Company Registered No. 3195485

WYG International Limited

Annual Report and Financial Statements

For the year ended 31 March 2016

WYG International Limited

Annual report and financial statements for the year ended 31 March 2016

Contents

WYG International Limited

Officers and professional advisers

Directors

K J Cook	
A S Dziurdzik	
P C Hamer	
G N R Lamond	(resigned 17 May 2016, appointed 19 July 2016)
I G Clarkson	(appointed 7 June 2016)
C D Anderson	(appointed 19 July 2016)
K J Brookes	(appointed 19 July 2016)
F C Tekindag	(appointed 19 July 2016)
G Olver	(resigned 31 August 2015)
S V Cummins	(resigned 7 June 2016)

Company secretaries

B W Whitworth	
A J Murdoch	(appointed 19 July 2016)

Registered number

03195485

Registered Office

Arndale Court
Otley Road
Headingley
Leeds
LS6 2UJ
United Kingdom

Independent auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
1 City Square
Leeds
LS1 2AL
United Kingdom

Solicitors

DLA Piper UK LLP
3 Noble Street
London
EC2V 7EE

Bankers

HSBC Bank plc
33 Park Row
Leeds
West Yorkshire
LS1 1LD

WYG International Limited

Stategic report for the year ended 31 March 2016

The directors present the strategic report for the year ended 31 March 2016.

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, with overseas companies in Turkey, Poland, Bulgaria, Romania, Russia and Croatia. The principal activities of the Group and Company 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 and North and Southern Africa.

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

The results for the Group show profit before tax of €452,000 (2015: €507,000) for the year and revenue of €50,745,000 (2015: €57,454,000). The decrease in revenue and pre-tax profit was due to the cycle of EU funding, and was impacted by the completion of a very large portfolio of projects financed from the previous budget period and the slow emergence of opportunities financed from the new EU project.

No dividends (2015: €nil) were paid during the year.

The Group closed the year with cash balances at 31 March 2016 of €4,361,000 (2015: €7,258,000) and net assets of €17,680,000 (2015: €18,520,000).

Future outlook

In the shorter term the cycle of EU financed actions has yet to gain full momentum. However, the longer term outlook is very promising, with strong indications that we are well positioned to participate in major interventions planned by DfID and the EU in challenging international development environments.

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 and the Group are considered to relate to the risks of conducting business in different jurisdictions around the world, such as economic, social or political instability, fluctuations in currency exchange rates and changes in foreign laws and regulatory requirements. Further discussion of these risks and uncertainties and how they are mitigated, in the context of the WYG Group as a whole, is provided in WYG Plc's annual report which does not form part of the Annual report. The financial risk management objectives and policies of the Company are detailed in note 17 of the financial statements.

Key performance indicators

The directors of WYG Plc manage the WYG Group's operations on a divisional rather than statutory basis. For this reason, the Company's directors believe that analysis using key performance indicators ("KPIs") 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.

At the Group level the main focus for analysis is on the KPIs and performance measures the Plc board has set for financial performance, operations and growth. In addition, there are established KPIs for technical excellence, employee satisfaction and leadership.

The development, performance and position of the WYG Group is discussed in WYG Plc's annual report which does not form part of the Annual report.

Donations

The Group did not make any political or charitable donations during the year (2015: €nil).

Approved by the Board of Directors and signed on behalf of the Board by:

Iain Clarkson

I G Clarkson
Director
27 September 2016

WYG International Limited

Directors' report for the year ended 31 March 2016

The directors present the Annual report and the audited consolidated and company financial statements for the year ended 31 March 2016.

Future developments

Details of future developments can be found in the Strategic Report on page 2 and form part of this report by cross-reference.

Research and development

The Company incurred no research and development costs (2015: €nil) during the year.

Financial risk management

The Group is exposed to a number of different market risks in the normal course of business including foreign currency risks, credit risks and cash flow and interest rate risks.

Risk management is carried out by Group Treasury under policies approved by the Board of directors. These principles are embedded in the Group Treasury and Cash Management Operating Guidelines and Procedures. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as currency exposure management, interest rate risk, working capital control and investment of excess liquidity.

Dividends

No dividends (2015: €nil) were paid during the year.

Directors

The directors who served during the year and up to the date of signing the financial statements are disclosed on page 1.

Directors' indemnities

As permitted by the Articles of Association, certain of the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Going concern

As set out in note 1, these financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on finance from the ultimate parent company who has confirmed to the directors that they will continue to provide financial support. The directors have considered the parent's ability to provide support and have deemed it satisfactory. As a result, the directors consider it appropriate for the financial statements to be prepared on the going concern basis.

Donations

The Group did not make any political or charitable donations during the year (2015: €nil).

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.

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. The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company.

WYG International Limited

Directors' report for the year ended 31 March 2016

Directors' responsibilities statement in respect of the Annual Report and the financial statements

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 prepared the group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 group and company and of the profit or loss of the group for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement on disclosure of information to the independent auditor

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

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

Independent auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an 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.

