

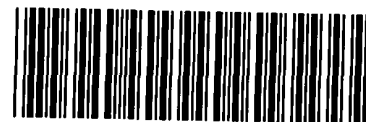
Company Registered No. 3195485

WYG International Limited

Annual Report and Financial Statements

For the year ended 31 March 2017

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WYG International Limited

Annual report and financial statements for the year ended 31 March 2017

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WYG International Limited

Officers and professional advisers

Directors

K J Cook
I G Clarkson (appointed 7 June 2016)
F C Tekindag (appointed 19 July 2016)
J Damgaard (appointed 1 February 2017)
P C Hamer (resigned 18 April 2017)
G N R Lamond (resigned 17 May 2016, appointed 19 July 2016, resigned 18 April 2017)
C D Anderson (appointed 19 July 2016, resigned 18 April 2017)
K J Brookes (appointed 19 July 2016, resigned 18 April 2017)
A S Dzlurzik (resigned 31 October 2016)
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
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

Strategic report

The directors present the strategic report for the year ended 31 March 2017.

Business review and principal activities

WYG International Limited ("the Company") is incorporated in the UK, and both the Company, and the Company and its consolidated subsidiaries ("the 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 loss before tax of €31,000 (2016: €452,000 profit) for the year and revenue of €51,039,000 (2016: €50,745,000). The movement from pre-tax profit to pre-tax loss reflects the challenging trading environment. The Directors are satisfied with the position reported in the Balance Sheet.

No dividends (2016: €nil) were paid during the year.

The Group closed the year with cash balances at 31 March 2017 of €5,436,000 (2016: €4,361,000) and net assets of €16,944,000 (2016: €17,680,000).

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 the Department for International Development (DfID) and the EU in challenging international development environments.

As an organisation that contracts directly with the EU, we are mindful of the challenges presented by the outcome of the UK's EU Referendum and the ongoing uncertainty surrounding its eventual implementation. To date we have seen no material impact on financial performance from the decision. Our international business model is robust and agile and our UK and international subsidiaries have continued to win work with the major international finance institutions and other clients. In the run-up to the EU Referendum we undertook a review of the potential impact that a vote to leave the EU would have on the business and we have taken steps to ensure that our model remains appropriate and resilient. Nevertheless, we continue to keep the issue under very close scrutiny.

Principal risks and uncertainties

The company is a member of the WYG Plc Group of companies. 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.

WYG International Limited

Strategic report (continued)

Donations

The Group did not make any political or charitable donations during the year (2016: €nil).

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

A handwritten signature in black ink, appearing to read 'Ian Clarkson', written in a cursive style.

I G Clarkson

Director

27 September 2017

WYG International Limited

Directors' report

The directors present the Annual report and the audited consolidated and company financial statements for the year ended 31 March 2017.

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 (2016: €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 (2016: €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 (2016: €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 (continued)

Directors' responsibilities statement

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 (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 company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 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 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:



I G Clarkson

Director

27 September 2017

WYG International Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF WYG INTERNATIONAL LIMITED

We have audited the financial statements of WYG International Limited for the year ended 31 March 2017 which comprise the consolidated Income Statement, the consolidated Statement of Comprehensive Income, the consolidated and Parent Company Balance Sheets, the consolidated and Parent Company Cash Flow Statements, the consolidated and Parent Company Statements of Changes in Equity and the related notes 1 to 25. 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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 group's and the parent 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 annual 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 2017 and of the group's loss 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.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 1 to the group financial statements, the group in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the group financial statements comply with IFRSs as issued by the IASB.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

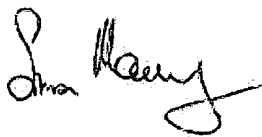
WYG International Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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
Statutory Auditor
Leeds, United Kingdom
27 September 2017

WYG International Limited

Consolidated Income Statement For the year ended 31 March 2017

		Total	Total
		2017	2016
	Note	€'000	€'000
Revenue including share of joint venture revenues		51,039	50,745
Less share of investments in joint venture revenues		(1,529)	(908)
Revenues	2	49,510	49,838
Operating expenses	3	(49,627)	(49,245)
Share of result of joint ventures		266	(23)
Operating profit		149	569
Investment income		180	64
Finance costs	6	(360)	(181)
(Loss)/profit before tax		(31)	452
Tax	7	(682)	(351)
(Loss)/profit for the year		(713)	101
(Loss)/profit attributable to:			
Owner of the Company		(713)	104
Non controlling interests		-	(3)
		(713)	101

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

All activities relate to continuing operations.

