World Careers Network Plc

report and consolidated financial statements for the year ended 31 July 2017

year ended 31 July 2017

World Careers Network Plc

Annual report and financial statements for the year ended 31 July 2017

Contents

2 Strategic report

3 Report of the directors

4 Report of the independent auditor

6 Consolidated Income Statement

7 Consolidated Statement of Comprehensive Income

8 Consolidated Statement of Financial Position

9 Consolidated Statement of Changes in Equity

10 Consolidated Statement of Cash Flows

11 Notes to the Consolidated Financial Statements

22 Company Statement of Financial Position

23 Company Statement of Changes in Equity

24 Company Statement of Cash Flows

25 Notes to the Company Financial Statements

Directors

Charles E H Hipps
David K Moore
David J Earland

Secretary and registered office

Paul Hipps, 5-7 Bridgeworks, The Crescent
London SW19 8DR

Company number 3813540

Auditor

BDO LLP, 55 Baker Street,
London W1U 7EU

Nominated advisers and broker

Panmure Gordon (UK) Limited
One New Change, London EC4M 9AF

Registrars

Link Asset Services, The Registry,
34 Beckenham Road, Beckenham, Kent BR3 4TU

The Directors present their strategic report with the audited consolidated and parent Company financial statements for the year ended 31 July 2017.

Principal Activity

The principal activity of the World Careers Network PLC group of Companies ('World Careers Network' or the 'Group') is the provision of Internet based recruitment software for the tracking and selection of applicants.

Financial Review

As anticipated in my full year statement for 2016, profits for 2017 are significantly down at £811,543 compared to last year's profit of £1,382,896 while revenues increased 16.4% from £8,457,202 to £9,848,048.

The changes in Key Performance Indicators between the financial years 2016/2017 and 2015/2016 were as follows:

	2016/17	**2015/16**
Sales per employee	86,513	86,298
Operating profit per employee	6,783	13,670

The average headcount in 2016/17 was up 16% at 114.

The group is investing for future growth and this has resulted in increased headcount and employee costs. Revenues have risen broadly in line with our headcount whilst the operating profit per employee has fallen as a result of the concentration of resources into specialist areas and an increase in our marketing spend.

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 effect 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 (2016 - 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 10.30am on 13 December 2017 and, if approved, will be payable on 15 December 2017 to shareholders on the register as at 24 November 2017.

Operating Review

There is a considerable focus inside the business on ensuring existing clients are highly satisfied, retained and growing their business with us; that we are developing innovative transformational product which by supporting the recruitment of high quality and diverse hires delivers a significant benefit to our clients; that we broaden the market for our products and attract new clients; and ensuring we have a great team in WCN to deliver against our objectives.

Investment in these areas – primarily marketing, sales, product development and customer success & support – resulted in a rise in our costs of £1,958,410.

The benefit of this expenditure is reflected in an improvement in our client satisfaction and the increase in our sales of £1,390,846.

Principal Risks and Uncertainties

Commercial and Operational Risk

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 resource 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 these services. Third party security experts are also regularly engaged to advise on data security.

Financial Risk

The main risk arising from the Company's activities is currency risk. This is monitored by the Board of directors and was not considered to be significant at the balance sheet date.

Further information in relation to financial risk can be found in note 19 to the financial statements.

Outlook

Strong technology and an exciting product pipeline; positive and growing client satisfaction; and an experienced team provide a great foundation for ongoing success. However, lower than expected sales in the last financial year and ongoing sales challenges, high investments, known reductions in revenues from the existing client base, general economic uncertainty and a competitive market will make this a very challenging year in which, inevitably, we expect to see a further significant fall in profits.

The high quality of the team and dedication to our clients is the key factor underlying our success. I'd like to thank the team at WCN for their outstanding efforts.

This strategic report was approved by the order of the Board on 2 November 2017.

Charles EH Hipps
Chairman, World Careers Network

The Directors present their report with the audited consolidated and parent Company financial statements of the Group for the year ended 31 July 2017.

Directors

The Directors of the Company during the year and up to the approval of the financial statements were:

	Ordinary shares of £0.001 2017	2016
Chairman		
Charles E H Hipps	5,404,500	5,404,500
Technical Director		
David K Moore	1,100	1,100
Operations Director		
David J Earland	5,400	-

Charles EH Hipps retires by rotation and being eligible offers himself for re-election.
Transactions with directors and directors' interests are disclosed in notes 6 and 20 to the financial statements

Dividends

The directors recommend a final dividend of 3.5p (2016 - 3.5p) per share. No interim dividend was paid (2016 - Nil).

Directors' Indemnities

The group has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Financial Instruments

Details of financial instruments and their associated risks and risk management objectives are given in note 19 to the financial statements.

Research & Development

The Group continues to develop the software and technology within the business and any qualifying expenditure is capitalised in accordance with applicable accounting standards.

Acquisition of Own Shares

During the year the Company purchased 19,500 shares which have been cancelled. The Company will continue to effect further purchases as shares are offered to us at a suitable price.

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 effect on earnings per share and assets per share ratios and other benefits to shareholders.

Post Balance Sheet Events

The directors have no post balance sheet events to disclose.

Directors' Responsibilities

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

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

Auditor

The auditor, BDO LLP is deemed to be reappointed at the Annual General meeting to be held on 13 December 2017.

