

REGISTERED NUMBER: 02743776 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016
FOR
CYIENT EUROPE LIMITED**

Mehta & Tengra
Chartered Accountants
Registered Auditors
24 Bedford Row
London
WC1R 4TQ

CYIENT EUROPE LIMITED

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FOR THE YEAR ENDED 31 MARCH 2016**

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CYIENT EUROPE LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2016**

DIRECTORS:	J P Renard A Aggarwal A R Bodanapu
SECRETARY:	A Devalia
REGISTERED OFFICE:	Second Floor South 52-54 High Holborn House London WC1V 6RL
REGISTERED NUMBER:	02743776 (England and Wales)
AUDITORS:	Mehta & Tengra Chartered Accountants Registered Auditors 24 Bedford Row London WC1R 4TQ
BANKERS:	HSBC Bank Canary Wharf Canada Place London E14 5AH

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their strategic report of the company and the group for the year ended 31 March 2016.

REVIEW OF BUSINESS

The business has continued to build on the success it had in the previous twelve months. We have seen another year of top line sales growth and improved gross profit margins leading to better overall profitability. The company has been able to benefit from the acquisition it made last year of Cyient GMBH's UK operations and as a result it has maintained a balanced portfolio of marquee clients across a range of industries. In the UK we relocated the old Cyient GMBH UK operations to a new office in Portishead and also opened a new office, focused around our content and geospatial activities, in Reading.

As well as strong performance of our UK business, both of our overseas subsidiaries grew their top line sales and traded profitably during the period. During the period we also incorporated a new subsidiary in the Czech Republic.

The initial focus for this business will be product engineering, although we expect that it will grow to support other markets in due course.

As with previous years, we have been very focused on reducing our days outstanding and improving our cash collection. I am pleased to report that we again saw a year on year improvement in this figure.

PRINCIPAL RISKS AND UNCERTAINTIES

Cyient Europe Limited and the group undertake periodic audits to track and manage risks that are associated with the business. These risks include:

- Business portfolio risks
- Financial risks
- Competition risks
- Internal process risks

The group's business covers several industry verticals and geographic markets which suitably de-risks it from dependence on a single customer, market or service. During the financial year, the company continued to build annuity business with some of its strategic customers, specifically in the Aerospace, Rail and Government sectors. It rolled out a number of new service offerings, including solutions based around big data and analytics that it believes will be a good basis for growth in the coming years.

The group remains aware of the business risks and uncertainties related to its markets and customers. Its mitigation plan focuses on generating new customer accounts, delivering new services and entering new geographic markets, such as the Czech Republic.

In terms of financial risk, the company earns a part of its revenues from customers who pay in Euros. It is hence exposed to exchange rate volatility particularly around the Euro and Indian Rupee. The company maintains a liquid balance sheet and ensured a significant level of cash collection during the year.

The group's focus on engineering, data, network and operations provides the basis to both differentiate and enhance its value for its customers and markets and manage competitive pressure.

During 2015/2016, the group was successfully audited and re-certified to ISO 9001 and ISO 27001 standards. It continues to work to standard operating procedures that support sales, delivery, finance, security, environmental issues and health & safety.

KEY PERFORMANCE INDICATORS

The company's annual operating plan sets objectives and metrics for sales, operations and financial performance. These include revenue, profitability, orders intake, on time delivery and day sales outstanding which are periodically tracked and measured. This gives the basis to understand variances from budget , measure performance on an ongoing basis and ensure cost control.

Operational performance is tracked and managed through the Project Management Office and e3 software, where the focus is on ensuring deliverables adhere to quality, schedule and budget. The PMO improves transparency on project performance and supports greater management control. The company continued to track operational performance through periodic customer satisfaction audits.

The quality of financial management and internal controls has substantially improved through the SAP based finance and accounting system that has now been fully operational for the last couple of years. The company leverages extensively Salesforce.com as a CRM tool to support sales and business development and has implemented Concur to manage all travel related expenses.

ON BEHALF OF THE BOARD:



Director

19 April 2016

CYIENT EUROPE LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2016.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the provision of engineering, data, network and operations services to customers in the United Kingdom, Benelux, DACH and Middle East markets. The company expanded its focus to include the aerospace and rail engineering sectors, as well as the utilities, telecom, government and commercial sectors in the EMEA market.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2016.

FUTURE DEVELOPMENTS

Building on the work done in previous years, we will continue to leverage synergies and cost optimisation opportunities with our sister company in Europe, namely Cyient GMBH. We will also build on the success we have had using our finance and HR shared services offshore that has enabled us to support the business growth without the corresponding increases in indirect costs. A major focus for us during this period has been on risk and compliance. We appointed a risk and compliance officer who has started the process of making sure we have the necessary systems and checks in place and that we are fully aligned with the rest of the Cyient Group of companies and that we leverage company-wide solutions wherever possible.

