

WORLD FIRST UK LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2010

Registered Number 5022388

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WORLD FIRST UK LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2010

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WORLD FIRST UK LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2010

DIRECTORS

J R A Quin
N J G Robinson

COMPANY SECRETARY

J R A Quin

REGISTERED OFFICE

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

COMPANY NUMBER

5022388

AUDITORS

haysmacintyre
Fairfax House
15 Fulwood Place
London
WC1V 6AY

WORLD FIRST UK LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 JANUARY 2010

The directors present their report together with the audited financial statements for the year ended 31 January 2010

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 were pleased with the results for the financial year and are forecasting further growth in the financial year to 31 January 2011. During the year the UK business increased its transaction turnover by over 25%. The Australian office grew strongly and is on track to be profitable this year. We launched Xchange – our online dealing platform in December and expect use of this to treble in the next year. We are considering further geographic expansion in 2010 and expect to have a third office open by the end of the year. The group continues to show a strong balance sheet position with net assets as shown below.

The total currency turnover for the year was £958m (2009 £765m, 2008 £516m, 2007 £306m).

KEY FINANCIAL HIGHLIGHTS

Turnover	£958.0m	(2009 £764.9m)	+25%
Gross Profit	£7.7m	(2009 £5.1m)	+53%
Net Profit before tax	£2.2m	(2009 £1.8m)	+25%
Net Profit after tax	£1.6m	(2009 £1.2m)	+31%
Dividends in respect of previous year	£835k	(2009 £562k)	+46%
Shareholders' funds	£2.6m	(2009 £1.8m)	+49%

DIRECTORS

The directors who served during the year were:

J R A Quin
N J G Robinson

N J G Robinson was based in Australia throughout the year developing the World First PTY Ltd operation.

RISKS AND UNCERTAINTIES

Economic environment

The economic slowdown did impact business to some extent during 2009. There were fewer private clients buying property abroad and some corporate clients reduced their imports and stocking levels, however, we were able to diversify our client base to some extent to offset this. Without the recession we would have expected turnover to be up nearer 35% but we are happy with the growth given the economic environment. The directors are confident the Group will continue to grow in 2010 and are targeting growth in three areas: growing the current teams, growing the product offering and growing geographically. A budget gross profit and net profit rate have been set which are 31% and 28% higher respectively at £10.1m and £2.8m.

Regulation and Compliance risk

On 1st November 2009 the Payment Services Directive was introduced in the UK. We were in the first group of firms that were registered. We were already undertaking all the requirements of the legislation and the added advantage of being FSA regulated has helped sales. We had no compliance failures in 2009.

WORLD FIRST UK LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31 JANUARY 2010

RISKS AND UNCERTAINTIES (continued)

Competition

The group faces competition from the banks and other foreign exchange providers. World First has always focused on price and service which has helped us to grow faster than almost all our competitors. During the course of 2010 we will be undertaking a branding exercise to highlight our competitive advantages. We believe our new online trading system will also act as a differentiator.

Corporate Responsibility

During the year we continued to try and minimise our carbon footprint which we consider to be low for a company of our size.

We increased our focus on Corporate Social Responsibility by, for example, joining the Education and Business Partnership with both Lewisham council and Wandsworth council.

The company recycles almost all paper utilised and we improved recycling facilities in the kitchen. We ceased using bottled water and moved to filtered mains water in the kitchens. We donated £23,285 (2009: £14,222) to a selection of charities nominated by staff (none of which were political organisations).

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.

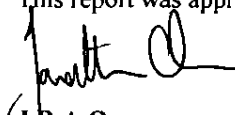
So far as each of the directors is aware at the time the report is approved:

- 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.

This report was approved by the board on 29 March 2010 and signed on its behalf


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 2010 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 Section 495 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 2, 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.

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 2010 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.

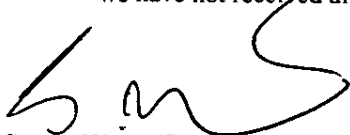
Opinion on other matter prescribed by the Companies Act 2006

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

29 March 2010

Fairfax House
15 Fulwood Place
London
WC1V 6AY

WORLD FIRST UK LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 JANUARY 2010**

	Notes	2010 £	2009 £
TURNOVER	2	958,007,378	764,936,705
Cost of sales		(950,320,740)	(759,873,065)
GROSS PROFIT		7,686,638	5,063,640
Administrative expenses		(5,619,995)	(3,571,334)
Other operating income		55,108	21,669
OPERATING PROFIT	3	2,121,751	1,513,975
Interest receivable		53,621	242,814
Interest payable	8	(2,876)	(4,564)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,172,496	1,752,225
Tax on profit on ordinary activities	9	(532,214)	(517,031)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	16	<u>£1,640,282</u>	<u>£1,235,194</u>

