

WORLD FIRST UK LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2012

Registered Number: 05022388



WORLD FIRST UK LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 2012

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WORLD FIRST UK LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2012

DIRECTORS

J R A Quin
N J G Robinson
D C Clementi

COMPANY SECRETARY

R Cairney

REGISTERED OFFICE

Regent House
16-18 Lombard Road
Battersea
London
SW11 3RB

COMPANY NUMBER

05022388

AUDITORS

haysmacintyre
Fairfax House
15 Fulwood Place
London
WC1V 6AY

WORLD FIRST UK LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 JANUARY 2012

The directors present their report together with the audited financial statements for the year ended 31 January 2012

PRINCIPAL ACTIVITIES

The principal activity of the Group was that of a specialist foreign exchange provider to private clients and corporate clients. The Group offers spot contracts, forward contracts and foreign exchange option contracts to clients.

World First UK Ltd is authorised and regulated by the Financial Services Authority as an Authorised Payment Institution Registration No 502759

World First Markets Ltd is authorised and regulated in the UK by the Financial Services Authority as a Financial Institution Registration No 477561

BUSINESS REVIEW

The directors are very pleased with the results for the financial year and are forecasting further strong growth in the financial year to 31st January 2013

We significantly improved all our key financial metrics as detailed below. This was achieved through a combination of growing each of the main revenue generating teams in the UK and increasing the revenues of our Australian business.

The development and success of the World First Group continues to be recognised externally. The company has picked up several awards, including an 'outstanding accreditation' in the Best Companies Guide 2011. We have featured in the prestigious Sunday Times Virgin Fast Track 100 list for the last three years in a row and the company was also recognised in the Real Business Magazine 'Hot 100' list for 2012. Our expert team are regularly called upon by national and international newsmakers for commentary, analysis and opinion. World First has featured in a range of interviews and articles across the media in the last few years, including the BBC and ITV News networks, Bloomberg, CNBC, The Telegraph, The Times & Sunday Times, The Daily Mail & Mail on Sunday, The Wall Street Journal and the Sydney Morning Herald.

We have a strong balance sheet compared to our main competitors and feel this will be an increasingly important competitive advantage as the FSA takes more control of our industry and enforces capital adequacy rules.

Management continue to focus heavily on both the business development and business support/operations areas. We have again increased our investment in compliance staff, procedures and systems to ensure we are "best in class" in this area.

This year's numbers consolidate our position as the third largest foreign exchange company in the UK (by net profit) and we remain on our path and firmly resolved to become the second largest within two to three years.

The total currency turnover for the year was £2,962m (2011 £1,851m, 2010 £958m, 2009 £765m)

KEY FINANCIAL HIGHLIGHTS

| | | |
|---------------------------------------|---------|----------------------|
| Turnover | £2,962m | (2011 £1,851m) + 60% |
| Gross Profit | £15.1m | (2011 £11.4m) + 32% |
| Net Profit before tax | £4.5m | (2011 £3.6m) + 28% |
| Net Profit after tax | £3.4m | (2011 £2.6m) + 35% |
| Dividends in respect of previous year | £1.25m | (2011 £1.0m) + 25% |
| Shareholders' funds | £6.5m | (2011 £4.3m) + 53% |

DIRECTORS

The directors who served during the year were

J R A Quin
N J G Robinson
D C Clementi

WORLD FIRST UK LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31 JANUARY 2012

RISKS AND UNCERTAINTIES

Economic environment

We saw some on-going impact from the continued economic environment with fewer private clients buying property abroad and some corporate clients reducing their imports and stocking levels, however, we were able to diversify and grow our client base to more than offset this particularly in the second half of the year when exchange rate volatility increased. The directors are confident the Group will continue to grow in 2012/13 and we continue our strategy of targeting growth in three areas: Growing the current revenue streams, growing the product offering to generate new revenues and growing geographically.

Regulation and Compliance risk

Regulatory and compliance policy implementation is led centrally by the UK Head of regulatory and compliance and there is a dedicated team to ensure compliance with Anti Money Laundering (AML), sanctions and other legal, regulatory and licensing requirements. A Money Laundering Reporting Officer (MLRO) is employed by the Group to implement Group policies and monitor transactions. The Group's legal counsel, in conjunction with external legal advisers, advises on the regulatory environment in which the Group operates and provides advice on any measures required to maintain operating licenses as appropriate.