Approved by the Board of Directors and signed on behalf of the Board by:

Ian Clarkson

I G Clarkson
Director
27 September 2016

WYG International Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER 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 31 March 2016 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Group and Parent Company Balance Sheets, the Group and Parent Company Cash Flow Statements, the Group and Parent Company Statements of Changes in Equity, and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's member, 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 member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 and express an opinion on 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 of the parent company's affairs as at 31 March 2016 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WYG INTERNATIONAL LIMITED CONTINUED

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 Manning FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom

28 September 2016

WYG International Limited

Consolidated Income Statement
For the year ended 31 March 2016

	Note	Total 2016 €'000	Total 2015 €'000
Revenue including share of joint venture revenues	2	**50,745**	57,454
Less share of joint venture revenues	11	**(908)**	(2,279)
Revenues		**49,838**	55,175
Operating expenses	3	**(49,245)**	(55,216)
Share of result of joint ventures		**(23)**	534
Operating profit		**569**	493
Investment income		**64**	233
Finance costs	5	**(181)**	(219)
Profit before tax		**452**	507
Tax	6	**(351)**	(222)
Profit for the year		**101**	285
Profit/(loss) attributable to:			
Owner of the Company		**104**	257
Non controlling interests		**(3)**	28
		101	285

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

All activities relate to continuing operations.

WYG International Limited

Consolidated Statement of Comprehensive Income
For the year ended 31 March 2016

	Total 2016 €'000	Total 2015 €'000
Profit for the year	**101**	285
Other comprehensive income:		
Exchange differences on translation of foreign operations	**(941)**	216
Other comprehensive (loss)/profit for the year	**(941)**	216
Total comprehensive (expense)/income for the year	**(840)**	501
Total comprehensive (expense)/income attributable to:		
Owner of the Company	**(837)**	473
Non controlling interests	**(3)**	28
	(840)	501

WYG International Limited

Balance Sheets
As at 31 March 2016

		Group		Company	
		2016	2015	**2016**	2015
	Note	**€'000**	€'000	**€'000**	€'000
Non-current assets					
Goodwill	8	**4,219**	4,219	**1,842**	1,842
Other intangible assets	9	**1,190**	1,324	**-**	-
Property, plant and equipment	10	**342**	359	**-**	38
Investments	11	**-**	-	**1,268**	1,268
Investment in joint ventures	11	**510**	534	**-**	-
Deferred tax asset	12	**973**	222	**-**	-
		7,234	6,658	**3,110**	3,148
Current assets					
Work in progress	13	**28,119**	20,971	**7,519**	7,234
Trade and other receivables	14	**7,972**	10,688	**17,891**	14,725
Current tax assets		**256**	102	**17**	-
Cash and cash equivalents		**4,361**	7,258	**1,814**	4,755
		40,708	39,019	**27,241**	26,714
Current liabilities					
Trade and other payables	15	**(28,960)**	(25,849)	**(24,719)**	(23,757)
Current tax liabilities		**(535)**	(469)	**-**	(173)
		(29,495)	(26,318)	**(24,719)**	(23,930)
Net current assets		**11,213**	12,701	**2,522**	2,784
Non-current liabilities					
Deferred tax liabilities	12	**(704)**	(132)	**-**	-
Financial liabilities	16	**(63)**	(707)	**(63)**	(707)
		(767)	(839)	**(63)**	(707)
Net assets		**17,680**	18,520	**5,569**	5,225
Equity attributable to the owner of the parent					
Share capital	18	**141**	141	**141**	141
Share premium account		**47,020**	47,020	**47,020**	47,020
Currency translation reserve		**(1,541)**	(600)	**(94)**	(94)
Accumulated losses		**(28,128)**	(28,232)	**(41,498)**	(41,842)
		17,492	18,329	**5,569**	5,225
Non controlling interest		**188**	191	**-**	-
Total equity		**17,680**	18,520	**5,569**	5,225

The notes on pages 13 to 34 form part of the financial statements.

The financial statements were approved by the Board of Directors on 27 September 2016 and signed on its behalf by:

Iain Clarkson

I G Clarkson

Director
Company number 3195485

WYG International Limited

Cash Flow Statements
For the year ended 31 March 2016

		Group		Company	
		2016	2015	**2016**	2015
	Note	**€'000**	€'000	**€'000**	€'000
Operating activities					
Cash (used in)/generated from operations	19	**(884)**	328	**(2,820)**	420
Interest paid		**(304)**	(206)	**(33)**	(92)
Tax paid		**(474)**	(346)	**-**	-
Net cash (used in)/generated from operating activities		**(1,662)**	(224)	**(2,853)**	328
Investing activities					
Purchases of property, plant and equipment		**(205)**	(106)	**-**	-
Purchases of intangible assets (computer software)		**(81)**	(36)	**-**	-
Purchase of business		**-**	(726)	**-**	-
Interest received		**-**	33	**-**	-
Net cash used in investing activities		**(286)**	(835)	**-**	-
Financing activities					
Dividends paid to non controlling interests		**-**	(148)	**-**	-
Net cash used in financing activities		**-**	(148)	**-**	-
Net (decrease)/increase in cash and cash equivalents		**(1,948)**	(1,207)	**(2,853)**	328
Cash and cash equivalents at beginning of year		**7,258**	8,495	**4,755**	4,449
Effects of foreign exchange rates on cash and cash equivalents		**(949)**	(30)	**(88)**	(22)
Cash and cash equivalents at end of year		**4,361**	7,258	**1,814**	4,755

