

Company Registered No. 3195485

WYG International Limited

Report and Financial Statements

30 June 2007



WYG International Limited

Report and financial statements 2007

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WYG International Limited

Officers and professional advisers

Directors

L J Haynes	(appointed 18 June 2007)
R Hartley	
D P Connery	
J G Purvis	(resigned 17 September 2007)
J P L Bacharach	
K J Cook	
L Cowles	
C J Davies	
A S Dziurdzik	
D C Ford	
C S Hewer	
G Lamond	
S J McCormick	
J Miller	
N Parison	(appointed 1 August 2007)
M J Parry	(appointed 14 August 2007)

Company secretary

D P Connery

Registered number

3195485

Registered Office

Arndale Court
Headingley
Leeds
LS6 2UJ

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants & Registered Auditors
Benson House
33 Wellington Street
Leeds, LS1 4JP

Solicitors

Eversheds
Cloth Hall Court
Infirmary Street
Leeds
LS1 2JB

Bankers

Fortis Bank
Camomile Court
23 Camomile Street
London
EC3A 7PP

WYG International Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2007

Business review and principal activities

WYG International Limited ("the Company") is incorporated in the UK, and both the Company and Group are domiciled in the UK. The principal activities of the Group are management, economic and human resource consultancy, focused primarily on assisting the social and economic transition from centralised to democratic pluralist society. The principal geographic focus is Central and Eastern Europe, Central Asia and the Mediterranean area.

The largest part of the Group's income is derived from the major bilateral and multi-lateral development agencies, including the World Bank, the European Commission and the UK Department for International Development.

The results for the Group show a pre-tax profit of €3,612,000 (2006: €3,790,000) for the year and revenue of €59,805,000 (2006: €53,695,000). No dividends (2006: €Nil) were paid during the year.

Future outlook

The external commercial environment is expected to remain competitive in 2007/8, however, the directors remain confident that current levels of performance will be maintained in the future.

Principal risks and uncertainties

The management of the business and the execution of the Company's and Group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to competition and employee retention. Further discussion of these risks and uncertainties, in the context of the White Young Green group as a whole, is provided on page 34 of White Young Green Plc's annual report which does not form part of this report.

Key performance indicators

The directors of White Young Green Plc manage the White Young Green group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Group and Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Group or Company.

The development, performance and position of the White Young Green group is discussed on page 28 of White Young Green Plc's annual report which does not form part of this report.

Acquisitions

On 3 April 2007 the Company acquired the entire share capital of DeLeeuw International Yonetim Danismanligi Tiaret Limited Sirketi. The initial consideration was €827,000 in cash. Further consideration of up to €1,211,000 is payable if certain performance targets are met. The additional consideration will be paid in cash.

On 27 June 2007 the Company acquired the entire share capital of Consulting & Project Support Bulgaria Limited. The consideration was €52,000 in cash.

Trade creditors

The Group's policy is to settle invoices promptly according to terms and conditions as far as is practicable.

At 30 June 2007 the amount due to trade creditors for the Company represented 39 days (2006: 29 days), and for the Group represented 34 days (2006: 26 days) purchases received from those creditors.

Employee information

The Company's policy is to ensure the adequate provision for the health, safety and welfare of its employees and of other people who may be affected by its activities.

The Company treats applications for employment from disabled persons equally with those of other applicants having regard to their ability, experience and the requirements of the job. Where existing employees of the Company become disabled every effort is made to provide them with continuing suitable work within the Company.

WYG International Limited

Directors' report

The success of the Company depends upon the skill and motivation of its workforce and it is the Company's policy that employees are kept informed of matters affecting their employment and of the financial results of the Company on a regular basis

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual 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 International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state that the financial statements comply with IFRS as adopted by the European Union,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that 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 Companies Act 1985. 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.

Statement on disclosure of information to the independent auditors

So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware.

Each director has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

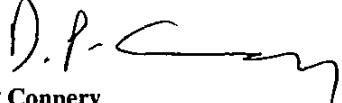
Independent auditors

PricewaterhouseCoopers LLP have expressed their willingness to be re-appointed. A resolution to re-appoint them as independent auditors will be proposed at the Annual General Meeting.