Liquidity risk

This is the risk of insufficient funds being available to meet the Group's working capital requirements or insufficient liquidity existing in a market where the company has positions. The Group monitors its liquidity levels in accordance with its Internal Capital Adequacy Assessment Process (ICAAP) policy and has mitigations in place to reduce risk of a liquidity event.

Competition

World First faces competition from the incumbent high street banks and from other foreign exchange providers. While some new competitors entered the market, we saw no overall increase in the threat from our competitors. We remain ahead of our competitors in options/hedging and recent competitor analysis suggests our online system (World First Online) is more advanced than our competitors. By the end of the year half of all eligible transactions were being booked online by clients. As the general level of compliance and regulation increases we remain of the opinion that some competitors will drop out of the market.

Corporate Responsibility

We continue our focus on Corporate Social Responsibility, offering all staff the opportunity to take a paid day off to volunteer in the community. We have continued to maintain the highest ethical standards in all our dealings, both with customers and staff. This is reflected in our company motto "On your side" and in our value statement "People first". The company recycles almost all paper utilised and has a number of recycling facilities in place.

We donated £54,288 (2011: £60,157) to a selection of charities nominated by staff (none of which were political organisations).

WORLD FIRST UK LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31 JANUARY 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 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. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to ensure that the financial statements comply with 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.

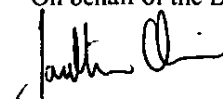
So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Haysmacintyre, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

On behalf of the Board on 11 April 2012


J. R. A. Quin
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

OF WORLD FIRST UK LIMITED

We have audited the financial statements of World First UK Limited for the year ended 31 January 2012 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 January 2012 and of the group's 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.

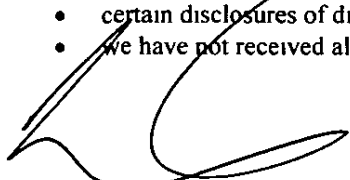
Opinion on other matter prescribed by the Companies Act 2006

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 matters where the Companies Act 2006 requires us 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.



Simon Wilks (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor
11 April 2012

Fairfax House
15 Fulwood Place
London
WC1V 6AY

WORLD FIRST UK LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 JANUARY 2012**

| | Notes | 2012 £'000 | 2011 £'000 |
|--|-------|---------------|---------------|
| TURNOVER | 2 | 2,962,368 | 1,851,047 |
| Cost of sales | | (2,947,290) | (1,839,630) |
| GROSS PROFIT | | 15,078 | 11,417 |
| Administrative expenses | | (10,698) | (7,917) |
| Other operating income | 4 | 11 | 39 |
| OPERATING PROFIT | 3 | 4,391 | 3,539 |
| Interest receivable | 7 | 109 | 87 |
| Interest payable | 8 | (6) | (14) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 4,494 | 3,612 |
| Tax on profit on ordinary activities | 9 | (1,096) | (981) |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | 16 | 3,398 | 2,631 |

All amounts relate to continuing operations

All recognised gains and losses in the current year are included in the profit and loss account

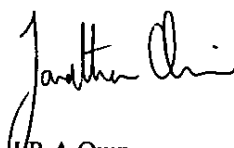
The notes on pages 9 to 16 form part of these financial statements

CONSOLIDATED BALANCE SHEET

AT 31 JANUARY 2012

| | Notes | 2012 £'000 | 2011 £'000 |
|---|-------|-----------------|-----------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 10 | 87 | 116 |
| CURRENT ASSETS | | | |
| Debtors | 12 | 1,935 | 2,812 |
| Cash at bank and in hand | | 7,940 | 4,035 |
| Cash held on behalf of clients | | 27,556 | 17,954 |
| | | <u>37,431</u> | <u>24,801</u> |
| CREDITORS: amounts falling due within one year | 13 | <u>(30,997)</u> | <u>(20,627)</u> |
| NET CURRENT ASSETS | | <u>6,434</u> | <u>4,174</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>6,521</u> | <u>4,290</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 15 | 1,000 | 1,000 |
| Other reserves | 16 | 149 | 86 |
| Profit and loss account | 16 | 5,372 | 3,204 |
| EQUITY SHAREHOLDERS' FUNDS | 17 | <u>6,521</u> | <u>4,290</u> |