The accompanying notes on pages 13 to 34 to the financial statements are an integral part of these Cash Flow Statements.

WYG International Limited

Statements of Changes in Equity
For the year ended 31 March 2016

Group

	Share capital €'000	Share premium €'000	Currency translation reserve €'000	Retained earnings €'000	Total €'000	Non controlling interest €'000	Total equity €'000
Balance as at 1 April 2015	141	47,020	(600)	(28,232)	18,329	191	18,520
Profit for the year	-	-	-	104	104	(3)	101
Other comprehensive income:							
Currency translation differences	-	-	(941)	-	(941)	-	(941)
Other comprehensive income for the year	-	-	(941)	-	(941)	-	(941)
Total comprehensive income for the year	-	-	(941)	104	(837)	(3)	(840)
Dividend	-	-	-	-	-	-	-
Balance at 31 March 2016	**141**	**47,020**	**(1,541)**	**(28,128)**	**17,492**	**188**	**17,680**

	Share capital €'000	Share premium €'000	Currency translation reserve €'000	Retained earnings €'000	Total €'000	Non controlling interest €'000	Total equity €'000
Balance as at 1 April 2014	141	47,020	(816)	(28,489)	17,856	311	18,167
Profit for the year	-	-	-	257	257	28	285
Other comprehensive income:							
Currency translation differences	-	-	216	-	216	-	216
Other comprehensive income for the year	-	-	216	-	216	-	216
Total comprehensive income for the year	-	-	216	257	473	28	501
Dividend	-	-	-	-	-	(148)	(148)
Balance at 31 March 2015	141	47,020	(600)	(28,232)	18,329	191	18,520

WYG International Limited

Statements of Changes in Equity
For the year ended 31 March 2016

Company

	Share capital €'000	Share premium €'000	Currency translation reserve €'000	Retained earnings €'000	Total €'000	Non controlling interest €'000	Total equity €'000
Balance as at 1 April 2015	141	47,020	(94)	(41,842)	5,225	-	5,225
Profit for the year	-	-	-	344	344	-	344
Other comprehensive income:							
Currency translation differences	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	344	344	-	344
Balance at 31 March 2016	**141**	**47,020**	**(94)**	**(41,498)**	**5,569**	**-**	**5,569**

	Share capital €'000	Share premium €'000	Currency translation reserve €'000	Retained earnings €'000	Total €'000	Non controlling interest €'000	Total equity €'000
Balance as at 1 April 2014	141	47,020	(94)	(42,738)	4,329	-	4,329
Profit for the year	-	-	-	896	896	-	896
Other comprehensive income:							
Currency translation differences	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	896	896	-	896
Balance at 31 March 2015	141	47,020	(94)	(41,842)	5,225	-	5,225

WYG International Limited

Notes to the Financial Statements
For the year ended 31 March 2016

1. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Financial Reporting Interpretations Committee (IFRIC) interpretations endorsed by the European Union ("EU") and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. These policies have been consistently applied to all the years presented, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Standards, amendments to published standards and interpretations effective for the year ended 31 March 2016.

There are no IFRSs or IFRIC interpretations that are effective for the first time for the year ended 31 March 2016 that have had a material impact on the Company.

Standards, amendments to published standards and interpretations issued but not effective for the year ended 31 March 2016 and not early adopted.

IFRS15 – Revenue from contracts with customers. The directors are still assessing whether the adoption of this standard will have a material impact on the Company's financial statements.

IFRS16 – Leases. The directors expect the adoption of this standard to have a material impact on the Conpany's financial statements.

There are no other IFRS or IFRIC interpretations that have been issued but not effective for year ended 31 March 2016 that will have a material impact on the Company.

Going concern

These financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on finance from the ultimate parent company who has confirmed to the directors that they will continue to provide financial support. The directors have considered the parent's ability to provide support and have deemed it satisfactory. The directors acknowledge that the Group and Company are in an accumulated loss position, but consider it appropriate for the financial statements to be prepared on the going concern basis.

Revenue recognition

Revenue represents the value of work earned during the year on contracts by reference to total contract value and stage of completion.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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.