On Behalf of the Board

P Hipps
Secretary

2 November 2017

Independent Auditor's Report to the Members of World Careers Network PLC

Opinion

We have audited the financial statements of World Careers Network plc (the 'parent company') and its subsidiary (the 'group') for the year ended 31 July 2017 which comprise the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flows and the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2017 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Matter

Revenue recognition

The group generates revenues from software licences for the provision of e-recruitment software and related implementation and development services. The accounting policy in respect of revenue recognition is described on page 11 in note 2.

Certain elements of group revenues are recognised with reference to the stage of completion of a project when the right to consideration is earned. Management undertake an exercise at each period end to estimate the stage of completion of individual projects. Where it is determined that the amount invoiced exceeds the value of the work done, an appropriate amount is deferred to future periods. Similarly, if there are material amounts of unbilled project work at the period end then revenue will be accrued.

In view of the judgements involved and the significance of this matter to the determination of group revenue we consider this to be an area giving rise to significant risk of material misstatement in the financial statements.

How we addressed the matter in our audit

We have critically assessed the appropriateness of the revenue recognition policies and considered whether they comply with IAS18, have been applied consistently and free from bias.

We tested management's judgements over the stage of completion of projects in progress across the year end and the associated level of revenue recognition by:

- Testing the completeness of deferred revenues by selecting a sample of sales recorded towards the year end and challenging whether appropriate amounts have been deferred.
- Selecting a sample of projects where revenues have been deferred and examining these to confirm the accurate treatment of these items.
- Testing a sample of invoices after the year-end and confirming that these were recorded in the correct period and accrued revenues were recognised as appropriate.

Our application of materiality

We determined materiality for the financial statements as a whole to be £150,000 which represents approximately 1.5% of revenue for the year. We agreed with the audit committee that we would report to them misstatements identified during our audit above £5,000.

We used revenue as a benchmark as revenue quality and growth are key metrics for businesses in this sector.

An overview of the scope of our audit

The parent entity is based in the UK and there is a relatively small subsidiary based in the US. We completed a full scope audit for the parent entity and performed further audit work on the US entity necessary for our opinion on the consolidated financial statements. The audit team obtained an understanding of the internal control environment related to the financial reporting process and assessed the appropriateness, completeness and accuracy of group journals and other adjustments performed on consolidation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:
www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Stuart Collins (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

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

	Note	2017	2016
		£	£
Revenue	3	**9,848,048**	8,457,202
Total administrative expenses		**9,075,921**	7,117,511
Operating profit	4	**772,127**	1,339,691
Finance income		**39,416**	43,205
Profit on ordinary activities before taxation		**811,543**	1,382,896
Income Tax	8	**194,856**	277,201
Profit for the year		**616,687**	1,105,695
Earnings per share	10		
Basic		**8.15p**	14.62p
Diluted		**8.05p**	14.46p

The notes on pages 11 to 21 form part of these financial statements.

	2017	2016
	£	£
Profit for the year	**616,687**	1,105,695
Other comprehensive income		
Items that may be reclassified into profit or loss		
Exchange differences on translation of foreign operations (net of tax)	**(6,783)**	(4,371)
Other comprehensive income for the year	**(6,783)**	(4,371)
Total comprehensive income for the year and attributable to the owners of the parent	**609,904**	1,101,324

The notes on pages 11 to 21 form part of these financial statements.

Company number 3813540	Note	2017	2016
		£	£
Assets			
Non-current assets			
Property, plant and equipment	11	**170,848**	140,174
		170,848	140,174
Current assets			
Trade and other receivables	12	**1,454,107**	2,299,183
Cash and cash equivalents	13	**11,631,288**	10,171,966
Total current assets		**13,085,395**	12,471,149
Total assets		**13,256,243**	12,611,323
Equity			
Issued capital	15	**7,586**	7,562
Share premium	16	**1,649,024**	1,595,040
Capital redemption reserve	16	**708**	689
Translation reserve	16	**(1,188)**	5,595
Retained earnings	16	**8,273,990**	7,945,446
Total equity		**9,930,120**	9,554,332
Liabilities			
Non-current liabilities			
Deferred tax	8	**21,822**	16,643
Liabilities			
Current liabilities			
Trade and other payables	14	**3,183,567**	2,867,245
Corporation tax		**120,734**	173,103
Total current liabilities		**3,304,301**	3,040,348
Total liabilities		**3,326,123**	3,056,991
Total equity and liabilities		**13,256,243**	12,611,323

The financial statements were approved by the Board of Directors and authorised for issue on 2 November 2017

They were signed on its behalf by:

C E H Hipps
Director

The notes on pages 11 to 21 form part of these financial statements.