All amounts relate to continuing operations

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

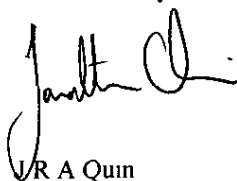
The notes on pages 8 to 15 form part of these financial statements

CONSOLIDATED BALANCE SHEET

AT 31 JANUARY 2010

	Notes	£	2010	£	£	2009	£
FIXED ASSETS							
Tangible fixed assets	10			66,524			30,368
Investments	11			500			500
				<u>67,024</u>			<u>30,868</u>
CURRENT ASSETS							
Debtors	12	947,256			693,622		
Cash at bank and in hand		2,616,904			2,008,644		
Cash held on behalf of clients		14,193,352			8,965,286		
		<u>17,757,512</u>			<u>11,667,552</u>		
CREDITORS: amounts falling due within one year	13	(15,189,896)			(9,922,977)		
NET CURRENT ASSETS				<u>2,567,616</u>			<u>1,744,575</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>£2,634,640</u>			<u>£1,775,443</u>
CAPITAL AND RESERVES							
Called up share capital	15			100			100
Other reserves	16			39,000			12,360
Profit and loss account	16			2,595,540			1,762,983
SHAREHOLDERS' FUNDS	17			<u>£2,634,640</u>			<u>£1,775,443</u>

These financial statements were approved and authorised for issue by the Board on 29 March 2010 and were signed on their behalf by



J R A Quin
Director

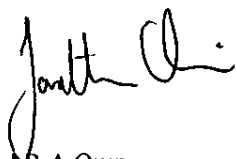
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COMPANY BALANCE SHEET

AT 31 JANUARY 2010

	Notes	2010	2009
		£	£
FIXED ASSETS			
Tangible fixed assets	10	63,117	30,368
Investments		263,583	237,814
		<u>326,700</u>	<u>268,182</u>
CURRENT ASSETS			
Debtors	12	1,972,390	1,154,807
Cash at bank and in hand		1,717,363	1,353,879
Cash held on behalf of clients		13,351,775	7,902,555
		<u>17,041,528</u>	<u>10,411,241</u>
CREDITORS: amounts falling due within one year	13	(15,079,958)	(8,972,861)
NET CURRENT ASSETS		<u>1,961,570</u>	<u>1,438,380</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£2,288,270</u>	<u>£1,706,562</u>
CAPITAL AND RESERVES			
Called up share capital	15	100	100
Other reserves	16	39,000	12,360
Profit and loss account	16	2,249,170	1,694,102
SHAREHOLDERS' FUNDS	17	<u>£2,288,270</u>	<u>£1,706,562</u>

These financial statements were approved and authorised for issue by the Board on 29 March 2010 and were signed on their behalf by



J R A Quin
Director

The notes on pages 8 to 15 form part of these financial statements

WORLD FIRST UK LIMITED**CONSOLIDATED CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 JANUARY 2010**

	Notes	£	£	£
Net cash inflow from operating activities	22		7,463,139	5,510,173
Returns on investments and servicing of finance	23		50,745	238,250
Taxation				
UK Corporation tax paid			(755,432)	(375,019)
Capital expenditure and financial investment	23		(86,932)	(27,574)
Cash outflow before use of financing			<u>6,671,520</u>	<u>5,345,830</u>
Financing				
Equity dividends paid in respect of prior year			(835,194)	(562,131)
Increase in cash	24		<u>£5,836,326</u>	<u>£4,783,699</u>

The notes on pages 8 to 15 form part of these financial statements

WORLD FIRST UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JANUARY 2010

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 2010 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
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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.

WORLD FIRST UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JANUARY 2010****1. ACCOUNTING POLICIES (continued)****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.

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:

	2010 £	2009 £
United Kingdom	782,825,951	721,649,183
Rest of the World	175,181,427	43,287,522
	<u>£958,007,378</u>	<u>£764,936,705</u>

3. OPERATING PROFIT

This has been arrived at after charging/(crediting)

Depreciation – owned assets	51,040	33,644
Operating lease rentals	168,867	107,657
Difference on foreign exchange	7,016	(46,986)
Auditor's remuneration – audit fees	13,000	13,000
Auditor's remuneration – non-audit fees	2,000	3,500
Directors remuneration (note 6)	252,000	233,833
	<u> </u>	<u> </u>

4. OTHER OPERATING INCOME

Sundry income	<u>£55,108</u>	<u>£21,669</u>
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5. EMPLOYEES

Staff costs consist of

Wages and salaries	3,292,543	2,217,287
Social security costs	262,487	197,943
Other pension costs	89,281	69,562
	<u>£3,644,311</u>	<u>£2,484,792</u>

The average number of employees, including directors, during the year was 67 (2009: 54).