1. Significant accounting policies (continued)

Unbilled revenue

As described above revenue represents the value of work earned during the year by reference to the total contract value and stage completion. Unbilled revenue is the difference between the revenue recognised and the amounts actually invoiced to customers. Where invoicing exceeds the amount of revenue recognised these amounts are included in trade and other payables. When consumables are used, a charge is made to cost of sales.

Goodwill

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 flow forecasts and is carried at cost less accumulated impairment losses. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Other intangible assets

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:

Computer software	- 3 years
Order books	- 1 year
Customer relationships	- 10 years

Impairment of assets

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 ("CGUs") 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.

Work in progress

Work in progress is stated at cost plus attributable profits less foreseeable losses and progress payments received and receivable. Cost comprises direct staff costs and attributable overheads. Attributable profit is that proportion of the total profit currently estimated to arise over the duration of a contract, as earned at the balance sheet date. Work-in-progress is recognised when projects are assessed for contract progress and the proportion of contract work completed at the balance sheet date is determined in relation to the total contract works. Appropriate provisions are made for slow moving and irrecoverable work-in-progress.

1. Significant accounting policies (continued)

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.

Joint arrangements

Where the Company is party to an arrangement over which it has joint control, the joint arrangement is classified as either:

- Joint operation: where the parties that have joint control over the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.
The Company recognises its share of assets, liabilities, revenues and expenses relating to its involvement in Joint operations;
- Joint Venture: where the parties that have joint control of the arrangement have rights to the net assets of the arrangement.
The Company recognises its involvement in a Joint Venture as an investment using the equity method.

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 currency translation reserve.

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.

1. **Significant accounting policies (continued)**

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.

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 amortised cost 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 amortised cost.

Capital Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The key element of capital managed by the Company is its liquid cash resources and these are monitored on a daily basis.

The Company is subject to a number of restrictions from its lenders as to the amounts of cash that are held in certain jurisdictions and outside the security of the lender group.

1. **Significant accounting policies (continued)**

Significant judgements and key sources of estimation uncertainty

The preparation of the financial statements requires the Group 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.

Areas of judgement and sources of estimation uncertainty that have the most significant effect on the amounts recognised in the financial statements are:

- Revenue recognition and the assessment of the percentage of contract completion achieved. The Group assesses contract progress and determines the proportion of contract work completed at the balance sheet date in relation to the total contract works.
- Review of asset carrying values and impairment charges. The Group performs impairment testing in accordance with the accounting policy described within the significant accounting policies in the notes to the financial statements. The calculation of recoverable amounts requires the use of estimates and assumptions consistent with the most recent budgets and plans that have been formally approved by management.
- Work in progress and receivables valuation. The Group assess work in progress and trade receivables for exposure to losses. Provision is made in full for estimated losses.

2. Revenue

	2016 €'000	2015 €'000
Rendering of services	**50,745**	57,454

3. Operating Expenses

	2016 €'000	2015 €'000
Staff costs (note 4)	**10,581**	11,434
Other external and operating charges	**38,253**	43,286
Depreciation	**197**	189
Amortisation of intangible assets	**214**	307
	49,245	55,216

Operating profit has been arrived at after charging/(crediting):

	2016 €'000	2015 €'000
Loss/(profit) on sale of property, plant and equipment	**43**	4
Operating lease rentals – land & buildings	**974**	925
Impairment loss recognised on trade receivables	**451**	80
Loss on foreign exchange	**194**	22

During the year, the Group obtained the following services from the Group's auditor:

	2016 €'000	2015 €'000
Fees payable to the Company's auditor and its associates for other services:		
- the audit of the Company's subsidiaries pursuant to legislation	**62**	49

The parent company and consolidated financial statements audit fees were borne by WYG Group Limited.

The Company paid no non audit fees to the Group's auditor in either year.

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:

	2016 Number	2015 Number
Technical:		
Persons employed	293	310
Associates deployed by the group	497	92
	790	402
Administrative:		
Persons employed	113	109
Associates deployed by the group	3	1
	116	110
	906	512

	2016 €'000	2015 €'000
The aggregate remuneration of the persons employed comprised:		
Wages and salaries	8,765	9,754
Social security costs	1,618	1,486
Other pension costs (see note 22)	198	194
	10,581	11,434

WYG International Limited

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4. Employees and directors (continued)

Key management compensation

The directors have identified 4 (2015: 4) key management personnel whose compensation was as follows:

	2016 €'000	2015 €'000
Short term employment benefits	714	612
Contributions to defined contribution pension schemes	55	52
	769	664

The key management figures given above include directors.

Directors

	2016 €'000	2015 €'000
Aggregate emoluments	714	537
Contributions to defined contribution pension schemes	55	52
	769	589

Directors accruing retirement benefits

	2016 Number	2015 Number
Defined contribution pension schemes	2	2

The emoluments disclosed above are in respect of 4 (2015: 3) directors employed by the Company. The remaining 4 directors are employed by a fellow subsidiary to which they devote the substantial part of their time and accordingly receive no remuneration, fees or benefits from the Company.