Operating profit for the year includes net costs of €3.6m (2016: €0.2m) that are separately disclosed in note 4.

WYG International Limited

Consolidated Statement of Comprehensive Income For the year ended 31 March 2017

	Total	Total
	2017	2016
	€'000	€'000
(Loss)/profit for the year	(713)	101
Other comprehensive income:		
Exchange differences on translation of foreign operations	(23)	(941)
Other comprehensive loss for the year	(23)	(941)
Total comprehensive expense for the year	(736)	(840)
Total comprehensive expense attributable to:		
Owner of the Company	(736)	(837)
Non controlling interests	-	(3)
	(736)	(840)

WYG International Limited

Balance Sheets As at 31 March 2017

		Group		Company	
	Note	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Non-current assets					
Goodwill	9	4,219	4,219	1,842	1,842
Other intangible assets	10	1,034	1,190	-	-
Property, plant and equipment	11	298	342	5	-
Investments	12	-	-	1,268	1,268
Investment in joint ventures	12	746	510	-	-
Deferred tax asset	13	413	973	-	-
		6,710	7,234	3,115	3,110
Current assets					
Work in progress	14	25,059	28,119	6,775	7,519
Trade and other receivables	15	13,425	7,972	22,417	17,891
Current tax assets		432	256	17	17
Cash and cash equivalents		5,436	4,361	1,763	1,814
		44,352	40,708	30,972	27,241
Current liabilities					
Trade and other payables	16	(32,949)	(28,960)	(27,921)	(24,719)
Current tax liabilities		(211)	(535)	-	-
		(33,160)	(29,495)	(27,921)	(24,719)
Net current assets		11,192	11,213	3,051	2,522
Non-current liabilities					
Deferred tax liabilities	13	(958)	(704)	-	-
Financial liabilities	17	-	(63)	-	(63)
		(958)	(767)	-	(63)
Net assets		16,944	17,680	6,166	5,569
Equity attributable to the owner of the parent					
Share capital	19	141	141	141	141
Share premium account		47,020	47,020	47,020	47,020
Currency translation reserve		(1,564)	(1,541)	(92)	(94)
Accumulated losses		(28,653)	(28,128)	(40,903)	(41,498)
		16,944	17,492	6,166	5,569
Non-controlling interest		-	188	-	-
Total equity		16,944	17,680	6,166	5,569

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 consolidated profit attributable to equity shareholders includes a profit of €595,000 (2016: €344,000 profit) attributable to the company.

The notes on pages 14 to 36 form part of the financial statements.

The financial statements were approved by the Board of Directors on 27 September 2017 and signed on its behalf by:



I G Clarkson

Director
Company number 3195485

WYG International Limited

Cash Flow Statements For the year ended 31 March 2017

		Group		Company	
	Note	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Operating activities					
Cash generated from/(used in) operations	20	2,120	(884)	141	(2,820)
Interest received/(paid)		120	(304)	(79)	(33)
Tax paid		(820)	(474)	-	-
Net cash generated from/(used in) operating activities		1,420	(1,662)	62	(2,853)
Investing activities					
Purchases of property, plant and equipment		(115)	(205)	(7)	-
Purchases of intangible assets (computer software)		(54)	(81)	-	-
Net cash used in investing activities		(169)	(286)	(7)	-
Net increase/(decrease) in cash and cash equivalents		1,251	(1,948)	55	(2,853)
Cash and cash equivalents at beginning of year		4,361	7,258	1,814	4,755
Effects of foreign exchange rates on cash and cash equivalents		(176)	(949)	(106)	(88)
Cash and cash equivalents at end of year		5,436	4,361	1,763	1,814

The accompanying notes on pages 14 to 36 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 2017

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 2016	141	47,020	(1,541)	(28,128)	17,492	188	17,680
Profit for the year	-	-	-	(713)	(713)	-	(713)
Other comprehensive income:							
Currency translation differences	-	-	(23)	-	(23)	-	(23)
Other comprehensive income for the year	-	-	(23)	-	(23)	-	(23)
Total comprehensive income for the year	-	-	(23)	(713)	(736)	-	(736)
Reduction in minority shareholding	-	-	-	188	188	(188)	-
Balance at 31 March 2017	141	47,020	(1,564)	(28,653)	16,944	-	16,944

