settled share based payments	8,663	7,500

4 Employees

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

	2010 Number	2009 Number
Client related staff	61	66
Administrative staff	5	6
	66	72

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

	2010 £	2009 £
Wages and salaries	2,413,134	2,685,292
Social security costs	269,426	284,455
Pension costs	47,450	38,783
	2,730,010	3,008,530

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

5 Directors

	2010 £	2009 £
Directors remuneration consists of:		
Fees and emoluments for management services	288,956	271,124

Pension contributions to defined contribution schemes paid by the company on behalf of 3 directors (2009: 3 directors) amounted to £25,100 (2009: £16,600).

Emoluments of the highest paid director amounted to £97,415 (2009: £117,498). In addition, pension contributions of £15,000 (2009: £6,500) were paid in the year.

Share options

Share options granted to directors are set out below:

Name	Number at 1 August 2009	Granted/ (lapsed) in year	Exercised	Number at 31 July 2010	Exercise price	Date from which exercisable	Expiry date
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	7 December 2013
D K Moore	10,000	-	-	10,000	65p	6 December 2009	5 December 2014
D K Moore	20,000	-	-	20,000	104p	26 January 2010	25 January 2016
D K Moore	10,000	-	-	10,000	137.5p	18 December 2010	17 December 2016
D K Moore	10,000	-	-	10,000	147.5p	14 December 2010	13 December 2017
D K Moore	10,000	-	-	10,000	112.5p	11 December 2011	11 December 2018
D K Moore	-	8,500	-	8,500	88.5p	11 December 2012	10 December 2019
D J Earland	5,400	-	-	5,400	147.5p	14 December 2010	13 December 2017
D J Earland	6,000	-	-	6,000	112.5p	11 December 2011	10 December 2018
D J Earland	-	9,150	-	9,150	88.5p	11 December 2012	10 December 2019

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

	2010	2009
Equity – settled		
Option pricing model used	Black-Scholes	Black-Scholes
Weighted average share price and exercise price at grant date (p.)	96.0/88.5	110.0/112.5
Weighted average contractual life (days)	1,825	1,825
Expected volatility	10%	10%
Expected dividend yield	3.0%	3.0%
Risk free interest rate	4.5%	4.5%

7 Taxation on profit from ordinary activities

	2010	2009
	£	£
Taxation on profit on ordinary activities	144,293	216,357
Factors affecting tax charge for year		

The tax assessed for the year differs from the standard rate of corporation tax in the UK (28%). The differences are explained below:

Profit on ordinary activities before tax	585,094	741,451
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%	163,826	207,606
Effects of:		
Expenses not deductible for tax purposes	10,269	2,834
Depreciation for period in excess of (less than) capital allowances	(14,712)	18,402
Other timing differences	1,128	1,130
Marginal relief	(16,218)	(11,877)
Adjustments in respect of previous periods	-	(1,738)
Total current tax	144,293	216,357

Deferred tax: On 31 July 2010 there was an unprovided deferred tax asset as set out below.

	As at 31 July 2010	As at 31 July 2009
	£	£
Accelerated capital allowances	876	14,459

8 Dividends

	2010	2009
Ordinary shares	£	£
Final dividend proposed for the prior year of 3.5p (2009 – 3.5p) per share	<u><u>274,758</u></u>	<u><u>283,291</u></u>
Ordinary shares		
Final dividend proposed for the year of 3.5p (2009 – 3.5p) per share	<u><u>267,259</u></u>	<u><u>274,758</u></u>

9 Earnings per share

Basic earnings per share

This is calculated by dividing the profit of £440,801 (2009 - £525,094), being the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue throughout the year of 7,800,331 (2009 - 8,022,712).

Diluted earnings per share

The weighted average number of shares for 2010 for this calculation was 7,815,441 (2009 - 8,037,167). This is calculated based on the weighted average number of ordinary shares adjusted by 15,110 (2009 - 14,455) to recognise the effect of the potential issue of further ordinary shares as a result of the exercise of share options.

The company has 141,781 (2009 - 107,981) anti-dilutive options outstanding at the end of the year that were, accordingly, not included in the calculation of earnings per share.

10 Intangible assets

	Goodwill on acquisition
Cost	£
At 1 August 2009 and 31 July 2010	<u><u>290,000</u></u>
Amortisation	
At 1 August 2009	273,003
Provision for the year	16,997
At 31 July 2010	<u><u>290,000</u></u>
Net book value	
At 31 July 2010	<u><u>-</u></u>
At 31 July 2009	<u><u>16,997</u></u>

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

11 Tangible assets

	Leasehold Improvements	Computer equipment	Office furniture	Total
	£	£	£	£
Cost				
At 1 August 2009	66,377	244,996	35,696	347,069
Additions	-	78,652	(747)	77,905
Write down of fully depreciated assets	-	(156,187)	-	(156,187)
At 31 July 2010	66,377	167,461	34,949	268,787
Depreciation				
At 1 August 2009	20,139	198,132	22,762	241,033
Provision for the year	13,500	54,115	5,607	73,222
Write down of fully depreciated assets	-	(156,187)	-	(156,187)
At 31 July 2010	33,639	96,060	28,369	158,068
Net book value				
At 31 July 2010	32,738	71,401	6,580	110,719
At 31 July 2009	46,238	46,864	12,934	106,036

12 Debtors

	2010	2009
	£	£
Trade debtors	917,025	739,737
Prepayments	66,349	66,909
Other debtors	327	3,692
	983,701	810,338