Cautionary statement

Certain statements contained in this report, including those under the "Future outlook" heading constitute forward-looking statements. Such forward-looking statements involve risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company and Group to be materially different from any future results, performance or achievements expressed or implied by such statements.

By behalf of the Board



D P Connery

Secretary

14 December 2007

WYG International Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WYG INTERNATIONAL LIMITED

We have audited the Group and parent Company financial statements (the "financial statements") of WYG International Limited for the year ended 30 June 2007 which comprise the Income Statement, the Balance Sheets, the Statements of Recognised Income and Expense, the Cash Flow Statements, the Statements of Changes in Shareholders' Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the Group's affairs as at 30 June 2007 and of the Group's profit and cash flows for the year then ended,
- the parent Company financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union as applied in accordance with provisions of the Companies Act 1985, of the state of the parent Company's affairs as at 30 June 2007 and cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Leeds
14 December 2007

WYG International Limited

Consolidated Income Statement For the year ended 30 June 2007

		2007 €'000	2006 €'000
Continuing Operations	Note		
Revenue	2	59,805	53,695
Operating expenses	3	(55,909)	(49,761)
Operating profit		<u>3,896</u>	<u>3,934</u>
Investment income		74	80
Finance costs	5	(358)	(224)
Profit before tax		<u>3,612</u>	<u>3,790</u>
Tax	6	(805)	(235)
Profit for the year		<u><u>2,807</u></u>	<u><u>3,555</u></u>
Attributable to:			
Equity shareholders		2,822	3,373
Minority interest		(15)	182
		<u><u>2,807</u></u>	<u><u>3,555</u></u>

The accompanying notes to the financial statements are an integral part of this Income Statement

WYG International Limited

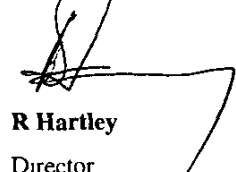
Balance Sheets

As at 30 June 2007

		Group		Company	
	Note	2007 €'000	2006 €'000	2007 €'000	2006 €'000
Non-current assets					
Goodwill	8	2,676	672	-	-
Other intangible assets	9	30	15	-	-
Property, plant and equipment	10	538	379	190	176
Investments	11	-	-	2,215	57
		<u>3,244</u>	<u>1,066</u>	<u>2,405</u>	<u>233</u>
Current assets					
Work in progress		21,152	13,524	15,603	9,003
Trade and other receivables	12	13,215	10,750	7,885	8,208
Tax recoverable		440	482	383	376
Cash and cash equivalents		5,549	9,728	3,368	3,784
		<u>40,356</u>	<u>34,484</u>	<u>27,239</u>	<u>21,371</u>
Current liabilities					
Trade and other payables	13	(34,420)	(29,703)	(28,075)	(19,513)
Current tax liabilities		(618)	(92)	(282)	(20)
		<u>(35,038)</u>	<u>(29,795)</u>	<u>(28,357)</u>	<u>(19,533)</u>
Net current assets/(liabilities)		<u>5,318</u>	<u>4,689</u>	<u>(1,118)</u>	<u>1,838</u>
Net assets		<u>8,562</u>	<u>5,755</u>	<u>1,287</u>	<u>2,071</u>
Shareholders' equity					
Share capital	15	141	141	141	141
Retained earnings	16	8,196	5,374	1,146	1,930
Total shareholders' equity		<u>8,337</u>	<u>5,515</u>	<u>1,287</u>	<u>2,071</u>
Minority interests		225	240	-	-
Total equity		<u>8,562</u>	<u>5,755</u>	<u>1,287</u>	<u>2,071</u>

The accompanying notes to the financial statements are an integral part of these Balance Sheets

The financial statements were approved by the Board of Directors on 14 December 2007 and signed on its behalf by