These financial statements were approved and authorised for issue by the Board on 11 April 2012 and were signed on their behalf by



J/R A Quin
Director

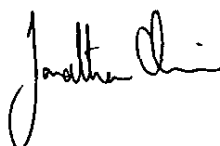
The notes on pages 9 to 16 form part of these financial statements

COMPANY BALANCE SHEET

AT 31 JANUARY 2012

| | Notes | 2012 £'000 | 2011 £'000 |
|---|-------|-----------------|-----------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 10 | 67 | 88 |
| Investments | 11 | 382 | 382 |
| | | <u>449</u> | <u>470</u> |
| CURRENT ASSETS | | | |
| Debtors | 12 | 4,428 | 3,956 |
| Cash at bank and in hand | | 2,262 | 1,057 |
| Cash held on behalf of clients | | 24,714 | 16,339 |
| | | <u>31,404</u> | <u>21,352</u> |
| CREDITORS: amounts falling due within one year | 13 | <u>(27,789)</u> | <u>(18,605)</u> |
| NET CURRENT ASSETS | | <u>3,615</u> | <u>2,747</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>4,064</u> | <u>3,217</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 15 | 1,000 | 1,000 |
| Other reserves | 16 | 149 | 86 |
| Profit and loss account | 16 | 2,915 | 2,131 |
| EQUITY SHAREHOLDERS' FUNDS | 17 | <u>4,064</u> | <u>3,217</u> |

These financial statements were approved and authorised for issue by the Board on 11 April 2012 and were signed on their behalf by



J R A Quin
Director

The notes on pages 9 to 16 form part of these financial statements

WORLD FIRST UK LIMITED**CONSOLIDATED CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 JANUARY 2012**

| | Notes | 2012 £'000 | 2011 £'000 |
|---|-------|---------------|---------------|
| Net cash inflow from operating activities | 22 | 15,801 | 6,869 |
| Returns on investments and servicing of finance | 23 | 103 | 73 |
| Taxation | | | |
| Corporation tax paid | | (1,083) | (632) |
| Capital expenditure and financial investment | 23 | (64) | (131) |
| Cash outflow before use of financing | | <u>14,757</u> | <u>6,179</u> |
| Financing | | | |
| Equity dividends paid in respect of prior year | | (1,250) | (1,000) |
| Increase in cash | 24 | <u>13,507</u> | <u>5,179</u> |

The notes on pages 9 to 16 form part of these financial statements

WORLD FIRST UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2012

1. ACCOUNTING POLICIES

Basis of preparation

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

Turnover

Turnover comprises the gross selling price of currency. The cost to purchase currency is treated as a cost of sale

Basis of Consolidation

The consolidated financial statements incorporate the results of World First UK Limited and all its subsidiary undertakings as at 31 January 2012 using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition.

A separate profit and loss account for the company has not been presented as permitted under Section 408 of the Companies Act 2006

The results of the parent company are shown in note 16

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, evenly over their expected useful lives as follows

| | |
|------------------|-----------------|
| Office equipment | - 33% per annum |
|------------------|-----------------|

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company fund in respect of the year

Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment

Foreign currency

Foreign currency transactions are translated into sterling 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

WORLD FIRST UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JANUARY 2012****1. ACCOUNTING POLICIES (continued)****Share based payments**

FRS 20 requires the Group to recognise an expense in respect of the granting over shares to employees and directors. This expense, which is calculated by reference to the fair value of the options granted, is recognised on a straight line basis over the vesting period based on the Group's estimate of options that will eventually vest.