An exciting development for us is in the incorporation of a new subsidiary in the Czech Republic. We see this as a strategic initiative that should underpin some good growth in the coming years. Our initial target is to grow the Engineering Centre, based in Prague, to over one hundred employees.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

J P Renard
A Aggarwal
A R Bodanapu

FINANCIAL INSTRUMENTS

The company's and group's financial instruments include bank balances, trade creditors and inter-company financing. Day to day operations continue to be funded through cashflow and from reserves within the business.

RELATED PARTY TRANSACTIONS

Other than transactions between members of the group headed by the parent company, for which exemption under FRS 102 section 33.1A was adopted, there were no related party transactions.

GROUP'S POLICY ON PAYMENT OF CREDITORS

The company's and group's current policy concerning the payment of trade creditors is to:

- pay in accordance with the company's and group's contractual and other legal obligations;
- agree in specific cases payment terms with a supplier that reflect the particular nature of a client contract;
- ensure that regular suppliers are aware of our standard payment terms and that these are respected and acted upon.
- copies of the standard policy can be obtained from the company's registered office.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2016**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:



J P Renard - Director

19 April 2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CYIENT EUROPE LIMITED

We have audited the financial statements of Cyient Europe Limited for the year ended 31 March 2016 on pages eight to thirty eight. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, 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 Group Strategic Report and the Report of the Directors 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;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

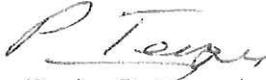
In our opinion the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CYIENT EUROPE LIMITED

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.



P Tengra (Senior Statutory Auditor)
for and on behalf of Mehta & Tengra
Chartered Accountants
Registered Auditors
24 Bedford Row
London
WC1R 4TQ

Date:19 April 2016.....

subject to 3rd Party confirmations

CYIENT EUROPE LIMITED

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	2015 £
REVENUE	2	35,631,092	24,360,566
Cost of sales		(25,566,042)	(19,602,104)
GROSS PROFIT		10,065,050	4,758,462
Administrative expenses		(6,492,327)	(3,383,604)
		3,572,723	1,374,858
Other operating income	3	52,420	6,461
OPERATING PROFIT	5	3,625,143	1,381,319
Interest receivable and similar income	6	9,648	925
		3,634,791	1,382,244
Interest payable and similar charges	7	(148,597)	(78,669)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,486,194	1,303,575
Tax on profit on ordinary activities	8	(661,771)	(173,580)
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		2,824,423	1,129,995
Profit attributable to: Owners of the parent		2,824,423	1,129,995

The notes form part of these financial statements

CYIENT EUROPE LIMITED**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

Notes	2016 £	2015 £
PROFIT FOR THE YEAR	2,824,423	1,129,995
OTHER COMPREHENSIVE INCOME		
Translation Reserve	103,840	(133,940)
Income tax relating to	-	-
	<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	103,840	(133,940)
	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,928,263	996,055
	<hr/> <hr/>	<hr/> <hr/>
Total comprehensive income attributable to: Owners of the parent	2,928,263	996,055
	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

CYIENT EUROPE LIMITED (REGISTERED NUMBER: 02743776)

**CONSOLIDATED BALANCE SHEET
31 MARCH 2016**

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	10	710,948	818,940
Property, plant and equipment	11	434,716	386,338
Investments	12	1,949	1,949
		<u>1,147,613</u>	<u>1,207,227</u>
CURRENT ASSETS			
Debtors	13	16,061,278	14,691,948
Cash at bank and in hand		4,930,717	3,294,853
		<u>20,991,995</u>	<u>17,986,801</u>
CREDITORS			
Amounts falling due within one year	14	(11,913,094)	(10,957,263)
		<u>9,078,901</u>	<u>7,029,538</u>
NET CURRENT ASSETS			
		<u>10,226,514</u>	<u>8,236,765</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	15	(4,310,109)	(5,200,928)
PROVISIONS FOR LIABILITIES			
	20	(11,249)	(58,944)
NET ASSETS		<u><u>5,905,156</u></u>	<u><u>2,976,893</u></u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET - continued
31 MARCH 2016

	Notes	2016 £	2015 £
CAPITAL AND RESERVES			
Called up share capital	21	1,850,000	1,850,000
Share premium	22	552,427	552,427
Translation reserves	22	(61,988)	(165,828)
Retained earnings	22	3,564,717	740,294
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS		5,905,156	2,976,893
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on 19 April 2016 and were signed on its behalf by:



J P Renard - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 MARCH 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	10	710,949	818,941
Property, plant and equipment	11	433,385	384,598
Investments	12	295,256	50,798
		<u>1,439,590</u>	<u>1,254,337</u>
CURRENT ASSETS			
Debtors	13	13,846,790	12,369,442
Cash at bank and in hand		3,655,630	2,665,322
		<u>17,502,420</u>	<u>15,034,764</u>
CREDITORS			
Amounts falling due within one year	14	(10,489,726)	(9,273,541)
NET CURRENT ASSETS		<u>7,012,694</u>	<u>5,761,223</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,452,284</u>	<u>7,015,560</u>
CREDITORS			
Amounts falling due after more than one year	15	(4,310,109)	(5,200,928)
PROVISIONS FOR LIABILITIES	20	(11,249)	(58,944)
NET ASSETS		<u>4,130,926</u>	<u>1,755,688</u>