R Hartley
 Director

14 December 2007

WYG International Limited

Cash Flow Statements

For the year ended 30 June 2007

	Note	Group		Company	
		2007	2006	2007	2006
		€'000	€'000	€'000	€'000
Operating activities	17				
Cash (used in)/generated from operations		(1,969)	1,804	851	(3,991)
Interest paid		(358)	(207)	(191)	(207)
Tax paid		(639)	(1,317)	(28)	(1,128)
Net cash (used in)/generated from operating activities		<u>(2,966)</u>	<u>280</u>	<u>632</u>	<u>(5,326)</u>
Investing activities					
Proceeds on disposal of property, plant and equipment		-	6	-	-
Purchases of property, plant and equipment		(389)	(193)	(101)	(127)
Purchases of businesses		(947)	(704)	-	-
Purchases of intangible assets (computer software)		(31)	(15)	(947)	-
Cash balances acquired with businesses		80	-	-	-
Interest received		74	63	-	73
Net cash used in investing activities		<u>(1,213)</u>	<u>(843)</u>	<u>(1,048)</u>	<u>(54)</u>
Net decrease in cash and cash equivalents		<u>(4,179)</u>	<u>(563)</u>	<u>(416)</u>	<u>(5,380)</u>
Cash and cash equivalents at beginning of year		<u>9,728</u>	<u>10,291</u>	<u>3,784</u>	<u>9,164</u>
Cash and cash equivalents at end of year		<u><u>5,549</u></u>	<u><u>9,728</u></u>	<u><u>3,368</u></u>	<u><u>3,784</u></u>

The accompanying notes to the financial statements are an integral part of these Cash Flow Statements

WYG International Limited

Statements of Recognised Income and Expense

For the year ended 30 June 2007

	Group		Company	
	2007	2006	2007	2006
	€'000	€'000	€'000	€'000
Profit/(loss) for the year	2,807	3,555	(783)	(149)
Net exchange adjustments offset in reserves net of tax	-	(2)	-	-
Total recognised income and expense for the year	2,807	3,553	(783)	(149)
Attributable to:				
Equity shareholders	2,822	3,371	(783)	(149)
Minority interest	(15)	182	-	-
	2,807	3,553	(783)	(149)

Statements of Changes in Shareholders' Equity

For the year ended 30 June 2007

	Group		Company	
	2007	2006	2007	2006
	€'000	€'000	€'000	€'000
Profit/(loss) for the year	2,822	3,373	(783)	(149)
Exchange differences on translation of foreign operations	-	(2)	(1)	-
Net addition to/(reduction from) shareholders' funds	2,822	3,371	(784)	(149)
Equity attributable to equity shareholders of the Company at beginning of year	5,515	2,144	2,071	2,220
Equity attributable to equity shareholders of the Company at end of year	8,337	5,515	1,287	2,071

Notes to the Financial Statements

For the year ended 30 June 2007

Basis of accounting

All intra-group transactions, balances, income and expenses are eliminated on consolidation

Third party payments represent costs incurred by the Company on behalf of clients which are invoiced at no margin. Progress payments receivable in excess of the value of work executed on individual contracts are included in trade and other payables.

Goodwill arising on asset acquisitions represents the excess of the cost of acquisition over the net assets of the acquired Company. Goodwill is recognised as an asset and tested for impairment at least annually by reference to the relevant Cash Generating Units ('CGUs') and is carried at cost less accumulated impairment losses. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Intangible assets purchased separately, such as software licences that do not form an integral part of related hardware, are capitalised at cost and amortised on a straight line basis over their useful economic life. The useful economic lives used are as follows:

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WYG International Limited

Notes to the Financial Statements For the year ended 30 June 2007

1. Significant accounting policies (continued)

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units) discounted at an appropriate rate.

Property, plant and equipment

Properties, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. The cost of an item of property, plant and equipment comprises its purchase price and any costs directly attributable to bring the asset into use. Borrowing costs related to the purchase of fixed assets are not capitalised.