	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

WYG International Limited

Statements of Changes in Equity For the year ended 31 March 2017

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 2016	141	47,020	(94)	(41,498)	5,569	-	5,569
Profit for the year	-	-	-	595	595	-	595
Other comprehensive income:							
Currency translation differences	-	-	2	-	2	-	2
Other comprehensive income for the year	-	-	2	-	2	-	2
Total comprehensive income for the year	-	-	2	595	597	-	597
Balance at 31 March 2017	141	47,020	(92)	(40,903)	6,166	-	6,166

	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
Total comprehensive income for the year	-	-	-	344	344	-	344
Balance at 31 March 2016	141	47,020	(94)	(41,498)	5,569	-	5,569

WYG International Limited

Notes to the Financial Statements For the year ended 31 March 2017

1. Significant accounting policies

General information

WYG International Limited is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of the registered office is Arndale Court, Otley Road, Headingley, Leeds LS6 2UJ.

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the financial statements comply with Article 4 of the EU IAS Regulation. 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 2017

Other than noted below, there are no IFRS or IFRIC interpretations that are effective for the first time for the year ended 31 March 2017 that have had a material impact on the Group.

Standards, amendments to published standards and interpretations issued but not effective for the year ended 31 March 2017 and not early adopted

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS9 – Financial instruments

IFRS15 – Revenue from contracts with customers

IFRS16 – Leases

IFRS2 (amendments) – Classification and measurement of share-based payment transactions

IAS7 (amendments) – Disclosure initiative

IAS12 (amendments) – Recognition of deferred tax assets for unrealised losses

IFRS10 and IAS28 – Sale or contribution of assets between an investor and its associate

The Directors do not expect that the adoption of the Standards listed above will have a material impact on these financial statements of the Group in future periods, except as noted below:

IFRS16 – Leases will have a material impact on the reported assets, liabilities, income statement and cash. It is not practical to provide a reasonable estimate of the effect of this standard until a detailed review has been completed.

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

1. Significant accounting policies (continued)

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.

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 is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

1. Significant accounting policies (continued)

Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

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.

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

1. Significant accounting policies (continued)

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.

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

1. Significant accounting policies (continued)

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.

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.

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

1. Significant accounting policies (continued)

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.

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.
- Deferred tax balances. Uncertainty arises due to the assumptions of future tax rates and the future performance of the Group. Further details on deferred tax can be found in note 12.

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

2. Revenue

	2017 €'000	2016 €'000
Rendering of services	51,039	50,745
Less share of joint venture revenues (note 12)	(1,529)	(908)
	<u>49,510</u>	<u>49,838</u>

3. Operating Expenses

	2017 €'000	2016 €'000
Staff costs (note 5)	8,103	10,581
Other external and operating charges	41,159	38,253
Depreciation	154	197
Amortisation of intangible assets	211	214
	<u>49,627</u>	<u>49,245</u>

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

	2017 €'000	2016 €'000
Loss on sale of property, plant and equipment	5	42
Operating lease rentals – land & buildings	769	974
Impairment loss recognised on trade receivables	329	451
Impairment loss recognised on work in progress	2,063	-
(Profit)/loss on foreign exchange	(47)	22
	<u></u>	<u></u>

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

	2017 €'000	2016 €'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	62
	<u></u>	<u></u>

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.

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

4. Separately disclosed items

Included within operating profit are the following items:

	2017 €'000	2016 €'000
Amortisation of acquired intangible assets	156	174
Other charges	3,395	65
	3,551	239

The Company had incurred a number of items in the year, whose significance is sufficient to warrant separate disclosure. The key elements included within separately disclosed items are:

- Annual charge in relation to share option costs.
- Items in other charges relate to restructuring related costs.

	2017 £'000	2016 £'000
Operating profit before separately disclosed items	3,700	808
Separately disclosed items	(3,551)	(239)
Total operating profit	149	569

5. 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:

	2017 Number	2016 Number
Technical:		
Persons employed	256	293
Associates deployed by the group	405	497
	661	790
Administrative:		
Persons employed	89	113
Associates deployed by the group	-	3
	89	116
	750	906

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

5. Employees and directors (continued)

	2017 €'000	2016 €'000
The aggregate remuneration of the persons employed comprised:		
Wages and salaries	6,423	8,765
Social security costs	1,536	1,618
Other pension costs (see note 23)	144	198
	<u>8,103</u>	<u>10,581</u>

Key management compensation

The directors have identified 3 (2016: 4) key management personnel whose compensation was as follows:

	2017 €'000	2016 €'000
Short term employment benefits	427	714
Contributions to defined contribution pension schemes	57	55
	<u>484</u>	<u>769</u>

The key management figures given above include directors.