	Share capital £	Share premium £	Capital redemption reserve £	Translation reserve £	Retained Earnings £	Total £
Balance at 1 August 2015	7,559	1,591,703	689	9,966	7,088,194	8,698,111
Comprehensive income						
Profit for the year	-	-	-	-	1,105,695	1,105,695
Other comprehensive income	-	-	-	(4,371)	-	(4,371)
Total comprehensive income for the year	-	-	-	(4,371)	1,105,695	1,101,324
Transactions with owners						
Issue of shares	3	3,337	-	-	-	3,340
Dividends paid	-	-	-	-	(264,645)	(264,645)
Share based payments	-	-	-	-	16,202	16,202
Balance at 31 July 2016	7,562	1,595,040	689	5,595	7,945,446	9,554,332
Balance at 1 August 2016	7,562	1,595,040	689	5,595	7,945,446	9,554,332
Comprehensive income						
Profit for the year	-	-	-	-	616,687	616,687
Other comprehensive income	-	-	-	(6,783)	-	(6,783)
Total comprehensive income for the year	-	-	-	(6,783)	616,687	609,904
Transactions with owners						
Issue of shares	43	53,984	-	-	-	54,027
Purchase of own shares	(19)	-	19	-	(37,050)	(37,050)
Dividends paid	-	-	-	-	(264,745)	(264,745)
Share based payments	-	-	-	-	13,652	13,652
Balance at 31 July 2017	**7,586**	**1,649,024**	**708**	**(1,188)**	**8,273,990**	**9,930,120**

The notes on pages 11 to 21 form part of these financial statements.

	2017	2016
	£	£
Cash flows from operating activities		
Profit for the year	**616,687**	1,105,695
Depreciation	**94,104**	84,067
Exchange differences on translation of foreign operations	**(6,783)**	(4,371)
Share based payments	**13,652**	16,202
Decrease in receivables	**845,076**	268,495
Increase in payables	**316,322**	824,648
Finance income	**(39,416)**	(43,205)
Corporation tax expense	**194,856**	277,201
	2,034,498	2,528,732
Taxation	**(242,047)**	(250,556)
Net cash inflow from operating activities	**1,792,451**	2,278,176
Cash flows from investing activities		
Interest received	**39,416**	43,205
Purchase of property, plant and equipment	**(124,778)**	(107,498)
Net cash outflow from investing activities	**(85,362)**	(64,293)
Cash flows from financing activities		
Proceeds from issue of shares	**54,027**	3,340
Purchase of own shares	**(37,050)**	-
Equity dividends paid	**(264,745)**	(264,645)
Net cash outflow from financing activities	**(247,768)**	(261,305)
Increase in cash in the year	**1,459,321**	1,952,578
Cash and cash equivalents at beginning of year	**10,171,966**	8,219,388
Cash and cash equivalents at end of year	**11,631,287**	10,171,966

The notes on pages 11 to 21 form part of these financial statements.

1. Nature of operations

World Careers Network Plc (the "Company") is a company registered in England and Wales. The consolidated financial statements for the year ended 31 July 2017 comprise the Company and its subsidiary (together referred to as the "Group").

The principal activity of the Group is the provision of Internet based recruitment software for the tracking and selection of applicants. The Group's registered office and principal place of business is 5-7 Bridgeworks, The Crescent, London, SW19 8DR.

2. Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are summarised below. They have all been applied consistently throughout the year and the preceding period.

Statement of compliance

The financial statements of the Company have been prepared on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB"), as adopted by the European Union. They have also been prepared with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Adoption of new and revised standards

There were no new standards which have been applied in these financial statements. The Group has not adopted any Standards or Interpretations in advance of the required implementation dates. The following standards and interpretations to published standards are not yet effective:

- IFRS 15 Revenue from Contracts with Customers (mandatory effective date 1 January 2018)
- IFRS 16 Leases (mandatory effective date 1 January 2019)
- IFRS 9 Financial Instruments (mandatory effective date 1 January 2018)

The Directors anticipate that the adoption of these Standards in future periods may have an impact on the results and net assets of the group. The approach to implementing the new standards is being considered but the Directors are not yet in a position to quantify the anticipated impact.

Certain of these Standards and Interpretations in future periods will, when adopted, require addition or amendment of the presentation and disclosures in the financial statements of the Group.

Basis of preparation

The financial statements are presented in British pounds.

The consolidated financial statements have been prepared on a historical cost basis.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Going concern

After making enquires, the directors have a reasonable expectation that the Group 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.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

The accounting policies have been applied consistently by Group entities

Basis of consolidation

The consolidated financial statements incorporate the results of World Careers Network PLC and its subsidiary undertaking for the period to 31 July 2017.Intercompany transactions and balances between the group and subsidiary are therefore eliminated in full.

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Revenue

The group generates revenues from the following sources; (1) software licences for the provision of e-recruitment software and (2) related implementation and development services.

The Group recognises revenues in accordance with IAS 18: 'Revenue'. This requires the exercise of judgment and the use of estimates in connection with the determination of the amount of revenue to be recognised in each accounting period. In exercising such judgment, the Group draws upon guidance from specific software industry revenue recognition practices which comply with IAS 18: 'Revenue'.

Revenues are recognised net of any tax collected on behalf of local tax authorities.

Software Licence

Software licenses are granted on a hosted / subscription basis combined with the support services, so that effectively a service over time is provided. Revenue from such arrangements are recognised rateably over the contractual term and when the following conditions are met;

- Evidence of an arrangement exists;
- The risks and rewards of ownership have been transferred to the customer
- The amount of revenue can be reliably measured and is not subject to future adjustments (i.e. fixed and determinable) and ,
- Collection is probable.

Software Implementation

Revenue in respect of project implementation 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.

Management undertake an exercise at each period end to estimate the stage of completion of individual projects.