Depreciation is charged so as to write off the cost or valuation of assets, over their estimated useful lives as follows:

Motor vehicles	– 25% per annum on net book value
Office furniture and equipment	– 20–33.3% per annum on original cost

Leased assets

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

Cash & cash equivalents

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated in the Company's balance sheet at cost less any provision for impairment in value.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Euros, which is the Company's functional and presentation currency.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in the income statement for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

WYG International Limited

Notes to the Financial Statements For the year ended 30 June 2007

1. Significant accounting policies (continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate

Tax

The tax expense represents the sum of the tax currently payable and deferred tax along with any adjustments to prior year estimates

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in 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

Employee Benefits

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due

Short term compensated absences

A liability for short-term compensated absences, such as holiday, is recognised in trade and other payables for the amount the Company may be required to pay as a result of the unused entitlement that has accumulated at the balance sheet date

Deferred and Contingent Consideration

In respect of acquisitions for which part of the purchase consideration is payable during future accounting periods, the full amount of the deferred consideration is recognised immediately, except in respect of acquisitions for which part of the purchase consideration is determined by the profits generated by the acquired Company during future accounting periods. In such cases the contingent consideration is included in the accounts based on the best estimates of future profitability of the Company at this time. Estimates are revised as further and more certain information becomes available. Goodwill and deferred consideration are adjusted accordingly

WYG International Limited

Notes to the Financial Statements For the year ended 30 June 2007

1. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument

Trade receivables

Trade receivables do not carry any interest and are stated at their invoiced value as reduced by appropriate allowances for estimated irrecoverable amounts. A provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised in the income statement.

Trade payables

Trade payables are not interest-bearing and are stated at their invoiced value.

Significant judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the Company to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The directors base their estimates on historical experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of the assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Company believes that the most significant crucial judgement area in the application of its accounting policies is revenue recognition and the assessment of the percentage of contract completion achieved. The Company assesses contract progress and determines the proportion of contract work completed at the balance sheet date in relation to the total contract works.

New IFRS standards and interpretations not applied

The IASB and IFRIC have issued additional standards and interpretations which are effective for periods starting after the date of these financial statements. The following standards and interpretations have yet to be adopted by the Company:

- IFRS 7 – Financial instruments and disclosures and the related amendment to IAS 1 on capital disclosures
- IFRS 8 – Operating segments
- IFRIC 8 – Scope of IFRS 2 – share-based payments
- IFRIC 9 – Reassessment of embedded derivatives
- IFRIC 10 – Financial reporting and impairment
- IFRIC 11 – Group and treasury share transactions
- IFRIC 12 – Service concession arrangements (not yet endorsed by the EU)
- IFRIC 13 – Customer loyalty programmes (not yet endorsed by the EU)
- IFRIC 14 – The limit on a defined benefit asset, minimum funding requirements and their interaction (not yet endorsed by the EU)
- Amendment to IAS 24 – Related parties
- Amendment to IFRS 1 – Cost of an investment in a subsidiary
- Amendment to IAS 1 – Capital disclosures

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the Accounts of the Company except for additional disclosures that may be required on financial instruments when the relevant standards come into effect for periods commencing on or after 1 January 2007.

WYG International Limited

Notes to the Financial Statements For the year ended 30 June 2007

2 Revenue

	2007 €'000	2006 €'000
United Kingdom	174	271
Europe	53,276	43,107
Other	6,355	10,317
	<u>59,805</u>	<u>53,695</u>

3. Operating Expenses

	2007 €'000	2006 €'000
External charges	43,386	39,344
Staff costs (note 4)	8,864	7,138
Other external and operating charges	3,404	3,044
Depreciation	237	215
Amortisation of intangible assets	18	20
	<u>55,909</u>	<u>49,761</u>

Operating profit has been arrived at after charging

	2007 €'000	2006 €'000
Depreciation of property, plant and equipment	237	215
Amortisation of intangible assets	18	20
Loss on sale of property, plant and equipment	18	76
Operating lease rentals – land & buildings	657	322
Operating lease rentals – plant & machinery	51	154
Loss on foreign exchange	28	138
	<u></u>	<u></u>

During the year, the Company obtained the following services from the Company's auditors

	2007 €'000	2006 €'000
The audit of the Company's accounts	36	38
Other services supplied pursuant to legislation	52	66
	<u></u>	<u></u>

WYG International Limited

Notes to the Financial Statements For the year ended 30 June 2007

4. Employees and directors

Staff employed directly by the Group are, the directors, senior managers and support staff based at the head office in Nottinghamshire, plus those employed in subsidiary companies. The Group also has resources from its work force of permanent associates. As a supplement to these resources, services are bought in from specialist associates and sub-contractors. The following table details the resources deployed for staff and associates worldwide.