2. TURNOVER

Turnover is wholly attributable to the principal activities of the company and the group and is analysed by destination as follows

| | 2012 £'000 | 2011 £'000 |
|-------------------|------------------|------------------|
| United Kingdom | 2,203,881 | 1,499,348 |
| Rest of the World | 758,487 | 351,699 |
| | <u>2,962,368</u> | <u>1,851,047</u> |

3. OPERATING PROFIT

This has been arrived at after charging

| | | |
|---|-------------------|-------------------|
| Depreciation – owned assets | 92 | 82 |
| Operating lease rentals | 249 | 176 |
| Difference on foreign exchange | 43 | 28 |
| Auditors' remuneration – audit fees | 17 | 15 |
| Auditors' remuneration – non-audit fees | 3 | 3 |
| Directors remuneration (note 6) | 350 | 308 |
| | <u> </u> | <u> </u> |

4. OTHER OPERATING INCOME

| | | |
|---------------|-----------|-----------|
| Sundry income | <u>11</u> | <u>39</u> |
|---------------|-----------|-----------|

5. EMPLOYEES

Staff costs consist of

| | | |
|-----------------------|--------------|--------------|
| Wages and salaries | 6,055 | 3,879 |
| Social security costs | 665 | 355 |
| Other pension costs | 151 | 175 |
| | <u>6,871</u> | <u>4,409</u> |

The average number of full time employees, including directors, during the year was 110 (2011 97)

WORLD FIRST UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JANUARY 2012

| 6. DIRECTORS REMUNERATION | 2012 £'000 | 2011 £'000 |
|---|-----------------------|-----------------------|
| Directors remuneration consists of | | |
| Directors emoluments | <u>326</u> | <u>283</u> |
| Company pension contributions to money purchase pension schemes | <u>24</u> | <u>25</u> |

During the year retirement benefits were accruing to 2 directors (2011: 1) in respect of money purchase pension schemes. The highest paid director received remuneration of £163,710 (2011: £150,000).

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £12,484 (2011: £12,000).

| 7. INTEREST RECEIVABLE | 2012 £'000 | 2011 £'000 |
|------------------------------------|-----------------------|-----------------------|
| Bank and other interest receivable | <u>109</u> | <u>87</u> |
| 8. INTEREST PAYABLE | | |
| Bank overdrafts | <u>6</u> | <u>14</u> |

9. TAXATION

(a) The charge for the year is analysed as follows -

Current tax

| | | |
|---|--------------|------------|
| U K Corporation tax on profits for the year | 1,179 | 980 |
| Adjustment in respect of prior years | (65) | - |
| Total current tax (note 9(b)) | <u>1,114</u> | <u>980</u> |

Deferred tax

| | | |
|--------------------------------------|--------------|------------|
| Accelerated capital allowances | (2) | 7 |
| Short term timing differences | (16) | (6) |
| Total deferred tax (credit)/charge | <u>(18)</u> | <u>1</u> |
| Tax on profit on ordinary activities | <u>1,096</u> | <u>981</u> |

WORLD FIRST UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JANUARY 2012****9. TAXATION (continued)****(b) Factors affecting tax charge for year:-**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 26.5% (2011: 28%)

The differences are explained below

| | 2012 £'000 | 2011 £'000 |
|--|---------------|---------------|
| Profit on ordinary activities before tax | 4,494 | 3,612 |
| Profit on ordinary activities at the standard rate of corporation tax in the UK of 26.5% (2011: 28%) | 1,191 | 1,011 |
| Effects of | | |
| Expenses not deductible for tax purposes | 37 | 20 |
| Capital allowances for year less than/(in excess of) depreciation | 8 | (8) |
| Effect of different tax rates | 16 | 5 |
| Research and development relief | (76) | (53) |
| Other timing differences | 3 | 5 |
| Adjustments in respect of prior periods | (65) | - |
| Current tax charge for year (note 9(a)) | 1,114 | 980 |

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

10. TANGIBLE FIXED ASSETS

| | GROUP Office equipment £'000 | COMPANY Office equipment £'000 |
|-------------------------|---------------------------------------|---|
| Cost | | |
| At 1 February 2011 | 319 | 274 |
| Additions | 64 | 54 |
| At 31 January 2012 | 383 | 328 |
| Depreciation | | |
| At 1 February 2011 | 203 | 186 |
| Provided for the year | 92 | 75 |
| Exchange rate variances | 1 | - |
| At 31 January 2012 | 296 | 261 |
| Net Book Value | | |
| At 31 January 2012 | 87 | 67 |
| At 31 January 2011 | 116 | 88 |