Where it is determined that the amount invoiced exceeds the value of the work done, an appropriate amount is deferred to future periods. Similarly, if there are material amounts of unbilled project work at the period end then revenue will be accrued. This assessment considers the progress of each project against milestones such as user acceptance testing and go live status to estimate a reasonable proportion of the revenues to be recognised.

Software Development
Revenue from software development services represents fees charged to clients for developing requested additional functionality. Revenue is recognised upon completion when the right to consideration is earned.

Property, plant and equipment
Property, plant and equipment is stated at cost, net of depreciation and any provisions for impairment. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer equipment	3 years
Office furniture	5 years
Leasehold improvements	Over the remaining period of the lease

Useful economic lives and residual values are assessed annually. Any impairment in value is charged to the statement of comprehensive income.

Financial assets
Trade and other receivables are initially recorded at their fair value and subsequently carried at amortised cost, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. Bad debts are written off when identified.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and deposits held at banks with original maturities of three months or less.

Financial liabilities
Financial liabilities held by the Group consist of trade payables and other short term monetary liabilities.

Financial liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. The Group has not classified any of its financial liabilities at fair value through profit or loss.

Equity instruments
Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity instruments.

Foreign currency
Transactions in foreign currencies are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

On consolidation the results of overseas operations are translated into British pounds at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the translation reserve.

Taxation
Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the date of the statement of financial position.

Deferred taxation is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred taxation liabilities are generally recognised on all taxable temporary differences. Deferred taxation assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred taxation is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the statement of financial position date. The carrying value of deferred taxation assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which taxable temporary differences can be utilised.

Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Pension costs
Contributions to the group's defined contribution pension scheme are charged to the income statement in the period in which they become payable.

Research and development expenditure
Expenditure on upgrading and developing software is recognised as an expense in the period in which it is incurred. Costs incurred in the development of new software which meet the criteria set out in the relevant accounting standards are capitalised as intangible assets.

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 income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

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 income statement for the remaining vesting period.

Leasing
Rentals paid under operating lease commitments are charged on a straight line basis over the lease term.

Dividends
Dividend distributions payable to equity shareholders are included in 'other liabilities' when the dividends have been approved in a general meeting prior to the reporting date.

Equity
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Key judgments and sources of estimation uncertainty
The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

Revenue recognition
Revenue in respect of project income is recognised with reference to management's estimate of the stage of completion of individual projects at the period end based on provision of services to the customer as described in more detail in the accounting policy above. The resulting deferred income is disclosed in Note 14 to the financial statements.

3. Segmental Reporting

The Group's operations relate to the provision of Internet based recruitment software for the tracking and selection of applicants and as such the Group has only one operating segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Chief Executive Officer.

Information about geographical areas

	2017 £	2016 £
Revenue		
United Kingdom	**6,765,493**	6,011,004
United States of America	**2,983,270**	2,417,388
Europe	**99,285**	28,810
	9,848,048	8,457,202

Revenues from one client totalled £1,321,434 (2016 - £1,060,299)

Non-Current Assets
Non-current assets are materially all in the UK.

4. Operating Profit

	2017 £	2016 £
This is arrived at after charging:		
Depreciation of property, plant and equipment	**94,104**	84,067
Staff costs (note 5)	**6,950,406**	5,702,688
Operating lease costs	**149,854**	138,962
Equity settled share based payments	**13,652**	16,202

The analysis of auditor's remuneration is as follows:

	2017 £	2016 £
Fees payable to the group's auditor for the audit of the group's annual financial statements	**31,500**	29,000
Total audit fees	**31,500**	29,000
Tax services	**6,913**	14,661
Total non-audit services	**6,913**	14,661
Total fees	**38,413**	43,661

5. Staff Costs

The average number of staff employed (including directors) by the group during the financial year amounted to:

	2017 Number	2016 Number
Client related	**108**	93
Administration	**6**	5
	114	98

The aggregate payroll costs of the above were:	**£**	£
Wages and salaries	**6,288,318**	5,079,491
Compulsory social security contributions	**568,325**	509,776
Pension costs	**93,763**	113,421
	6,950,406	5,702,688

Pension costs relate to Company payments to personal pension plans (defined contribution).

6. Directors

The directors' remuneration in respect of qualifying services was:

Year to 31 July 2017	**Salaries £**	**Pension £**	**Benefits £**	**Total £**
Charles E H Hipps	**296,702**	**-**	**-**	**296,702**
David K Moore	**105,741**	**5,600**	**2,815**	**114,156**
David J Earland	**134,268**	**10,516**	**1,270**	**146,054**
	536,711	**16,116**	**4,085**	**556,912**

During the year directors exercised options resulting in gains of £6,990 (2016 - £Nil).