The average monthly number of employees (including directors) was

	2007 Number	2006 Number
Persons employed	238	202
Associates deployed by the group	470	592
	<u>708</u>	<u>794</u>

	2007 €'000	2006 €'000
Their aggregate remuneration comprised		
Wages and salaries	7,827	6,152
Social security costs	667	614
Pension costs (see note 20)	370	372
	<u>8,864</u>	<u>7,138</u>

Key management compensation

The directors have identified 11 (2006: 11) key management personnel whose compensation was as follows:

	2007 €'000	2006 €'000
Short term employment benefits	1,874	1,799
Post employment benefits	187	184
	<u>2,061</u>	<u>1,983</u>

The key management figures given above include directors.

Directors

	2007 €'000	2006 €'000
Aggregate emoluments	1,874	1,799
Contributions to defined contribution pension schemes	187	184
	<u>2,061</u>	<u>1,983</u>

WYG International Limited

Notes to the Financial Statements For the year ended 30 June 2007

4. Employees and directors (continued)

Directors accruing retirement benefits

	2007 Number	2006 Number
Defined contribution pension schemes	10	10

The emoluments disclosed above are in respect of the eleven directors employed by the Company. The remaining directors who served during the year are employed by a fellow subsidiary company to which they devote the substantial part of their time and accordingly they receive no remuneration, fees or benefits from the Company.

Highest paid director

	2007 €'000	2006 €'000
Aggregate emoluments	271	263
Contributions to defined contribution pension schemes	30	27

5. Finance costs

	2007 €'000	2006 €'000
Interest on bank loans, guarantees and overdrafts	163	142
Intercompany interest	195	82
	358	224

WYG International Limited

Notes to the Financial Statements For the year ended 30 June 2007

6. Tax

	2007 €'000	2006 €'000
Current tax		
UK corporation tax on profits for the year at 30% (2006 30%)	38	(62)
Overseas tax on profits for the year	767	297
	<u>805</u>	<u>235</u>

Factors affecting the current tax charge for the year

The tax charge for the year is lower (2006 lower) than the standard rate of corporation tax in the UK when applied to reported profit. The differences are explained below:

	2007 €'000	2006 €'000
Profit before tax	<u>3,612</u>	<u>3,790</u>
Profit before tax multiplied by the standard rate of UK corporation tax rate of 30% (2006 30%)	1,084	1,137
Expenses not deductible for tax purposes	3	-
International corporate rate differential	(282)	(908)
Other temporary differences	-	6
Total tax charge	<u>805</u>	<u>235</u>

There is an unrecognised deferred tax asset at the year end of €25,000 (2006 €43,000) arising mainly from the tax written down value of fixed assets exceeding the net book amount shown in the financial statements. The recovery of the deferred tax asset is dependent on the levels of future profits and capital expenditure.

7. Holding Company income statement

The directors have taken advantage of Section 230 of the Companies Act 1985 and have not prepared a separate income statement for the Company. The consolidated profit attributable to equity shareholders includes a loss of €783,000 (2006 €149,000) attributable to the Company.

WYG International Limited

Notes to the Financial Statements For the year ended 30 June 2007

8. Goodwill

	Group €'000
Cost	
At 1 July 2005	-
Recognised on acquisition of businesses	672
	<hr/>
At 1 July 2006	672
Recognised on acquisition of businesses	2,004
	<hr/>
At 30 June 2007	2,676
	<hr/>
Accumulated impairment losses	
At 1 July 2005, 1 July 2006 and 30 June 2007	-
	<hr/>
Net book value	
At 30 June 2007	2,676
	<hr/>
At 30 June 2006	672
	<hr/>

During the year the Group acquired the businesses and certain assets of DeLeeuw International Yonetim Danismanligi Tiaret Limited Sirketi and CPS Bulgaria Eood. Goodwill of €1,950,000 and €54,000 has resulted from these transactions respectively.