WORLD FIRST UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JANUARY 2012

11. FIXED ASSET INVESTMENTS - COMPANY

| | Subsidiary undertakings £'000 | Total £'000 |
|--|--|------------------------|
| Cost | | |
| At 1 February 2011 and 31 January 2012 | 382 | 382 |
| Net Book Value | | |
| At 31 January 2011 and 31 January 2012 | 382 | 382 |

Subsidiary undertakings

The principal undertakings in which the company has a 20% interest or more are as follows

| Subsidiary undertakings | Country of Incorporation or registration | Proportion of voting rights and ordinary share capital held | Nature of business |
|--|---|--|---------------------------|
| World First Markets Limited | United Kingdom | 100% | Currency options |
| World First Advisory Services Limited | United Kingdom | 100% | Currency Advisors |
| World First PTY Limited | Australia | 100% | Foreign Exchange Broker |

**12. DEBTORS: amounts falling due
within one year**

| | 2012 £'000 | Group 2011 £'000 | Company 2012 £'000 | 2011 £'000 |
|---|-----------------------|---------------------------------|-----------------------------------|-----------------------|
| Trade debtors | 92 | 124 | 85 | 123 |
| Prepayments and accrued income | 1,471 | 1,517 | 1,339 | 1,489 |
| Amounts owed by subsidiary undertakings | - | - | 2,654 | 1,195 |
| Other debtors | 336 | 1,153 | 314 | 1,131 |
| Deferred tax asset (note 14) | 36 | 18 | 36 | 18 |
| | <u>1,935</u> | <u>2,812</u> | <u>4,428</u> | <u>3,956</u> |

**13. CREDITORS: amounts falling due
within one year**

| | 2012 £'000 | Group 2011 £'000 | Company 2012 £'000 | 2011 £'000 |
|--|-----------------------|---------------------------------|-----------------------------------|-----------------------|
| Amounts held on behalf of clients | 27,556 | 17,978 | 24,714 | 16,362 |
| Corporation tax | 689 | 658 | 338 | 354 |
| Accruals and deferred income | 2,724 | 1,968 | 2,502 | 1,757 |
| Other creditors | 28 | 23 | 10 | 132 |
| Amounts due to subsidiary undertakings | - | - | 225 | - |
| | <u>30,997</u> | <u>20,627</u> | <u>27,789</u> | <u>18,605</u> |

WORLD FIRST UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JANUARY 2012

| | | | | |
|---|-------------------------------------|--|-----------------------|-----------------------|
| 14. DEFERRED TAXATION ASSET | 2012 £'000 | 2011 £'000 | | |
| Deferred tax | | | | |
| As at 1 February 2011 | 18 | 19 | | |
| Credited/(charged) to profit and loss account in year | 18 | (1) | | |
| | <u>36</u> | <u>18</u> | | |
| As at 31 January 2012 | | | | |
| The asset is made up as follows | | | | |
| Accelerated capital allowances | (3) | (5) | | |
| Other timing differences | 39 | 23 | | |
| | <u>36</u> | <u>18</u> | | |
| 15. SHARE CAPITAL | 2012 £ | 2011 £ | | |
| Allotted, called up and fully paid: | | | | |
| 1,000,000 Ordinary shares of £1 each | <u>£1,000,000</u> | <u>£1,000,000</u> | | |
| 16. RESERVES | Other reserves £'000 | Profit and loss account £'000 | | |
| Group | | | | |
| At 1 February 2011 | 86 | 3,204 | | |
| Profit for the year | - | 3,398 | | |
| Dividends in respect of previous year | - | (1,250) | | |
| Share based payments | 63 | - | | |
| Exchange rate variances | - | 20 | | |
| | <u>149</u> | <u>5,372</u> | | |
| At 31 January 2012 | | | | |
| Company | | | | |
| At 1 February 2011 | 86 | 2,131 | | |
| Profit for the year | - | 2,034 | | |
| Dividends in respect of previous year | - | (1,250) | | |
| Share based payments | 63 | - | | |
| | <u>149</u> | <u>2,915</u> | | |
| At 31 January 2012 | | | | |
| 17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS | Group | Company | | |
| | 2012 £'000 | 2011 £'000 | 2012 £'000 | 2011 £'000 |
| Profit for the year | 3,398 | 2,631 | 2,034 | 1,882 |
| Dividends in respect of previous year | (1,250) | (1,000) | (1,250) | (1,000) |
| Share based payments | 63 | 47 | 63 | 47 |
| Exchange rate variances | 20 | (22) | - | - |
| | <u>2,231</u> | <u>1,656</u> | <u>847</u> | <u>929</u> |
| Net addition to shareholders' funds | 2,231 | 1,656 | 847 | 929 |
| Opening shareholders' funds | 4,290 | 2,634 | 3,217 | 2,288 |
| | <u>6,521</u> | <u>4,290</u> | <u>4,064</u> | <u>3,217</u> |
| Closing shareholders' funds | | | | |