Highest paid director

	2016 €'000	2015 €'000
Aggregate emoluments	246	203
Contributions to defined contribution pension schemes	36	33
	282	236

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5. Finance costs

	2016	2015
	€'000	€'000
Interest on guarantees, bonds and overdrafts	**181**	206
Intercompany interest	**-**	13
	181	219

6. Tax

	2016	2015
	€'000	€'000
Current tax:		
Overseas tax on profits for the year	**444**	423
	444	423
Deferred tax:		
Other temporary differences	**(93)**	(201)
	351	222

Tax for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. (continued)

Factors affecting the current tax charge for the year

The tax charge for the year is higher (2015: higher) than the standard rate of corporation tax in the UK when applied to reported profit. The differences are explained below:

	2016	2015
	€'000	€'000
Profit before tax	452	507
Profit before tax multiplied by the standard rate of UK corporation tax rate of 20% (2015: 21%)	90	106
Losses carried forward	35	-
International corporate rate differential	(44)	(505)
Other temporary differences	115	183
Permanent differences	330	415
Foreign taxes written off to the profit and loss account	12	104
Losses brought forward not previously recognised	(82)	131
Fixed asset timing difference	1	(11)
Group relief not paid for	(13)	-
Tax charge	444	423
Deferred tax credit	(93)	(201)
Total tax charge	351	222

6. Tax (continued)

Factors that might affect the future tax charge

In the Company a deferred tax asset has not been recognised in respect of losses and UK accelerated capital allowances as there is insufficient evidence the assets will be recovered (see note 12).

The Company's future tax charge will be affected by the change in the UK corporation tax rate.

The main rate of UK corporation tax reduced to 20% with effect from 1 April 2015. The Finance (No.2) Act provides for further reductions in the corporation tax rate to 19%, effective from 1 April 2017, and to 18%, effective from 1 April 2020. It was substantively enacted on 26 October 2015 and has therefore been reflected in the calculation of the tax balances in these accounts. The UK Government announced in March 2016 that it intends to enact an additional reduction of the main rate of corporation tax, reducing it instead to 17% with effect from 1 April 2020. As this legislation was not substantively enacted by 31 March 2016 the impact of the anticipated rate change is not reflected in the tax provisions reported in these accounts.

7. Holding Company income statement

The directors have taken advantage of Section 408 of the Companies Act 2006 and have not prepared a separate income statement or statement of comprehensive income for the Company. The loss attributable to the owners of the company includes a profit of €344,000 (2015: €896,000) attributable to the Company.

8. Goodwill

	Group €'000	Company €'000
Cost		
At 1 April 2014, 1 April 2015 and 31 March 2016	6,903	1,842
Accumulated impairment losses		
At 1 April 2014, 1 April 2015 and 31 March 2016	(2,684)	-
Net book value		
At 31 March 2014, 31 March 2015 and 31 March 2016	4,219	1,842

For both Group and Company, goodwill is tested for impairment annually and whenever there are indications that it may have suffered an impairment. Goodwill is considered impaired to the extent that its carrying amount exceeds its recoverable amount, which is the higher of the value in use and the fair value less costs to sell of the company to which it is allocated. In the impairment tests of goodwill performed in 2016, 2015 and 2014, the recoverable amount was determined based on the value in use calculations.

Management based the value in use calculations on cash flow forecasts derived from the most recent 12 month financial plans approved by the Board including certain sensitivities, in which the principal assumptions were those regarding sales growth and changes in direct costs.

Cash flows for the years beyond the two year financial plans for the Company to which significant amounts of goodwill were allocated were calculated as follows: cashflows in the third to fifth years and those thereafter were projected to remain constant per annum so prudently not exceeding the long term growth rates in the principal end markets in the UK and Europe.

Management applied discount rates to the resulting cashflow projections that reflect current market assessments of the time. Pre tax discount rates used in the annual impairment were 14% (2015: 14%).

Following the review at 31 March 2016, management decided that no further impairment was necessary.

9. Other intangible assets

Group	Order book €'000	Customer relationships €'000	Computer software €'000	Total €'000
Cost				
At 1 April 2014	279	1,540	986	2,805
Additions	-	-	36	36
At 1 April 2015	279	1,540	1,022	2,841
Additions	-	-	80	80
Disposals	-	-	(21)	(21)
At 31 March 2016	279	1,540	1,081	2,900
Accumulated amortisation				
At 1 April 2014	175	106	929	1,210
Charge for the year	104	154	49	307
At 1 April 2015	279	260	978	1,517
Charge for the year	-	174	40	214
Disposals	-	-	(21)	(21)
At 31 March 2016	279	434	997	1,710
Net book value				
At 31 March 2016	-	1,106	84	1,190
At 31 March 2015	-	1,280	44	1,324
At 31 March 2014	104	1,434	57	1,595

Where appropriate, intangible assets identified in business combinations have been recognised in accordance with the provisions of IFRS 3 (Business combinations) and IAS 38 (Intangible assets). Intangible assets have only been recognised where they have identifiable future economic benefits that are controlled by the entity, it is probable that these benefits will flow to the entity and their fair value can be measured reliably.