At the balance sheet date, the value of capitalised goodwill has been tested for impairment using the following key assumptions for all CGUs:

- a) Budgeted revenue for 2007/8, growing at the rate of 10% for five years and 2% thereafter which compares to the strategic plan of 10% per annum organic growth
- b) Maintaining margins at 2006/7 levels, despite a target to grow margins through operational leverage
- c) Applying a pre-tax weighted average cost of capital of 15%

On the basis of the above assumptions the directors have concluded that there is no goodwill impairment.

WYG International Limited

Notes to the Financial Statements For the year ended 30 June 2007

9. Other intangible assets

Group	Computer software €'000
Cost	
At 1 July 2005	145
Additions	15
Disposals	(20)
	<hr/>
At 1 July 2006	140
Additions	31
Disposals	(3)
Exchange differences	12
	<hr/>
At 30 June 2007	180
Amortisation	
At 1 July 2005	115
Charge for the year	20
Disposals	(10)
	<hr/>
At 1 July 2006	125
Charge for the year	18
Disposals	(3)
Exchange differences	10
	<hr/>
At 30 June 2007	150
Net book value	
At 30 June 2007	<hr/> <hr/> 30
At 30 June 2006	<hr/> <hr/> 15

There were no intangible assets in the Company (2006 nil)

WYG International Limited

Notes to the Financial Statements For the year ended 30 June 2007

10. Property, plant and equipment

Group	Motor vehicles €'000	Office furniture and equipment €'000	Total €'000
Cost			
At 1 July 2005	256	1,020	1,276
Additions	56	137	193
Disposals	(17)	(212)	(229)
At 1 July 2006	295	945	1,240
Additions	60	329	389
Acquired on business combinations	12	9	21
Disposals	(48)	(35)	(83)
Exchange differences	17	16	33
At 30 June 2007	336	1,264	1,600
Accumulated depreciation			
At 1 July 2005	85	708	793
Charge for the year	61	154	215
Disposals	(14)	(133)	(147)
At 1 July 2006	132	729	861
Charge for the year	79	158	237
Disposals	(36)	(29)	(65)
Exchange differences	9	20	29
At 30 June 2007	184	878	1,062
Net book value			
At 30 June 2007	152	386	538
At 30 June 2006	163	216	379

WYG International Limited

Notes to the Financial Statements For the year ended 30 June 2007

10. Property, plant and equipment (continued)

Company	Motor vehicles €'000	Office furniture and equipment €'000	Total €'000
Cost			
At 1 July 2005	78	483	561
Additions	51	76	127
At 1 July 2006	129	559	688
Additions	28	73	101
At 30 June 2007	157	632	789
Accumulated depreciation			
At 1 July 2005	14	436	450
Charge for the year	28	34	62
At 1 July 2006	42	470	512
Charge for the year	39	48	87
At 30 June 2007	81	518	599
Net book value			
At 30 June 2007	76	114	190
At 30 June 2006	87	89	176

Neither the Group or Company held any property, plant and equipment under finance leases in either the current or prior year

WYG International Limited

Notes to the Financial Statements For the year ended 30 June 2007

11. Investments

Company	Shares in subsidiary undertakings €'000
Cost and net book value	
At 1 July 2005 and 1 July 2006	57
Additions	2,158
At 30 June 2007	<u>2,215</u>

Subsidiary companies	Country of incorporation	Ordinary shares % held
IMC Projects Limited	United Kingdom	100
IMC Polska Sp z o o *	Poland	100
PSDB s A **	Poland	79
IMC Kariera Sp z o o *	Poland	51
IMC Danışmanlık Limited Şirketi*	Turkey	100
IMC Romania SRL*	Romania	100
DeLeeuw International Yönetim Danışmanlığı Ticaret Limited Şirketi	Turkey	100
Consulting & Project Support Bulgaria Limited *	Bulgaria	100