WORLD FIRST UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JANUARY 2012

| | | |
|--|--------------|--------------|
| 18. DIVIDENDS | 2012 | 2011 |
| | £'000 | £'000 |
| Dividends paid on equity capital in respect of previous year | 1,250 | 1,000 |

19. COMMITMENTS UNDER OPERATING LEASES

As at 31 January 2012, the group and company had annual commitments under non-cancellable operating leases as set out below

| | | |
|-------------------------------|--------------------------|--------------|
| | Group and company | |
| | 2012 | 2011 |
| | £'000 | £'000 |
| Land and buildings | | |
| Operating leases which expire | | |
| Within one year | 214 | 16 |
| In two to five years | 77 | 202 |
| | <u>291</u> | <u>218</u> |

20. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The pension cost charge for the year was £151,000 (2011 £127,595). There were no amounts included within creditors at the balance sheet date (2011 £Nil).

21. SHARE BASED PAYMENTS

The company has awarded employees share options on a discretionary basis. These options have been accounted for under FRS 20 "Share-based payments", with an appropriate charge to the profit and loss account. This expense is calculated by reference to the fair value of the options and is recognised on a straight line basis over the vesting period. The vesting period of all options in issue is 10 years from date of grant.

| Date of grant | Exercise price | No. of employees holding options | No. of shares under options |
|----------------------|-----------------------|---|------------------------------------|
| 20 July 2007 | £1.20 | 2 | 8,000 |
| 13 February 2008 | £2.00 | 3 | 17,000 |
| 20 July 2009 | £3.25 | 1 | 10,000 |
| 19 May 2010 | £5.00 | 1 | 10,000 |

At 1 February 2011 and 31 January 2012

45,000

| | | |
|--|----------------------|---------------------|
| 22. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES | 2012 | 2011 |
| | £'000 | £'000 |
| Operating profit | 4,391 | 3,539 |
| Depreciation of tangible fixed assets | 92 | 82 |
| Decrease/(increase) in debtors | 895 | (1,866) |
| Increase in creditors | 10,338 | 5,089 |
| Exchange rate variances | 22 | (22) |
| Share based payments | 63 | 47 |
| Net cash inflow from operating activities | <u>15,801</u> | <u>6,869</u> |

WORLD FIRST UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JANUARY 2012

| | | | |
|-----|---|-----------------------------------|-----------------------------------|
| 23. | ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT | 2012 £'000 | 2011 £'000 |
| | Returns on investments and servicing of finance | | |
| | Interest received | 109 | 87 |
| | Interest paid | (6) | (14) |
| | | <hr/> | <hr/> |
| | NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | 103 | 73 |
| | | <hr/> | <hr/> |
| | Capital expenditure and financial investment | | |
| | Purchase of tangible fixed assets | (64) | (131) |
| | | <hr/> | <hr/> |
| | NET CASH OUTFLOW FROM CAPITAL EXPENDITURE | (64) | (131) |
| | | <hr/> | <hr/> |
| 24. | ANALYSIS OF CHANGES IN NET FUNDS | | |
| | | At 1 February 2011 £'000 | At 31 January 2012 £'000 |
| | | Cash flow £'000 | |
| | Cash at bank and in hand | 4,035 | 3,905 |
| | Cash held on behalf of clients | 17,954 | 7,940 |
| | | <hr/> | <hr/> |
| | NET FUNDS | 21,989 | 27,556 |
| | | <hr/> | <hr/> |
| | | 13,507 | 35,496 |

25. ULTIMATE CONTROLLING PARTY

The directors do not consider there to be an ultimate controlling party