There were no intangible assets in the Company (2015: nil).

10. Property, plant and equipment

Group	Motor vehicles €'000	Office furniture and equipment €'000	Total €'000
Cost			
At 1 April 2014	723	2,227	2,950
Additions	47	59	106
Disposals	(3)	(61)	(64)
At 1 April 2015	767	2,225	2,992
Additions	65	140	205
Disposals	(75)	(78)	(153)
Exchange differences	(74)	63	(11)
At 31 March 2016	683	2,350	3,033
Accumulated depreciation			
At 1 April 2014	510	1,993	2,503
Charge for the year	87	102	189
Disposals	-	(60)	(60)
Exchange differences	-	1	1
At 1 April 2015	597	2,036	2,633
Charge for the year	80	117	197
Disposals	(59)	(51)	(110)
Exchange differences	(49)	20	(29)
At 31 March 2016	569	2,122	2,691
Net book value			
At 31 March 2016	114	228	342
At 31 March 2015	170	189	359
At 31 March 2014	213	234	447

The net book value of the Group's property, plant and equipment includes an amount of €nil (2015: €nil) in respect of assets held under finance lease. Depreciation charged in the period on these assets amounted to €nil (2015: €nil).

10. Property, plant and equipment (continued)

Company	Motor vehicles €'000	Office furniture and equipment €'000	Total €'000
Cost			
At 1 April 2014 and 1 April 2015	345	876	1,221
Additions	-	-	-
Disposals	(24)	(107)	(131)
At 31 March 2016	321	769	1,090
Accumulated depreciation			
At 1 April 2014	300	855	1,155
Charge for the year	15	13	28
At 1 April 2015	315	868	1,183
Charge for the year	20	5	25
Disposals	(14)	(104)	(118)
At 31 March 2016	321	769	1,090
Net book value			
At 31 March 2016	-	-	-
At 31 March 2015	30	8	38
At 31 March 2014	45	21	66

The net book value of the Company's property, plant and equipment includes an amount of €nil (2015: €nil) in respect of assets held under finance lease. Depreciation charged in the period on these assets amounted to €nil (2015: €nil).

11. Investments and joint arrangements

Investments

	Company €'000
Cost	
At 1 April 2014, 1 April 2015 and 31 March 2016	1,268

The subsidiaries of the Company are:

Subsidiary	Country of incorporation	Ordinary shares % held
WYG International Projects Limited	England & Wales	100
WYG International Sp.z.o.o.*	Poland	100
PSDB Sp.z.o.o **	Poland	100
WYG Consulting Sp.z.o.o. **	Poland	100
WYG HR Consulting Sp.z.o.o. **	Poland	100
WYG International Danismanlik Limited Sirketi *	Turkey	100
WYG Bulgaria EOOD *	Bulgaria	100
International Economic & Energy Consultants Limited *	England & Wales	100
WYG International Consulting SRL *	Romania	100
Management Consultants Group Limited	England & Wales	100
International Management Consultants Limited ***	England & Wales	100
WYG o.o.o.	Russia	100
WYG Kazakhstan LLP *	Kazakhstan	100
WYG Savjetovanje d.o.o. *	Croatia	100
WYG Advisory Services (Pty) Limited *	South Africa	100
OOO IEEC *	Russia	100
Delta Partnership Solutions Limited	England & Wales	100
WYG Projects Uganda Limited	Uganda	100
WYG Kenya Limited	Kenya	100
WYG Projects Nigeria Limited *.	Nigeria	100
WYG East Africa Limited *	Kenya	100
WYG Zimbabwe (Private) Ltd *	Zimbabwe	100
Africa Infrastructure Technical Services Pty *	South Africa	100
Arndale 22 Limited	England & Wales	75

* Denotes shares held by WYG International Projects Limited
** Denotes shares held by WYG International Polska Sp.z.o.o
*** Denotes shares held by Management Consultants Group Limited

All the above companies are engaged in the provision of training and consultancy services with the exception of WYG International Projects Limited and Management Consultants Group Limited which act as intermediate holding companies.

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11. Investments and joint arrangements (continued)

The arrangements over which the Company currently exercise joint control are shown below:

Joint arrangement	Nature	Activity	% control	Principal Location
IMCGL JV	Unincorporated Joint operation	Multi-disciplinary consultants	50	Russia
IMC Montan JV	Incorporated joint venture	Multi-disciplinary consultants	50	Russia

The Company recognises its share of assets, liabilities, revenues and expenses relating to its involvement in the above joint operations. IMC Montan, the incorporated joint venture created in the year ended 31 March 2015, is accounted for as an investment using the equity method.

IMC Montan JV, the 50% owned joint venture had revenue of €1.8m (2015: €4.6m), an operating loss of €213,000 (2015: €1.3m profit) and profit after tax of €4,000 (2016: €1m). The joint venture did not pay any dividends to its owners (2015: €nil).