WORLD FIRST UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JANUARY 2010**

6 DIRECTORS REMUNERATION	2010 £	2009 £
Directors remuneration consists of		
Directors emoluments	<u>£240,000</u>	<u>£210,833</u>
Company pension contributions to money purchase pension schemes	<u>£12,000</u>	<u>£23,000</u>

During the year retirement benefits were accruing to 1 director (2009 2) in respect of money purchase pension schemes. The highest paid director received remuneration of £120,000 (2009 £110,000)

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £12,000 (2009 £12,000)

In December 2008, Mr N J G Robinson ceased to work for World First's UK operation in order to set up the Group's Australian operation, World First Pty Ltd, in Sydney, where he continues to work full time for that company and is remunerated by it. Consequently, he does not receive a salary from the UK operation

7 INTEREST RECEIVABLE	2010 £	2009 £
Bank and other interest receivable	<u>£53,621</u>	<u>£230,006</u>

8. INTEREST PAYABLE		
Bank loan and overdrafts	<u>£2,876</u>	<u>£4,564</u>

9. TAXATION

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

Current tax

U K Corporation tax on profits for the year (note 9(b))	589,425	522,956
Adjustment in respect of prior years	(47,524)	235
Total current tax	<u>541,901</u>	<u>523,191</u>

Deferred tax

Accelerated capital allowances	4,964	(4,730)
Short term timing differences	(14,651)	(1,430)
Total deferred tax charge	<u>£(9,687)</u>	<u>£(6,160)</u>
Tax on profit on ordinary activities	<u>£532,214</u>	<u>£517,031</u>

WORLD FIRST UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 JANUARY 2010****9. TAXATION (continued)****(b) Factors affecting tax charge for year:-**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 28%)

The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	£2,172,496	£1,752,225
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009 28%)	608,299	490,623
Effects of		
Expenses not deductible for tax purposes	5,990	18,943
Capital allowances for year (in excess of)/less than depreciation	(4,511)	4,959
Benefit of small companies rate	(2,696)	(6,779)
Employee share option charge	7,459	2,789
Double tax relief	-	(4,084)
Effect of change in tax rate	-	6,179
R&D relief	(31,500)	-
Other timing differences	6,384	10,326
Current tax charge for year	£589,425	£522,956

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

10. TANGIBLE FIXED ASSETS

	GROUP Office equipment £	COMPANY Office equipment £
Cost		
At 1 February 2009	101,951	101,951
Additions	86,932	80,276
At 31 January 2010	188,883	182,227
Depreciation		
At 1 February 2009	71,583	71,583
Provided for the year	51,040	47,527
Exchange rate variances	(264)	-
At 31 January 2010	122,359	119,110
Net Book Value		
At 31 January 2010	£66,524	£63,117
At 31 January 2009	£30,368	£30,368

WORLD FIRST UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JANUARY 2010

11. FIXED ASSET INVESTMENTS - COMPANY

	Other investments £	Subsidiary undertakings £	Total £
Cost			
At 1 February 2009	500	237,314	237,814
Exchange rate gains	-	25,769	25,769
	<u>500</u>	<u>263,083</u>	<u>263,583</u>
At 31 January 2010	500	263,083	263,583
Net Book Value			
At 31 January 2010	<u>£500</u>	<u>£263,083</u>	<u>£263,583</u>
At 31 January 2009	<u>£500</u>	<u>£237,314</u>	<u>£237,814</u>

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 PTY Limited	Australia	100%	Foreign exchange broker

FIXED ASSET INVESTMENTS - GROUP

	Other investments £
Cost	
At 1 February 2009 and 31 January 2010	<u>£500</u>
Net Book Value	
At 1 February 2009 and 31 January 2010	<u>£500</u>

12. DEBTORS, amounts falling due within one year

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Trade debtors	54,942	18,481	54,942	18,481
Prepayments and accrued income	873,326	464,826	865,763	464,826
Amounts owed by subsidiary undertakings	-	-	1,032,697	465,817
Other debtors	-	201,014	-	196,382
Deferred tax asset (note 14)	18,988	9,301	18,988	9,301
	<u>£947,256</u>	<u>£693,622</u>	<u>£1,972,390</u>	<u>£1,154,807</u>