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

13 Creditors: amounts falling due within one year

	2010	2009
	£	£
Trade creditors	113,262	96,444
Corporation tax	353,245	326,177
Taxation and social security	236,430	136,620
Accruals and deferred income	390,014	513,439
	1,092,951	1,072,680

14 Provisions for liabilities

	2010	2009
	£	£
Provision for Employer's National Insurance in respect of outstanding share options, pursuant to UITF Abstract 25:		
At start of year	1,136	1,136
Released in the year	(1,136)	-
At 31 July 2010	-	1,136

15 Called up share capital

	2010 and 2009	
	Number	£
Authorised		
Ordinary shares of 0.1p (2009 - 0.1p) each	56,370,000	56,370
Redeemable preference shares of £1 (2009 - £1) each	43,630	43,630
	Ordinary shares of 0.1p each	
	Number	£
In issue at 1 August 2009	7,850,232	7,850
Bought in and cancelled during the year	(214,253)	(214)
In issue at 31 July 2010	7,635,979	7,636

During the year 214,253 shares were bought in for a total consideration of £201,030 and cancelled.

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 2010 was 96.0p and the range during the financial year was from 88.5p to 102.5p.

Share options

At 31 July 2010 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 2009	Granted	Lapsed	Exercised	At 31 July 2010	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
	<u>38,835</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>18,835</u>			
Approved Scheme								
29 June 2001	7,750	-	-	-	7,750	8	29 June 2004 - 28 June 2011	152p
31 May 2002	8,300	-	-	-	8,300	10	31 May 2005 - 30 May 2012	92.5p
18 December 2003	12,000	-	-	-	12,000	12	18 December 2006 - 17 December 2013	50.0p
6 December 2004	14,000	-	-	-	14,000	14	6 December 2009 - 5 December 2014	65.0p
26 January 2006	6,165	-	-	-	6,165	6	26 January 2010 - 25 January 2016	104p
18 December 2006	13,250	-	-	-	13,250	14	18 December 2010 - 17 December 2016	137.5p
13 December 2007	36,649	-	-	-	36,649	37	13 December 2010 - 12 December 2017	147.5p
11 December 2008	49,332	-	-	-	49,332	49	11 December 2011 - 10 December 2018	112.5p
11 December 2009	-	58,049	-	-	58,049	58	11 December 2012 - 10 December 2019	88.5p
	<u>147,446</u>	<u>58,049</u>	<u>-</u>	<u>-</u>	<u>205,495</u>			

Directors' interests in share options are disclosed in note 5

16 Reserves

	Share premium account	Capital redemption reserve	Share scheme reserve	Profit and loss account
	£	£	£	£
At 1 August 2009	1,531,472	326	19,949	1,855,669
Purchase and cancellation of shares		214		(201,030)
Profit for the year				440,801
Dividends				(274,758)
Charge for share options			9,799	
At 31 July 2010	1,531,472	540	29,748	1,820,682

17 Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Opening shareholders funds	3,415,266	3,408,729
Profit for the year	440,801	525,094
Increase in share scheme reserve	9,799	7,500
Dividends paid	(274,758)	(283,291)
Purchase and cancellation of shares	(201,030)	(244,116)
Issue of shares	-	1,350
Net (decrease)/increase in shareholders' funds	(25,188)	6,537
Closing shareholders funds	3,390,078	3,415,266

18 Commitments under operating leases

As at 31 July 2010, the company had annual commitments under non-cancellable operating leases for land and buildings as set out below:

	2010 £	2009 £
Operating leases which expire:		
In two to five years	<u>102,500</u>	<u>102,500</u>

19 Operating costs not represented by cash flows

	2010 £	2009 £
Appropriation to share scheme reserve (note 16)	9,799	7,500
National insurance release on share options (note 14)	(1,136)	-
	<u>8,663</u>	<u>7,500</u>

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 £1,800,000 (2009 - £3,000,000) were held in a 10 day notice treasury reserve account at a 2.05% fixed rate of

interest and £1,000,000 were held in an instant access account at 0.90% fixed rate of interest (2009 - 0.64%). 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 assets and 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.

22 Related party transactions

The following related party transactions happened during the year:

	2010 £	2009 £
Dividends paid to the directors of the company:		
CEH Hipps	189,157	189,157
DK Moore	<u>1,750</u>	<u>1,750</u>

Notice of meeting

Notice is hereby given that the Annual General Meeting of the shareholders of World Careers Network Plc will be held at 5/7 Bridge Works, The Crescent, London, SW19 8DR on Friday, 10 December 2010 at 10.00 am 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 2010.
- 2 To approve the payment of a dividend of 3.5p per share.
- 3 To consider the re election of CEH Hipps who retires as a director in accordance with the Articles of Association.
- 4 To re-appoint BDO LLP as auditors and to authorise the directors to fix their remuneration for the ensuing year.

As Special Business:

- 5 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 701 of the Companies Act 2006, 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 693(4) 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 381,800 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

Date: 28 October 2010

Notes

- 1) A member of the company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him or herself. A proxy need not be a member of the company. In default of a specific appointment, the Chairman of the Meeting will act as your proxy.
- 2) The appointment of a proxy does not preclude a member of the Company from attending and voting at the meeting.
- 3) In the case of joint holders only one need sign. The vote of the most senior holder named in the Register of Members alone will be counted.
- 4) To be valid the Form of Proxy must be completed and signed, together with any power of attorney or other authority under which it is signed or a duly certified copy thereof and lodged with World Careers Network PLC, 5/7 Bridge Works, The Crescent, London SW19 8DR
- 5) 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, 4 December 2010 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, 4 December 2010 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.

WCN Plc
5-7 Bridgeworks
The Crescent
London SW19 8DR