The joint venture had current assets of €1.1m (2015: €1.5m) and current liabilities of €100,000 (2015: €0.4m) at 31 March 2016.

12. Deferred tax

The following are the principal deferred tax assets and liabilities recognised and unrecognised by the Group and movements thereon during the current year and prior period.

	Accelerated tax depreciation – UK €'000	Losses – UK €'000	Deferred tax assets not recognised – UK €'000	Other temporary differences – overseas €'000	Total €'000
Deferred tax assets at 1 April 2015	43	1,614	(1,657)	222	**222**
Deferred tax liabilities at 1 April 2015	-	-	-	(132)	**(132)**
Credit/(charge) to income statement	1	(82)	81	93	**93**
Prior year adjustment	(5)	133	(128)	-	-
Transfers/acquisitions	-	-	-	86	**86**
Rate differences	(4)	(188)	192	-	-
Foreign exchange differences	1	187	(188)	-	-
Deferred tax asset at 31 March 2016	36	1,664	(1,700)	973	**973**
Deferred tax liability at 31 March 2016	-	-	-	(704)	**(704)**

12. Deferred tax (continued)

	Accelerated tax depreciation – UK €'000	Losses – UK €'000	Deferred tax assets not recognised – UK €'000	Other temporary differences – overseas €'000	Total €'000
Deferred tax assets at 1 April 2014	43	1,614	(1,657)	-	-
Deferred tax liabilities at 1 April 2014	-	-	-	(111)	(111)
Credit/(charge) to income statement	-	165	(165)	201	201
Prior year adjustment	9	836	(845)	-	-
Rate differences	(8)	(370)	378	-	-
Foreign exchange differences	(1)	(631)	632	-	-
Deferred tax asset at 31 March 2015	43	1,614	(1,657)	222	222
Deferred tax liability at 31 March 2015	-	-	-	(132)	(132)

13. Work in progress

	Group 2016 €'000	Group 2015 €'000	Company 2016 €'000	Company 2015 €'000
Work in progress	**28,210**	21,065	**7,590**	7,318
Provision	**(91)**	(94)	**(71)**	(84)
Net work in progress	**28,119**	20,971	**7,519**	7,234

The value of work in progress comprises the costs incurred on a contract plus an appropriate proportion of overheads and attributable profit. Profit is recognised on a percentage completion basis when the outcome of a contract or project can be reasonably foreseen. Provision is made in full for estimated losses.

14. Trade and other receivables

	Group		Company	
	2016	2015	**2016**	2015
	€'000	€'000	**€'000**	€'000
Amounts falling due within one year				
Amounts receivable on contracts	**5,786**	9,539	**2,898**	5,807
Less: provision for impairment of trade receivables	**(240)**	(539)	**(240)**	(423)
Trade receivables - net	**5,546**	9,000	**2,658**	5,384
Prepayments and accrued income	**1,033**	715	**333**	225
Amounts owed by group undertakings	**-**	-	**14,645**	8,809
Amount due from Joint Venture	**-**	-	**-**	11
Other receivables	**1,393**	973	**255**	296
	7,972	10,688	**17,891**	14,725

Group

The amounts due from group undertakings are unsecured. It is not proposed that any group undertaking will seek repayment of monies owed unless the company recording the liability has the funds to enable it to do so. At 31 March 2016 €464,000 (2015: €1,442,000) of Group trade receivables were considered for potential impairment.

At 31 March 2016 trade receivables of €4,164,000 (2015: €5,371,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables according to invoice due date is as follows:

	2016	2015
	€'000	€'000
Between 0 and 30 days	**2,079**	774
Between 31 and 60 days	**236**	564
Between 61 and 120 days	**857**	1,128
Greater than 120 days	**992**	2,905
	4,164	5,371

At 31 March 2016 trade receivables of €1,382,000 (2015: €3,629,000) were neither past due nor impaired.

Movements on the Group's position for impairment of trade receivables are as follows:

	2016	2015
	€'000	€'000
At beginning of year	**539**	1,646
Provision for receivables impairment	**-**	71
Receivables written off during the year as uncollectable	**(299)**	(1,178)
Foreign exchange differences	**-**	-
At end of year	**240**	539

14. Trade and other receivables (continued)

Company

The amounts due from group undertakings are unsecured obligations that are subject to a fixed rate interest charge. It is not proposed that any group undertaking will seek repayment of monies owed unless the company recording the liability has the funds to enable it to do so. Activities with joint venture partners are fully performing so management decided that no impairment was necessary.

At 31 March 2016 €321,000 (2015: €712,000) of Company trade receivables were considered for potential impairment.

