

# WORLD CAREERS NETWORK PLC

Interim statement for the six months to 31 January 2017

Chairman's statement

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## Dear Shareholder

I am pleased to present the interim accounts of World Careers Network ("WCN") for the half year to 31 January 2017.

## Financial Review

Half year revenues were £5.10m compared to £3.76m in the first half of 2015-16, an increase of 36%, mainly as a result of increased revenue from existing clients and new projects started in 2015-16 coming fully online.

Costs rose by just over £1.0m compared to the same period last year as 2015-16 investment decisions took increased effect and are approximately £0.7m higher than the second half of the 2016 year. The increases are primarily in marketing, employment and associated on costs.

As a consequence operating profits for the six months increased from £345k to £670k, in part boosted by the strong dollar

## Outlook

In order to ensure our products are compelling, innovative and transformational, to maintain a high level of service to clients and to support future growth we expect to see a significant further increase in our cost base in the second half of the year compared to the first half as we strengthen our support, product development and sales teams. Meanwhile sales to new clients have been low in the first half of the year and future levels remain uncertain..

As a consequence we have made a loss in the first two months of the second half year and, as indicated in my last Chairman's statement, I expect the profit for the full year to be significantly reduced compared to last year and for our investments to have a material adverse impact on our results for 2018.

I would like to thank my colleagues at WCN for their hard work to ensure our clients and WCN's success.

Charles Hipps

**Chairman, World Careers Network Plc**

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# WORLD CAREERS NETWORK PLC

## CONSOLIDATED INCOME STATEMENT

For the 6 Months Ended 31 January 2017

	Unaudited 6 months ended 31 Jan 2017	Unaudited 6 months ended 31 Jan 2016	Audited Year to 31 Jul 2016
	£	£	£
Revenue	5,104,301	3,766,688	8,457,202
Total administrative expenses	4,433,829	3,420,988	7,117,511
<b>OPERATING PROFIT</b>	<b>670,472</b>	345,700	1,339,691
Finance income	37,279	19,061	43,205
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>707,751</b>	364,761	1,382,896
Income tax	153,000	75,000	277,201
<b><i>PROFIT FOR THE PERIOD</i></b>	<b>554,751</b>	289,761	1,105,695
<b>Earnings per share</b>			
Basic	7.32p	3.83p	14.62p
Diluted	7.24p	3.75p	14.46p

# WORLD CAREERS NETWORK PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 January 2017

	Unaudited 31 January 2017		Unaudited 31 January 2016		Audited 31 July 2016	
	£	£	£	£	£	£
<b>Assets</b>						
<b>Non-current assets</b>						
Property, plant and equipment		<u>146,026</u>		<u>138,707</u>		<u>140,174</u>
<b>Current assets</b>						
Trade and other receivables	3,305,586		2,019,806		2,299,183	
Cash and cash equivalents	<u>10,309,098</u>		<u>9,212,497</u>		<u>10,171,966</u>	
<b>Total current assets</b>		<u>13,614,684</u>		<u>11,232,303</u>		<u>12,471,149</u>
<b>Total assets</b>		<u>13,760,710</u>		<u>11,371,010</u>		<u>12,611,323</u>
<b>Equity</b>						
Issued capital	7,577		7,560		7,562	
Share premium	1,614,311		1,592,962		1,595,040	
Capital redemption reserve	689		689		689	
Translation reserve	(1,409)		9,966		5,595	
Retained earnings	<u>8,242,935</u>		<u>7,113,307</u>		<u>7,945,446</u>	
<b>Total equity</b>		<u>9,864,103</u>		<u>8,724,484</u>		<u>9,554,332</u>
<b>Liabilities</b>						
<b>Non-current liabilities</b>						
Deferred tax		16,643		6,945		16,643
<b>Current liabilities</b>						
Trade and other payables			2,547,985		2,867,245	
	3,729,958					

Income tax	<u>150,006</u>	<u>91,596</u>	<u>173,103</u>
<b>Total current liabilities</b>	<u>3,879,964</u>	<u>2,639,581</u>	<u>3,040,348</u>
<b>Total liabilities</b>	<u>3,896,607</u>	<u>2,646,526</u>	<u>3,056,991</u>
<b>Total equity and liabilities</b>	<u>13,760,710</u>	<u>11,371,010</u>	<u>12,611,323</u>

# WORLD CAREERS NETWORK PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the 6 Months Ended 31 January 2017

	Unaudited 6 months ended 31 Jan 2017	Unaudited 6 months ended 31 Jan 2016	Audited Year to 31 July 2016
	£	£	£
<b>Cash flows from operating activities</b>			
Operating profit	670,472	345,700	1,339,691
Depreciation	45,495	42,378	84,067
Exchange difference on translation of foreign operations	(7,746)	-	(4,371)
Share based payments	7,500	7,500	16,202
(Increase)/decrease in receivables	(1,006,402)	547,872	268,495
Increase/(decrease) in payables	862,713	497,885	824,648
	<u>572,032</u>	<u>1,441,335</u>	<u>2,528,732</u>
<b>Taxation</b>	<b>(176,097)</b>	<b>(139,558)</b>	<b>(250,556)</b>
	<u>395,935</u>	<u>1,301,777</u>	<u>2,278,176</u>
<b>Cash flows from investing activities</b>			
Interest received	37,279	19,061	43,205
Purchase of property, plant and equipment	(50,623)	(64,341)	(107,498)
	<u>(13,344)</u>	<u>(45,280)</u>	<u>(64,293)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	19,286	1,260	3,340
Purchase of own shares	-	-	-
Equity dividends paid	(264,745)	(264,648)	(266,645)
	<u>(245,459)</u>	<u>(263,388)</u>	<u>(261,305)</u>
<b>Increase in cash in the year</b>	<b>137,132</b>	<b>993,109</b>	<b>1,952,578</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>10,171,966</b>	<b>8,219,388</b>	<b>8,219,388</b>
	<u>10,309,098</u>	<u>9,212,497</u>	<u>10,171,966</u>

# WORLD CAREERS NETWORK PLC

## Notes to the interim financial statements

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- 1 a) The basic earnings per share has been calculated by dividing the profit by the weighted average number of shares in issue during the relevant periods.
- b) The diluted earnings per share takes into account the potential issue of further shares as a result of the exercise of share options.

2 This interim report was approved by the board of directors on 28 April 2017

The financial information contained in this interim report does not comprise statutory accounts as defined by the Companies Act 2006.

The interim financial information has been prepared using accounting policies consistent with those adopted by World Careers Network Plc in its financial statements for the year ended 31 July 2016.

The financial information for the year ended 31 July 2016 is an extract from the latest company accounts. These accounts received an unqualified auditor's report and have been filed with the Registrar of Companies.

The financial information for the periods ended 31 January 2016 and 2017 is unaudited and has not been reviewed by the company's auditors.

3 Interim Report

A copy of the Interim Report will be distributed to shareholders shortly and will be available from World Careers Network at 5-7 Bridgeworks, The Crescent, London SW19 8DR in the week commencing 15 May 2017.

Enquiries ;

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