* Denotes shares held by IMC Projects Limited

** Denotes shares held by IMC Polska Sp z o o

All the above companies are engaged in the provision of training and consultancy services with the exception of IMC Projects Limited which acts as an intermediate holding company

Additions in the year relate to the acquisitions of DeLeeuw International Yönetim Danışmanlığı Ticaret Limited Şirketi and CPS Bulgaria EOOD Investments in group undertakings are stated at cost

The directors believe that the carrying value of the investments is supported by their underlying net assets

12. Trade and other receivables

	Group		Company	
	2007 €'000	2006 €'000	2007 €'000	2006 €'000
Amounts falling due within one year				
Amounts receivable on contracts	10,030	8,096	6,170	6,868
Prepayments and accrued income	1,192	1,545	908	482
Amounts owed by group undertakings	-	-	169	495
Other receivables	1,993	1,109	638	363
	<u>13,215</u>	<u>10,750</u>	<u>7,885</u>	<u>8,208</u>

WYG International Limited

Notes to the Financial Statements For the year ended 30 June 2007

13. Trade and other payables

	Group		Company	
	2007	2006	2007	2006
	€'000	€'000	€'000	€'000
Amounts falling due within one year				
Trade payables	5,203	2,989	3,309	2,737
Payments received on account	16,877	19,851	16,135	12,241
Social security and other taxes	248	224	86	102
Other payables	2,228	1,480	1,689	1,452
Accruals	6,422	3,606	3,428	1,183
Amounts due to group undertakings	3,442	1,553	3,428	1,798
	<u>34,420</u>	<u>29,703</u>	<u>28,075</u>	<u>19,513</u>

14. Derivative financial instruments

The Group and Company are exposed to a number of different market risks in the normal course of business including foreign currency risks, interest rate risks and credit risks

Foreign currency risk

The Group and Company are exposed to foreign currency risk on sales, purchases and borrowings that are denominated in currencies other than Euros. However, most of the Group's trading is denominated in the currencies relevant to the local subsidiaries, thus matching the currency with its cost base. As a result the Group and Company does not hedge everyday foreign currency transactions.

Credit risk

The Group and Company have a customer credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At 30 June 2007 there were no significant concentrations of credit risk. The maximum exposure to credit risk is the carrying amount of each financial asset included on the balance sheet.

Interest rate risk

The Group and Company do not have any floating rate financial liabilities and therefore is not exposed to any significant interest rate risks.

Fair values

The fair values of the financial assets and liabilities of the Group and Company are considered to be materially equivalent to their book value. Fair values have been calculated by reference to cash flows discounted at prevailing interest rates.

WYG International Limited

Notes to the Financial Statements For the year ended 30 June 2007

15. Share capital

	2007 €'000	2006 €'000
Authorised 141,000 ordinary shares of €1 each	141	141
Issued and fully paid 141,000 ordinary shares of €1 each	141	141

16. Retained Earnings

	Group		Company	
	2007 €'000	2006 €'000	2007 €'000	2006 €'000
Balance at 1 July	5,374	2,003	1,930	2,079
Retained profit for the year	2,822	3,373	(783)	(149)
Currency translation differences	-	(2)	(1)	-
Balance at 30 June	8,196	5,374	1,146	1,930

17. Cash generated from operations

	Group		Company	
	2007 €'000	2006 €'000	2007 €'000	2006 €'000
Profit/(loss) from operations	3,896	3,934	(222)	(41)
Adjustments for				
Depreciation of property, plant and equipment	237	215	87	62
Amortisation of intangible assets	18	20	-	-
Loss on disposal of property, plant and equipment	18	76	-	-
Operating cash flows before movements in working capital	4,169	4,245	(135)	21
(Increase)/decrease in inventories	(7,588)	2,945	(6,600)	7,253
(Increase)/decrease in receivables	(1,986)	(691)	235	2,648
Increase/(decrease) in payables	3,436	(4,695)	7,351	(13,913)
Cash (used in)/generated from operations	(1,969)	1,804	851	(3,991)
Interest paid	(358)	(207)	(191)	(207)
Tax paid	(639)	(1,317)	(28)	(1,128)
Net cash (used in)/generated from operating activities	(2,966)	280	632	(5,326)

