

2 November 2017

**PRELIMINARY ANNOUNCEMENT OF THE AUDITED RESULTS OF
WORLD CAREERS NETWORK PLC
WORLD CAREERS NETWORK PLC**

Chairman's Statement

I am pleased to present the annual accounts of World Careers Network plc ("WCN" or the "Company"), which show the results of the Company for the year to 31 July 2017.

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 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 10.30 am, 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 if not growing risk for the Company. The Company manages this risk by developing leading edge products capable of driving significant transformation and value within our clients, through 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 such facilities. 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.

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.

Charles EH Hipps

Chairman, World Careers Network Plc

Date 2 November 2017

CONSOLIDATED INCOME STATEMENT

For the Year Ended 31 July 2017

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

As at 31 July 2017

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

For the Year Ended 31 July 2017

	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
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Taxation	2,034,498 (242,047)	2,528,732 (250,556)
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Net cash inflow from operating activities	1,792,451	2,278,176
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Cash flows from investing activities		
Interest received	39,416	43,205
Purchase of property, plant and equipment	(124,778)	(107,498)
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Net cash outflow from investing activities	(85,362)	(64,293)
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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)
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Net cash outflow from financing activities	(247,768)	(261,305)
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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
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Cash and cash equivalents at end of year	11,631,287	10,171,966
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Notes

1. The profit and loss account incorporates the consolidated results of World Careers Network PLC and its subsidiary for the year ended 31 July 2017. The accounting policies used in the preparation of these audited results are unchanged from those adopted by the company in previously published annual financial statements.

2. 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

3. The directors are recommending the payment of a dividend of 3.5p per share.
4. The preliminary announcement was approved by the board on 2 November 2017. The Company's annual accounts will be sent to shareholders on 17 November 2017 and copies will be available from the company's office at 5-7 Bridgeworks, The Crescent, London SW19 8DR and on the Company's website at www.wcn.co.uk.
5. The financial information does not constitute the company's statutory accounts, within the meaning of Section 435 of the Companies Act 2006, for the years ended 31 July 2017 or 2016 but is derived from those accounts. Statutory accounts for 2016 have been delivered to the Registrar of Companies and those for 2017 will be delivered following the company's forthcoming annual general meeting. The auditors have reported on those accounts; their reports were unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and did not contain statements under the Companies Act 2006, s498(2) or (3).

Enquiries

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