Year to 31 July 2016	Salaries £	Pension £	Benefits £	Total £
Charles E H Hipps	255,666	35,000	-	290,666
David K Moore	107,051	5,600	3,620	116,271
David J Earland	133,364	7,000	1,583	141,947
	496,081	47,600	5,203	548,884

Share options

Share options granted to directors are set out below:

Name	**Number at 1 August 2016**	**Granted in year**	**Exercised**	**Number at 31 July 2017**	**Exercise price**	**Date from which exercisable**	**Expiry date**
David K Moore	10,000		(10,000)	-	137.5p	18 December 2009	17 December 2016
David K Moore	10,000			10,000	147.5p	13 December 2010	12 December 2017
David K Moore	10,000			10,000	112.5p	11 December 2011	10 December 2018
David K Moore	8,500			8,500	88.5p	11 December 2012	10 December 2019
David K Moore	10,000			10,000	88.5p	10 December 2013	9 December 2020
David K Moore	10,000			10,000	105p	12 December 2014	11 December 2021
David K Moore	10,000			10,000	157.5p	12 December 2015	11 December 2022
David K Moore	10,000			10,000	190.0p	12 December 2016	11 December 2023
David K Moore	10,000			10,000	320.0p	25 March 2018	24 March 2025
David K Moore	2,500			2,500	187.5p	21 March 2019	20 March 2026
David K Moore	-	2,500		2,500	212.5p	27 March 2020	26 March 2027
David J Earland	5,400		(5,400)	-	147.5p	13 December 2010	12 December 2017
David J Earland	6,000			6,000	112.5p	11 December 2011	10 December 2018
David J Earland	9,150			9,150	88.5p	11 December 2012	10 December 2019
David J Earland	7,600			7,600	88.5p	10 December 2013	9 December 2020
David J Earland	6,500			6,500	105p	12 December 2014	11 December 2021
David J Earland	6,500			6,500	157.5p	12 December 2015	11 December 2022
David J Earland	6,500			6,500	190.0p	12 December 2016	11 December 2023
David J Earland	2,250			2,250	320.0p	25 March 2018	24 March 2025
David J Earland	3,360			3,360	187.5p	21 March 2019	20 March 2026
David J Earland	-	3,400		3,400	212.5p	27 March 2020	26 March 2027

7. 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

	2017	2016
Equity – settled		
Option pricing model used	**Black-Scholes**	Black-Scholes
Weighted average share price and exercise price at grant date (p.)	**212.5/212.5**	187.5/187.5
Weighted average contractual life (days)	**1,825**	1,825
Expected volatility	**10%**	10%
Expected dividend yield	**3.0%**	3.0%
Risk free interest rate	**3.5%**	3.5%

8. Taxation

	2017	2016
	£	£
Current tax		
- current year	**181,143**	285,445
- prior year	**8,534**	(13,044)
	189,677	272,401
Deferred tax - current year	**5,179**	4,800
	194,856	277,201

Factors affecting tax charge for year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.7% (2016 - 20%). The differences are explained below:

	2017	2016
	£	£
Profit on ordinary activities before tax	**811,543**	1,382,896
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.7% (2016 - 20%)	**159,874**	276,579
Effects of:		
Effect of tax rates in foreign jurisdictions	**25,124**	9,511
Expenses not deductible for tax purposes	**5,399**	1,340
Other differences	**(4,075)**	2,815
Adjustments in respect of previous periods	**8,534**	(13,044)
Total tax charge in income statement	**194,856**	277,201

Deferred tax

On 31 July 2017 there was a recognised deferred tax liability.

	2017	2016
	£	£
Accelerated capital allowances	**21,822**	16,643
	21,822	16,643

The movement in deferred tax is shown below:

	2017	2016
	£	£
At 1 August	**16,643**	11,843
Recognised in income statement	**5,179**	4,800
At 31 July 2017	**21,822**	16,643

9. Dividends

	2017	2016
Ordinary shares	**£**	£
Final dividend paid for the prior year of 3.5p (2016 – 3.5p) per share	**264,745**	264,645
Ordinary shares		
Final dividend proposed for the year of 3.5p (2016 – 3.5p) per share	**265,510**	264,692

10. Earnings per share

Basic earnings per share

This is calculated by dividing the profit of £616,687 (2016 - £1,105,695), being the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue throughout the year of 7,568,480 (2016 - 7,561,263).

Diluted earnings per share

The weighted average number of shares for 2017 for this calculation was 7,662,261 (2016 - 7,645,920). This is calculated based on the weighted average number of ordinary shares adjusted by 93,781 (2016 - 84,657) to recognise the effect of the potential issue of further ordinary shares as a result of the exercise of share options.

11. Property, plant and equipment

	Leasehold improvements £	Computer equipment £	Office furniture £	Total £
Cost				
At 1 August 2015	70,293	326,574	22,313	419,180
Additions	5,134	77,161	25,203	107,498
At 31 July 2016	75,427	403,735	47,516	526,678
At 1 August 2016	75,427	403,735	47,516	526,678
Additions & FX adj on reval.	(8)	96,654	28,132	124,778
At 31 July 2017	**75,419**	**500,389**	**75,648**	**651,456**
Depreciation				
At 1 August 2015	68,434	225,811	8,192	302,437
Charge in the year	2,003	74,751	7,313	84,067
At 31 July 2016	70,437	300,562	15,505	386,504
At 1 August 2016	70,437	300,562	15,505	386,504
Charge in the year	1,482	81,147	11,475	94,104
At 31 July 2017	**71,919**	**381,709**	**26,980**	**480,608**
Net book value				
At 31 July 2017	**3,500**	**118,680**	**48,668**	**170,848**
At 31 July 2016	4,990	103,173	32,011	140,174
At 31 July 2015	1,859	100,763	14,121	116,743

12. Trade and other receivables

	2017	2016
	£	£
Trade receivables	**1,206,845**	2,140,103
Total financial assets other than cash and cash equivalents classified as loans and receivables	**1,206,845**	2,140,103
Prepayments	**205,874**	131,056
Other receivables	**41,388**	28,024
	1,454,107	2,299,183

13. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	**11,631,288**	10,171,966

14. Trade and other payables

	2017	2016
	£	£
Trade payables	**311,640**	215,030
Accruals	**829,331**	809,673
Total financial liabilities classified as financial liabilities measured at amortised cost	**1,140,971**	1,024,703
Taxation and social security	**578,221**	540,238
Deferred income	**1,464,375**	1,302,304
	3,183,567	2,867,245

15. Called up share capital

	2017	2016
	£	£
Authorised, called up, allotted and fully paid 2017-7,586,004 (2016 - 7,562,638, 2015 - 7,559,438) ordinary shares of £0.001 each	**7,586**	7,562

	2017 Number	2016 Number
Balance at start of period	**7,562,638**	7,559,438
Buyback	**(19,500)**	-
Issued during the year	**42,866**	3,200
Balance at end of period	**7,586,004**	7,562,638

42,866 Ordinary shares of £0.001 were issued on the exercise of approved share options, 1,500 in October 2016, 700 in November 2016,12,000 in December 2016, 16,000 in February 2017, 600 in March 2016, 6,666 in May 2017 and 5,400 in June 2017. The total consideration amounted to £54,027.

The market price of the Company's ordinary shares at 31 July 2017 was 217.5p and the range during the financial year was from 162.5p to 225p.

19,500 Ordinary shares of £0.001 were bought back on 15 February 2017 and have been cancelled. The total consideration amounted to £37,050.

Share options

The Company operates two equity-settled share based remuneration schemes for employees: a United Kingdom tax authority approved scheme and an unapproved scheme.

At 31 July 2017 the following share options under approved schemes were outstanding in respect of the ordinary £0.001 shares:

Date of grant	At 1 August 2016	Granted	Lapsed	Exercised	At 31 July 2017	Nominal Value £	Period of option	Exercise price per share
18 December 2006	13,750	-	(1,750)	(12,000)	-	13	18 December 2009 - 17 December 2016	137.5p
13 December 2007	26,983	-	-	(9,233)	17,750	32	13 December 2010 - 12 December 2017	147.5p
11 December 2008	31,833	-	-	(3,333)	28,500	41	11 December 2011 - 10 December 2018	112.5p
11 December 2009	31,050	-	(1,000)	(4,600)	25,450	54	11 December 2012 - 10 December 2019	88.5p
10 December 2010	33,300	-	(1,000)	(4,000)	28,300	54	10 December 2013 - 09 December 2020	88.5p
12 December 2011	38,650	-	(1,000)	(5,200)	32,450	57	12 December 2014 - 11 December 2021	105p
12 December 2012	42,520	-	(1,000)	(4,500)	37,020	61	12 December 2015 - 11 December 2022	157.5p
12 December 2013	47,000	-	(5,800)	-	41,200	54	12 December 2016 - 11 December 2023	190.0p
25 March 2015	34,685	-	(5,105)	-	29,580	35	25 March 2018 - 24 March 2025	320.0p
21 March 2016	26,237	-	(2,967)	-	23,270	26	21 March 2019 - 20 March 2026	187.5p
27 March 2017	-	26,580	-	-	26,580	27	27 March 2020 - 26 March 2027	212.5p
	326,008	26,580	(19,622)	(42,866)	**290,100**			

Directors' interests in share options are disclosed in note 6. The weighted average exercise price of the outstanding options at 1 August 2016 and 31 July 2017 was 153p and 162p respectively. The weighted average exercise price of options which were exercised or lapsed during the year was 126p and 202p respectively. The weighted average share price at the date of exercise was 186p.

Options granted are subject to a 3 year vesting period and must be exercised within 7 years of the vesting date after which the options will lapse. Option holders wising to exercise options are required to complete a Notice of Exercise form and send it to the Company Secretary together with a remittance of the exercise amount either by cheque or bank transfer.

16. Reserves

The share premium account represents the proceeds from the issue of share capital in excess of the nominal value of the shares issued less expenses of issue.

The capital redemption reserve represents the nominal value of the own shares purchased by the Company.

The translation reserve represents the cumulative foreign exchange differences arising on the translation of the overseas subsidiary.

The retained earnings represent all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

17. Operating leases

As at 31 July 2017, the Group had commitments under non-cancellable operating leases for land and buildings as set out below:

	2017	2016
Total future value of minimum lease payments due:	**£**	£
In one year	**158,330**	88,105
In two to five years	**738,873**	49,995
In over five years	**606,932**	-
	1,504,135	138,100

18. Ultimate controlling party

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

19. Financial instruments

The Group's financial instruments comprise cash and cash equivalents and various items such as trade receivables, other receivables and trade payables that arise directly from its operations. Management's policy on each is described in Note 2. The Group has not entered into derivatives transactions nor does it trade in financial instruments as a matter of policy. The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk, foreign currency risk and credit risk. Operations are financed through working capital management.

There were no derivative instruments outstanding at 31 July 2017 or 2016.

Liquidity and interest rate risk

The Group'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 group to meet its debts as they fall due, whilst earning interest at a guaranteed rate. At the balance sheet date cash funds of £8,400,000 (2016 - £4,800,000) were held in a 10 day notice treasury reserve account at 0.05%, and £1,250,000 (2016 - £4,000,000) were held in an instant access account at 0.01%. The balance of the cash was held in various current accounts, all of which are accessible on demand.