Directors

	2017 €'000	2016 €'000
Aggregate emoluments	389	714
Contributions to defined contribution pension schemes	45	55
	<u>434</u>	<u>769</u>

Directors accruing retirement benefits

	2017 Number	2016 Number
Defined contribution pension schemes	<u>2</u>	<u>2</u>

The emoluments disclosed above are in respect of 3 (2016: 4) directors employed by the Company. The remaining 7 directors who served during the year 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.

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

5. Employees and directors (continued)

Highest paid director

	2017 €'000	2016 €'000
Aggregate emoluments	198	246
Contributions to defined contribution pension schemes	31	36
	<u>229</u>	<u>282</u>

6. Finance costs

	2017 €'000	2016 €'000
Interest on guarantees, bonds and overdrafts	360	181

7. Tax

	2017 €'000	2016 €'000
Current tax:		
Overseas tax on profits for the year	(99)	444
	<u>(99)</u>	<u>444</u>
Deferred tax:		
Other temporary differences	781	(93)
	<u>682</u>	<u>351</u>

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

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

7. Tax (continued)

Factors affecting the current tax charge for the year

The tax charge for the year is higher (2016: higher) than the standard rate of corporation tax in the UK when applied to reported profit. The differences are explained below:

	2017 €'000	2016 €'000
(Loss)/profit before tax	(31)	452
Profit before tax multiplied by the standard rate of UK corporation tax rate of 20% (2016: 20%)	(6)	90
Tax effect of expenses that are not deductible in determining the taxable profit	769	-
Losses carried forward where asset not recognised	19	(47)
Deferred tax assets not previously recognised	(124)	-
Adjustment in respect of prior years	100	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	18	(44)
Exchange differences	8	-
Other	(102)	352
Tax charge	682	351

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 13).

The UK corporation tax rate will reduce to 19% effective 1 April 2017, with a further reduction to 17% effective 1 April 2020. Disclosure of deferred tax has been adjusted to reflect the enactment of the revised rates.

Any rate changes that are not substantively enacted at the balance sheet date are not recognised in these financial statements.

8. 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 €595,000 (2016: €344,000) attributable to the Company.

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

9. Goodwill

	Group €'000	Company €'000
Cost		
At 1 April 2015, 1 April 2016 and 31 March 2017	6,903	1,842
Accumulated impairment losses		
At 1 April 2015, 1 April 2016 and 31 March 2017	<u>(2,684)</u>	<u>-</u>
Net book value		
At 31 March 2015, 31 March 2016 and 31 March 2017	<u><u>4,219</u></u>	<u><u>1,842</u></u>

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 2017, 2016 and 2015, 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 15% (2016: 15%)

Following the review at 31 March 2017, management decided that no further impairment was necessary.

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

10. Other intangible assets

Group	Order book €'000	Customer relationships €'000	Computer software €'000	Total €'000
Cost				
At 1 April 2015	279	1,540	1,022	2,841
Additions	-	-	80	80
Disposals	-	-	(21)	(21)
At 1 April 2016	279	1,540	1,081	2,900
Additions	-	-	55	55
At 31 March 2017	279	1,540	1,136	2,955
Accumulated amortisation				
At 1 April 2015	279	260	978	1,517
Charge for the year	-	174	40	214
Disposals	-	-	(21)	(21)
At 1 April 2016	279	434	997	1,710
Charge for the year	-	158	53	211
At 31 March 2017	279	592	1,050	1,921
Net book value				
At 31 March 2017	-	948	86	1,034
At 31 March 2016	-	1,106	84	1,190
At 31 March 2015	-	1,280	44	1,324

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 (2016: nil).

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

11. Property, plant and equipment

Group	Motor vehicles €'000	Office furniture and equipment €'000	Total €'000
Cost			
At 1 April 2015	767	2,225	2,992
Additions	65	140	205
Disposals	(75)	(78)	(153)
Exchange differences	(74)	63	(11)
At 1 April 2016	683	2,350	3,033
Additions	20	95	115
Disposals	(20)	(17)	(37)
At 31 March 2017	683	2,428	3,111
Accumulated depreciation			
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 1 April 2016	569	2,122	2,691
Charge for the year	44	110	154
Disposals	(20)	(12)	(32)
At 31 March 2017	593	2,220	2,813
Net book value			
At 31 March 2017	90	208	298
At 31 March 2016	114	228	342
At 31 March 2015	170	189	359

The net book value of the Group's property, plant and equipment includes an amount of €nil (2016: €nil) in respect of assets held under finance lease. Depreciation charged in the period on these assets amounted to €nil (2016: €nil).