At 31 March 2016 trade receivables of €2,386,000 (2015: €3,135,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables according to invoice due date is as follows:

	2016 €'000	2015 €'000
Between 0 and 30 days	**1,041**	537
Between 31 and 60 days	**128**	175
Between 61 and 120 days	**624**	354
Greater than 120 days	**593**	2,069
	2,386	3,135

At 31 March 2016 trade receivables of €272,000 (2015: €2,249,000) were neither past due nor impaired.

Movements on the Company's position for impairment of trade receivables are as follows:

	2016 €'000	2015 €'000
At beginning of year	**423**	817
Provision for receivables impairment	**-**	-
Receivables written off during the year as uncollectable	**(183)**	(394)
At end of year	**240**	423

The other classes within trade and other receivables do not contain impaired assets. There is no material difference between the carrying value and the fair value of financial assets and financial liabilities at the balance sheet date.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

15. Trade and other payables

	Group		Company	
	2016	2015	**2016**	2015
	€'000	€'000	**€'000**	€'000
Amounts falling due within one year				
Trade payables	**4,991**	5,054	**1,890**	2,286
Payments received on account	**11,317**	7,413	**2,788**	1,973
Social security and other taxes	**778**	517	**20**	303
Amounts due to Joint Venture	**-**	-	**124**	-
Other payables	**792**	585	**350**	963
Accruals	**9,967**	10,136	**1,409**	2,539
Amounts due to group undertakings	**1,115**	1,981	**18,138**	15,530
Deferred consideration	**-**	163	**-**	163
	28,960	25,849	**24,719**	23,757

The amounts due to group undertakings are unsecured obligations that are subject to a fixed rate interest charge. It is not proposed that any group undertaking will seek repayment of monies owed unless the company recording the liability has the funds to enable it to do so.

16. Financial liabilities

	Group		Company	
	2016	2015	**2016**	2015
	€'000	€'000	**€'000**	€'000
Non current				
Redemption liabilities	**63**	707	**63**	707

The redemption liability relates to the discounted fair value of an option to purchase the remaining shares of Arndale 22 Limited.

17. 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 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

Credit risk arises from deposits with banks and credit exposure to customers, including outstanding receivables and invoiced work performed for these parties.

The Group and Company have a customer credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At 31 March 2016 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.

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.

18. Share capital

	2016 €'000	2015 €'000
Issued and fully paid:		
100,002 (2015: 100,002) ordinary shares of €1.41 each	**141**	141

19. Cash generated from operations

	Group		Company	
	2016 €'000	2015 €'000	**2016 €'000**	2015 €'000
Profit from operations	**569**	493	**377**	924
Adjustments for:				
Depreciation of property, plant and equipment	**197**	189	**25**	28
Amortisation of intangible assets	**214**	307	**-**	-
Loss on disposal of property, plant and equipment	**42**	4	**11**	-
Operating cash flows before movements in working capital	**1,022**	993	**413**	952
(Increase)/decrease in work in progress	**(7,148)**	(3,003)	**(285)**	(1,092)
Decrease/(increase) in receivables	**2,882**	1,509	**(3,163)**	5,521
Increase/(decrease) in payables	**2,360**	829	**215**	(4,961)
Cash (used)/generated from operations	**(884)**	328	**(2,820)**	420

20. Contingent liabilities and guarantees

The Group has issued bonds and guarantees to the value of €17,000,000 (2015: €10,500,000) in the ordinary course of business. No liability is expected to arise from these bonds and guarantees.

The Company and its subsidiary undertakings guarantee, to the Group's principal bankers, the overdrafts and loans, if any, of each Group company. At 31 March 2016, the Group's net indebtedness to its principal bankers amounted to £8,000,000 (2015: £nil).

In common with other professional firms, the WYG 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.

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21. Financial commitments

At 31 March 2016 the Group and Company had no (2015: €nil) capital commitments outstanding.

At 31 March, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016		2015	
	Land and buildings €'000	**Other €'000**	Land and buildings €'000	Other €'000
Within one year	**716**	**16**	505	-
In the second to fifth years inclusive	**1,296**	**15**	-	-
	2,012	**31**	505	-

22. Retirement benefit schemes

The WYG 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 WYG group in funds under the control of trustees.

WYG International Limited's contributions to the scheme for the year ended 31 March 2016 were €198,000 (2015: €194,000).

23. Related party transactions

During the year the Company was charged no (2015: €nil) interest by WYG Plc, the Company's ultimate parent undertaking. It also purchased services from and provided services to fellow subsidiary companies. Intercompany balances between the respective companies reflect these transactions.

The Group and Company recognises its share of the assets, liabilities, revenues and expenses relating to its involvement in joint arrangements over which it exercises joint control.

24. Ultimate parent undertaking

The immediate parent undertaking is WYG Group Limited

The ultimate parent undertaking and ultimate controlling party is WYG Plc, a company registered in England & Wales. WYG Plc is both the smallest and largest group into which the Company's financial statements are consolidated. Copies of the group financial statements can be obtained from The Secretary, WYG Plc, Arndale Court, Headingley, Leeds, LS6 2UJ.

WYG International Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2016.