The Group's trade payables, other payables and accrued expenses are generally due between one and three months.

Interest rate risk showing a 1% increase on floating rate deposits is as follows:

	2017	2016
	£'000	£'000
1% increase in interest rates	**96,500**	88,000

The rate of interest currently received is such that any decrease would have no material impact on the company's results.

Foreign currency risk
In relation to currency risk, the Company holds local currency accounts in the currencies in which it transacts, and the foreign exchange impact is considered when transferring monies between currency accounts. The group holds relatively small amounts of foreign currency cash and trade debtors at the year end and its exposure to gain or loss is limited.

Credit risk
The Group's principal financial assets are bank balances and cash and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful debts. It is group 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

Trade receivable ageing	**2017**	2016
	£'000	£'000
Under 30 days	**758,615**	1,826,176
Between 31 and 60 days	**278,080**	183,054
Between 61 and 90 days	**38,849**	73,855
Over 90 days	**131,301**	57,018
	1,206,845	2,140,103

Trade Receivables that are overdue but not impaired as at the Balance Sheet date amounted to £448,230 (2016 - £313,927).

Cash and cash equivalents are held in sterling in UK banks and USD in UK and US banks.

Financial assets
The floating rate financial assets comprise interest earning bank deposits at rates offered by the bank. The Group has no fixed rate deposits.

Fair values
In management's opinion there is no material difference between the book value and fair value of any of the Group's financial instruments.

Classes of financial instruments
The classes of financial instruments are the same as the line items included on the face of the statement of financial position and have been analysed in more detail in the notes to the accounts. All the Group's financial assets are categorised as receivables and all financial liabilities are measured at amortised cost.

Capital disclosures
Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

20. Related parties

Identity of related parties

The Group has a related party relationship with its subsidiary, WCN Inc. and its directors; further details can be found in Note C4.

Transactions with key management personnel

The directors consider the Key management personnel to comprise the statutory directors.

	2017	2016
	£	£
Remuneration	**536,711**	501,989
Social security costs	**62,800**	55,964
Share based payments	**4,085**	5,203
Pension contributions	**16,116**	47,600
	619,712	610,756

Related party transactions

Dividends paid to the directors of the Company:

	2017	2016
Charles E H Hipps	**189,157**	189,157
David K Moore	**39**	39

Share Buy Back

During the year the company bought back 10,000 shares from a Director, David K Moore.

Lease Agreement

On 5 February 2017 the company entered into a lease agreement with the Pension Scheme of Charles E H Hipps for the occupancy of the premises at 5-7 Bridgeworks, The Crescent, Wimbledon. The lease is for a term of 10 years with a fixed annual rent of £95,000 with a break option in February 2022.

Company number 3813540

As at 31 July 2017	Note	2017	2016
		£	**£**
Assets			
Non-current assets			
Property, plant and equipment	C2	**144,602**	126,496
Investments	C3	**60**	60
		144,662	126,556
Current assets			
Trade and other receivables	C4	**1,365,159**	2,259,258
Cash and cash equivalents	C5	**11,620,882**	10,161,649
Total current assets		**12,986,041**	12,420,907
Total assets		**13,130,703**	12,547,463
Equity			
Issued capital	15	**7,586**	7,562
Share premium	16	**1,649,024**	1,595,040
Capital redemption reserve	16	**708**	689
Retained earnings	16	**8,202,699**	7,911,646
Total equity		**9,860,017**	9,514,937
Liabilities			
Non-current liabilities			
Deferred tax		**21,822**	16,643
Liabilities			
Current liabilities			
Trade and other payables	C6	**3,161,864**	2,846,883
Income tax		**87,000**	169,000
Total current liabilities		**3,248,864**	3,015,883
Total liabilities		**3,270,686**	3,032,526
Total equity and liabilities		**13,130,703**	12,547,463

As permitted by section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's profit for the year was £579,196 (2016 - £1,082,195)

The financial statements were approved by the Board of Directors and authorised for issue on 2 November 2017. They were signed on its behalf by:

C E H Hipps
Director

The notes on pages 25 to 27 form part of these financial statements.

	Share capital £	Share premium £	Capital redemption reserve £	Retained Earnings £	Total £
Balance at 1 August 2015	7,559	1,591,703	689	7,077,894	8,677,845
Comprehensive income					
Profit for the year	-	-	-	1,082,195	1,082,195
Total comprehensive income for the year	-	-	-	1,082,195	1,082,195
Transactions with owners					
Issue of shares	3	3,337	-	-	3,340
Dividends paid	-	-	-	(264,645)	(264,645)
Share based payments	-	-	-	16,202	16,202
Balance at 31 July 2016	7,562	1,595,040	689	7,911,646	9,514,937
Balance at 1 August 2016	7,562	1,595,040	689	7,911,646	9,514,937
Comprehensive income					
Profit for the year	-	-	-	579,196	579,196
Total comprehensive income for the year	-	-	-	579,196	579,196
Transactions with owners					
Issue of shares	43	53,984	-	-	54,027
Purchase of own shares	(19)	-	19	(37,050)	(37,050)
Dividends paid	-	-	-	(264,745)	(264,745)
Share based payments	-	-	-	13,652	13,652
Balance at 31 July 2017	**7,586**	**1,649,024**	**708**	**8,202,699**	**9,860,017**

The notes on pages 25 to 27 form part of these financial statements.