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

11. Property, plant and equipment (continued)

Company	Motor vehicles €'000	Office furniture and equipment €'000	Total €'000
Cost			
At 1 April 2015	345	876	1,221
Additions	-	-	-
Disposals	(24)	(107)	(131)
At 1 April 2016	321	769	1,090
Additions	7	-	7
At 31 March 2017	328	769	1,097
Accumulated depreciation			
At 1 April 2015	315	868	1,183
Charge for the year	20	5	25
Disposals	(14)	(104)	(118)
At 1 April 2016	321	769	1,090
Charge for the year	2	-	2
At 31 March 2017	323	769	1,092
Net book value			
At 31 March 2017	5	-	5
At 31 March 2016	-	-	-
At 31 March 2015	30	8	38

The net book value of the Company's property, plant and equipment includes an amount of €nil (2016: €nil) in respect of assets held under finance lease. Depreciation charged in the period on these assets amounted to €nil (2016: €nil).

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

12. Investments and joint arrangements

Investments

Cost	Company €'000
At 1 April 2015, 1 April 2016 and 31 March 2017	1,268

The subsidiaries of the Company are:

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

* 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 subsidiaries located in England have their registered office at Arndale Court, Otley Road, Headingley, Leeds LS6 2UJ;
Turkey subsidiaries at Mustafa Kemal Mahallesi, MKM Is Merkexi 2127, Sokak, eski 47 no 38/7, Cankaya, Ankara, 06520, Turkey

Poland subsidiaries at Bitwy Warszawskiej 1920 roku nr 7, 02-366, Warsaw, Poland and Ul. Marynarska 15 02-674, Warsaw, Poland

Romanian subsidiaries at 5 Scarlatescu, Bucharest 1, Romania

Bulgaria subsidiaries at 40 Vasil Levski Blvd, Floor 3, Sofia, Bulgaria

Croatia subsidiaries at Zemunička 4, Zagreb 10000, Croatia

Kenya subsidiaries at Plot 2/14 Kilimani Road Nairobi Kenya

Uganda subsidiaries at Plot 91 Kira Road, Bukoto, Kampala, PO BOX 73331, Uganda

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

12. Investments and joint arrangements (continued)

South Africa subsidiaries at Ground Floor, Block G, Hatfield Gardens, 333 Grosvenor St, Pretoria.

Kazakhstan subsidiaries at Office 305, 3rd Floor, Business Centre, 6 Saryarka Avenue, Astana, Kazakhstan

Russia subsidiaries at Chayanova 22, Block 4, 125047, Moscow, Russian Federation

Nigeria subsidiaries at AYI & Associates Gateway Plaza (2nd Floor Left Wing) Plot 208, Off Herbert Macaulay Way, Central Business District, FCT Abuja, Nigeria

Zimbabwe subsidiaries at Manokore Attorneys, 61 Princess Drive, Corner Glenara Avenue, Harare Zimbabwe

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

Joint arrangement	Nature	Activity	% control	Principal Location
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 €3.1m (2016: €1.8m), an operating profit of €532,000 (2016: €213,000 loss) and profit after tax of €470,000 (2016: €4,000). The joint venture did not pay any dividends to its owners (2016: €nil).

The joint venture had current assets of €1.9m (2016: €1.1m) and current liabilities of €0.5m (2016: €0.1m) at 31 March 2017.

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

13. 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 asset at 31 March 2016	36	1,664	(1,700)	973	973
Deferred tax liability at 31 March 2016	-	-	-	(704)	(704)
Credit/(charge) to income statement	(10)	(119)	129	(781)	(781)
Transfers/acquisitions	-	-	-	(33)	(33)
Rate differences	(1)	(86)	87	-	-
Deferred tax asset at 31 March 2017	25	1,459	(1,484)	413	413
Deferred tax liability at 31 March 2017	-	-	-	(958)	(958)

	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)

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

14. Work in progress

	Group		Company	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
Work in progress	25,126	28,210	6,842	7,590
Provision	(67)	(91)	(67)	(71)
Net work in progress	25,059	28,119	6,775	7,519

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.