WORLD FIRST UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JANUARY 2010

13. CREDITORS: amounts falling due within one year	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Amounts held on behalf of clients	14,193,352	8,965,286	13,351,775	7,902,555
Corporation tax	309,425	522,956	215,239	490,613
Accruals and deferred income	658,462	434,249	652,962	427,377
Other creditors	28,657	486	2,344	486
Amounts due to subsidiary undertakings	-	-	857,638	151,830
	<u>£15,189,896</u>	<u>£9,922,977</u>	<u>£15,079,958</u>	<u>£8,972,861</u>
14. DEFERRED TAXATION ASSET			2010 £	2009 £
Deferred tax				
As at 1 February 2009			9,301	3,141
Credited to profit and loss account in year			9,687	6,160
As at 31 January 2010			<u>£18,988</u>	<u>£9,301</u>
The asset is made up as follows				
Accelerated capital allowances			2,187	7,151
Other timing differences			16,801	2,150
			<u>£18,988</u>	<u>£9,301</u>
15. SHARE CAPITAL			2010 £	2009 £
Authorised:				
1,050,000 Ordinary shares of £0 0001 each			105	105
Allotted, called up and fully paid:				
1,000,000 Ordinary shares of £0 0001 each			100	100
16. RESERVES			Other reserves £	Profit and loss account £
Group				
At 1 February 2009			12,360	1,762,983
Profit for the year			-	1,640,282
Dividends in respect of previous year			-	(835,194)
Share based payments			26,640	-
Exchange rate variances			-	27,469
At 31 January 2010			<u>£39,000</u>	<u>£2,595,540</u>
Company				
At 1 February 2009			12,360	1,694,102
Profit for the year			-	1,390,262
Dividends in respect of previous year			-	(835,194)
Share based payments			26,640	-
At 31 January 2010			<u>£39,000</u>	<u>£2,249,170</u>

WORLD FIRST UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JANUARY 2010

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Profit for the year	1,640,282	1,235,194	1,390,262	1,166,313
Dividends in respect of previous year	(835,194)	(562,131)	(835,194)	(562,131)
Share based payments	26,640	9,960	26,640	9,960
Exchange rate variances	27,469	-	-	-
Net addition to shareholders' funds	859,197	683,023	581,708	614,142
Opening shareholders' funds	1,775,443	1,092,420	1,706,562	1,092,420
Closing shareholders' funds	<u>£2,634,640</u>	<u>£1,775,443</u>	<u>£2,288,270</u>	<u>£1,706,562</u>

18. DIVIDENDS	2010 £	2009 £
Dividends paid on equity capital in respect of previous year	<u>£835,194</u>	<u>£562,131</u>

19. COMMITMENTS UNDER OPERATING LEASES

As at 31 January 2010, the group and company had annual commitments under non-cancellable operating leases as set out below

	Group and company	
	2010 £	2009 £
Land and buildings		
Operating leases which expire		
Within one year	42,283	26,036
In two to five years	149,393	131,100
	<u>£191,676</u>	<u>£157,136</u>

20. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The pension cost charge for the year was £89,281 (2009 £69,562). There were no amounts included within creditors at the balance sheet date (2009 £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.

WORLD FIRST UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 JANUARY 2010

21. SHARE BASED PAYMENTS (continued)

	Date of grant	Exercise price	No. of employees holding options	No. of shares under options
At 1 February 2009	20 July 2007	£1 20	2	6,000
	13 February 2008	£2	3	17,000
Options granted during the year	20 July 2009	£3 25	1	10,000
At 31 January 2010				<u>33,000</u>

22. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010 £	2009 £
Operating profit	2,121,751	1,513,975
Depreciation of tangible fixed assets	51,040	33,644
Increase in debtors	(243,947)	(320,947)
Increase in creditors	5,480,451	4,273,541
Exchange rate variances	27,204	-
Share based payments	26,640	9,960
Net cash inflow from operating activities	<u>£7,463,139</u>	<u>£5,510,173</u>

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	53,621	242,814
Interest paid	(2,876)	(4,564)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u>£50,745</u>	<u>£238,250</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(86,932)	(27,574)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	<u>£(86,932)</u>	<u>£(27,574)</u>

24. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 February 2009 £	Cash flow £	At 31 January 2010 £
Cash at bank and in hand	2,008,644	608,260	2,616,904
Cash held on behalf of clients	8,965,286	5,228,066	14,193,352
NET FUNDS	<u>£10,973,930</u>	<u>£5,836,326</u>	<u>£16,810,256</u>

25. ULTIMATE CONTROLLING PARTY

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