WYG International Limited

Notes to the Financial Statements For the year ended 30 June 2007

18. Contingent liabilities and guarantees

The Group has issued bonds and guarantees to the value of €31,447,000 (2006 €32,795,000) in the ordinary course of business. No liability is expected to arise from these bonds and guarantees.

The Company and its subsidiary undertakings cross guarantee to the White Young Green group's principal bankers the overdrafts, if any, of each Company covered by the guarantee. At 30 June 2007 the White Young Green group's overdrafts amounted to €22,000 (2006 €4,740,000).

In common with other professional firms, the White Young Green group maintains professional indemnity insurance against claims for professional negligence which in the ordinary course of business have been received, or may be received in the future. The directors assess each claim and provide for legal and settlement costs where, on the basis of advice received, it is considered that a liability may exist.

19. Financial commitments

At 30 June 2007 the Group and Company had no capital commitments outstanding.

At 30 June 2007, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2007		2006	
	Land and buildings €'000	Other €'000	Land and buildings €'000	Other €'000
Within one year	810	50	316	77
In the second to fifth years inclusive	867	117	124	99
After five years	74	-	-	-
	<u>1,751</u>	<u>167</u>	<u>440</u>	<u>176</u>

20. Retirement benefit schemes

The White Young Green group operates a defined contribution retirement benefit scheme for all UK qualifying employees with Scottish Equitable Plc. The assets of the schemes are held separately from those of the White Young Green group in funds under the control of trustees.

WYG International Limited's contributions to the scheme for the year ended 30 June 2007 were €370,000 (2006 €372,000).

21. Related party transactions

During the year the Group purchased net services from White Young Green Consulting Limited, a fellow subsidiary, to the value of €1,671,000. Intercompany balances between the respective companies reflect the above transactions.

WYG International Limited

Notes to the Financial Statements For the year ended 30 June 2007

22. Business combinations

During the year the Company acquired the business and certain assets of DeLeeuw International Yonetim Danismanligi Tiaret Limited Sirketi and Consulting & Project Support Bulgaria Limited, further details of the acquisition are provided in the Directors' Report. The following table sets out the fair value of the net assets acquired and the resulting goodwill.

	Carrying value pre- acquisition €'000	Fair value adjustments €'000	Fair value €'000
Property, plant and equipment	19	-	19
Work in progress	41	-	41
Trade and other receivables	78	-	78
Cash and cash equivalents	80	-	80
Trade and other payables	(64)	-	(64)
	<u>154</u>	<u>-</u>	<u>154</u>
Goodwill			<u>2,004</u>
Total consideration			<u><u>2,158</u></u>
Satisfied by			
Cash (including directly attributable costs)			947
Contingent consideration			<u>1,211</u>
			<u><u>2,158</u></u>

All assets and liabilities including intangible assets were recognised at their respective fair values. The residual excess over the net assets acquired is recognised as goodwill in the financial statements. The fair value adjustments made on acquisition relate to alignments of the acquired businesses' accounting policies with those of the Group.

Included within goodwill are the following assets which are specifically excluded by IFRS 2 in the identification of intangible assets on acquisition:

- staff acquired as part of the business, and
- strategic acquisition synergies

Contingent consideration is dependent on the future performance of the business acquired. It is assumed that the performance targets will be achieved and therefore the maximum consideration payable is included within deferred consideration.

23. Ultimate parent undertaking

The ultimate parent undertaking and controlling party is White Young Green Plc, a company registered in England & Wales. Copies of the group financial statements can be obtained from The Secretary, White Young Green Plc, Arndale Court, Headingley, Leeds, LS6 2UJ.