15. Trade and other receivables

	Group		Company	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
Amounts falling due within one year				
Amounts receivable on contracts	10,002	5,786	3,716	2,898
Less: provision for impairment of trade receivables	(234)	(240)	(225)	(240)
Trade receivables - net	9,768	5,546	3,491	2,658
Prepayments and accrued income	1,511	1,033	1,045	333
Amounts owed by group undertakings	-	-	16,839	14,645
Other receivables	2,146	1,393	1,041	255
	13,425	7,972	22,417	17,891

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 2017 €913,000 (2016: €464,000) of Group trade receivables were considered for potential impairment.

At 31 March 2017 trade receivables of €3,131,000 (2016: €4,164,000) 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:

	2017	2016
	€'000	€'000
Between 0 and 30 days	540	2,079
Between 31 and 60 days	121	236
Between 61 and 120 days	1,323	857
Greater than 120 days	1,147	992
	3,131	4,164

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

15. Trade and other receivables (continued)

At 31 March 2017 trade receivables of €6,637,000 (2016: €1,382,000) were neither past due nor impaired.

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

	2017 €'000	2016 €'000
At beginning of year	240	539
Receivables written off during the year as uncollectable	(15)	(299)
Foreign exchange differences	9	-
At end of year	234	240

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 2017 €585,000 (2016: €321,000) of Company trade receivables were considered for potential impairment.

At 31 March 2017 trade receivables of €396,000 (2016: €2,386,000) 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:

	2017 €'000	2016 €'000
Between 0 and 30 days	-	1,041
Between 31 and 60 days	18	128
Between 61 and 120 days	19	624
Greater than 120 days	359	593
	396	2,386

At 31 March 2017 trade receivables of €3,095,000 (2016: €272,000) were neither past due nor impaired.

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

	2017 €'000	2016 €'000
At beginning of year	240	423
Receivables written off during the year as uncollectable	(15)	(183)
At end of year	225	240

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.

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

16. Trade and other payables

	Group		Company	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
Amounts falling due within one year				
Trade payables	6,324	4,991	2,401	1,890
Payments received on account	11,253	11,317	4,795	2,788
Social security and other taxes	780	778	84	20
Amounts due to Joint Venture	-	-	124	124
Other payables	970	792	709	350
Accruals	13,428	9,967	1,670	1,409
Amounts due to group undertakings	194	1,115	18,138	18,138
	32,949	28,960	27,921	24,719

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.

17. Financial liabilities

	Group		Company	
	2017	2016	2017	2016
	€'000	€'000	€'000	€'000
Non current				
Redemption liabilities	-	63	-	63

The redemption liability in the prior year related to the discounted fair value of an option to purchase the remaining shares of Arndale 22 Limited. This option was exercised during the year.

18. 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 2017 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.

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

19. Share capital

	2017 €'000	2016 €'000
Issued and fully paid: 100,002 (2016: 100,002) ordinary shares of €1.41 each	141	141

20. Cash generated from operations

	Group		Company	
	2017 €'000	2016 €'000	2017 €'000	2016 €'000
Profit from operations	149	569	673	377
Adjustments for:				
Depreciation of property, plant and equipment	154	197	2	25
Amortisation of intangible assets	211	214	-	-
Loss on disposal of property, plant and equipment	5	42	-	11
Operating cash flows before movements in working capital	519	1,022	675	413
Decrease/(increase) in work in progress	3,061	(7,148)	745	(285)
(Increase)/decrease in receivables	(5,371)	2,882	(4,526)	(3,163)
Increase/(decrease) in payables	3,911	2,360	3,247	215
Cash (used)/generated from operations	2,120	(884)	141	(2,820)

21. Contingent liabilities and guarantees

The Group has issued bonds and guarantees to the value of €18,000,000 (2016: €17,000,000) 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 2017, the Group's net indebtedness to its principal bankers amounted to £9,000,000 (2016: £8,000,000).

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.

WYG International Limited

Notes to the Financial Statements (continued) For the year ended 31 March 2017

22. Financial commitments

At 31 March 2017 the Group and Company had no (2016: €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:

	2017		2016	
	Land and buildings €'000	Other €'000	Land and buildings €'000	Other €'000
Within one year	571	9	716	16
In the second to fifth years inclusive	841	2	1,296	15
	1,412	11	2,012	31

23. Retirement benefit schemes

The WYG group operates a defined contribution retirement benefit scheme for all UK qualifying employees with Aegon. 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 2017 were €144,000 (2016: €198,000).

24. Related party transactions

During the year the Company was charged no (2016: €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.

25. 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 2017.