	2017	2016
	£	£
Cash flows from operating activities		
Profit for the year	**579,196**	1,082,195
Depreciation	**89,022**	82,303
Share based payments	**13,652**	16,202
Decrease in receivables	**894,099**	313,484
Increase in payables	**314,981**	805,921
Finance income	**(39,416)**	(43,205)
Income tax expense	**155,714**	260,756
	2,007,248	2,517,656
Taxation	**(232,535)**	(238,214)
Net cash inflow from operating activities	**1,774,713**	2,279,442
Cash flows from investing activities		
Interest received	**39,416**	43,205
Purchase of property, plant and equipment	**(107,128)**	(92,056)
Net cash outflow from investing activities	**(67,712)**	(48,851)
Cash flows from financing activities		
Proceeds from issue of shares	**54,027**	3,340
Purchase of own shares	**(37,050)**	-
Equity dividends paid	**(264,745)**	(264,645)
Net cash outflow from financing activities	**(247,768)**	(261,305)
Increase in cash in the year	**1,459,233**	1,969,286
Cash and cash equivalents at beginning of year	**10,161,649**	8,192,363
Cash and cash equivalents at end of year	**11,620,882**	10,161,649

The notes on pages 25 to 27 form part of these financial statements.

C1. Accounting policies

The accounting policies of the Company are consistent with those adopted by the Group with the addition of the following:

Investments
Investments are stated at their cost less impairment losses.

C2. Property, plant and equipment

	Leasehold improvements	Computer equipment	Office furniture	Total
	£	£	£	£
Cost				
At 1 August 2015	70,293	326,574	22,313	419,180
Additions	-	76,043	16,013	92,056
At 31 July 2016	70,293	402,617	38,326	511,236
At 1 August 2016	70,293	402,617	38,326	511,236
Additions	-	90,332	16,796	107,128
At 31 July 2017	**70,293**	**492,949**	**55,122**	**618,364**
Depreciation				
At 1 August 2015	68,434	225,811	8,192	302,437
Charge in the year	1,404	74,658	6,241	82,303
At 31 July 2016	69,838	300,469	14,433	384,740
At 1 August 2016	69,838	300,469	14,433	384,740
Charge in the year	455	79,477	9,090	89,022
At 31 July 2017	**70,293**	**379,946**	**23,523**	**473,762**
Net book value				
At 31 July 2017	-	113,003	31,599	144,602
At 31 July 2016	455	102,148	23,893	126,496
At 31 July 2015	1,859	100,763	14,121	116,743

C3. Investments

	2017	2016
	£	£
Investment in subsidiary undertaking		
At start of accounting period	**60**	60
Additions	**-**	-
At end of accounting period	**60**	60

The Company owns 100% of the issued share capital of WCN Inc., a company registered in the United States of America with its registered office 34 Byron Place, Suite 204, Scarsdale, NY 10583, USA. The subsidiary has the same principal activities as the Company.

During the year the Company paid a support fee of £1,761,885 (2016 - £640,229) to the subsidiary and at 31 July 2017 the Company owed £119,867 (2016 - £69,413) to the subsidiary.

C4. Trade and other receivables

	2017	2016
	£	£
Trade receivables	**1,206,845**	2,140,103
Total financial assets other than cash and cash equivalents classified as loans and receivables	**1,206,845**	2,140,103
Prepayments	**144,575**	107,655
Other receivables	**13,739**	11,500
	1,365,159	2,259,258

Trade receivables are stated net of a doubtful debt provision of £nil (2015 - £5,080).

C5. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	**11,620,882**	10,161,649

C6. Trade and other payables

	2017	2016
	£	£
Trade payables	**255,413**	206,930
Accruals	**743,988**	727,998
Amounts due to subsidiary undertakings	**119,867**	69,413
Total financial liabilities classified as		
Financial liabilities measured at amortised cost	**1,119,268**	1,004,341
Taxation and social security	**578,221**	540,238
Deferred income	**1,464,375**	1,302,304
	3,161,864	2,846,883

C7. Related Parties

The Company has a related party relationship with its subsidiary (see note C3) and with its directors (see note 20).

Transactions with subsidiary undertakings
Transactions with subsidiary undertakings are disclosed in note C3.

Other related parties
Transactions with other related parties are detailed in note 20.

C8. Staff Costs

The average number of staff employed (including directors) by the group during the financial year amounted to:

	2017	2016
	Number	Number
Client related	**99**	90
Administration	**7**	5
	106	95

The aggregate payroll costs of the above were:	**£**	£
Wages and salaries	**5,119,495**	4,706,483
Compulsory social security contributions	**568,325**	509,776
Pension costs	**93,763**	113,421
	5,781,583	5,329,680

Pension costs relate to Company payments to personal pension plans (defined contribution).

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 Bridgeworks, The Crescent, London SW19 8DR, on Wednesday, 13 December 2017 at 10.30am 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 2017.

2 To approve the payment of a dividend of 3.5p per share.

3 To consider the re-election of Charles EH 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 1,134,000 Ordinary Shares representing 15% 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

2 November 2017

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 11 am on Monday, 11 December 2017 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 11 am on Monday, 11 December 2017 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