The notes form part of these financial statements

COMPANY BALANCE SHEET - continued
31 MARCH 2016

	Notes	2016 £	2015 £
CAPITAL AND RESERVES			
Called up share capital	21	1,850,000	1,850,000
Share premium	22	552,427	552,427
Retained earnings	22	1,728,499	(646,739)
SHAREHOLDERS' FUNDS		<u>4,130,926</u>	<u>1,755,688</u>

The financial statements were approved by the Board of Directors on 19 April 2016 and were signed on its behalf by:



J P Renard - Director

The notes form part of these financial statements

CYIENT EUROPE LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital £	Retained earnings £	Share premium £	Translation reserves £	Total equity £
Balance at 1 April 2014	1,850,000	(389,701)	552,427	(31,888)	1,980,838
Changes in equity					
Total comprehensive income	-	1,129,995	-	(133,940)	996,055
Balance at 31 March 2015	<u>1,850,000</u>	<u>740,294</u>	<u>552,427</u>	<u>(165,828)</u>	<u>2,976,893</u>
Changes in equity					
Total comprehensive income	-	2,824,423	-	103,840	2,928,263
Balance at 31 March 2016	<u><u>1,850,000</u></u>	<u><u>3,564,717</u></u>	<u><u>552,427</u></u>	<u><u>(61,988)</u></u>	<u><u>5,905,156</u></u>

The notes form part of these financial statements

CYIENT EUROPE LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital £	Retained earnings £	Share premium £	Translation reserves £	Total equity £
Balance at 1 April 2014	1,850,000	(1,410,215)	552,427	(4,954)	987,258
Changes in equity					
Total comprehensive income	-	763,476	-	4,954	768,430
Balance at 31 March 2015	<u>1,850,000</u>	<u>(646,739)</u>	<u>552,427</u>	<u>-</u>	<u>1,755,688</u>
Changes in equity					
Total comprehensive income	-	2,375,238	-	-	2,375,238
Balance at 31 March 2016	<u><u>1,850,000</u></u>	<u><u>1,728,499</u></u>	<u><u>552,427</u></u>	<u><u>-</u></u>	<u><u>4,130,926</u></u>

The notes form part of these financial statements

CYIENT EUROPE LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	2,841,706	(1,297,106)
Interest paid		(148,597)	(78,669)
Tax paid		(115,312)	(142,071)
Net cash from operating activities		<u>2,577,797</u>	<u>(1,517,846)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(863,937)
Purchase of tangible fixed assets		(164,639)	(331,571)
Interest received		9,648	925
Net cash from investing activities		<u>(154,991)</u>	<u>(1,194,583)</u>
Cash flows from financing activities			
New loans in year		-	5,200,928
Loan repayments in year		(890,819)	-
Net cash from financing activities		<u>(890,819)</u>	<u>5,200,928</u>
Increase in cash and cash equivalents		1,531,987	2,488,499
Cash and cash equivalents at beginning of year	2	3,294,853	940,294
Effect of foreign exchange rate changes		103,840	(133,940)
Cash and cash equivalents at end of year	2	<u>4,930,680</u>	<u>3,294,853</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**
1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	3,486,194	1,303,575
Depreciation charges	224,310	99,084
Finance costs	148,597	78,669
Finance income	(9,648)	(925)
	<u>3,849,453</u>	<u>1,480,403</u>
Increase in trade and other debtors	(1,373,544)	(10,150,828)
Increase in trade and other creditors	365,797	7,373,319
	<u>2,841,706</u>	<u>(1,297,106)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2016

	31.3.16	1.4.15
	£	£
Cash and cash equivalents	4,930,717	3,294,853
Bank overdrafts	(37)	-
	<u>4,930,680</u>	<u>3,294,853</u>

Year ended 31 March 2015

	31.3.15	1.4.14
	£	£
Cash and cash equivalents	3,294,853	940,294

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to Reconciliation of Equity & Reconciliation of Profit for an explanation of the transition.

The financial statements are presented in £ Sterling and prepared on a going concern basis.

The group financial statements consolidate the financial statements of Cyient Europe Limited and all its subsidiary undertakings drawn up to 31 March each year.

The parent company has been taken advantage of section 408 of the Company Act 2006 and has not included its own Profit and Loss Account in these financial statements.

The parent company's profit for the year was £2,375,238 (2015 - profit £763,476).

Basis of consolidation

The Group financial statements comprise of the consolidated results of Cyient Europe Ltd, Cyient BV, Cyient Schweiz GMB and Cyient SRO

Intergroup balances and income and expenses arising from intergroup transactions are eliminated when preparing the consolidated financial statements.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services.

Revenue recognition

Licence revenues are recognised when risk of ownership transfers to customers which is deemed to occur on acceptance by customers.

Training related revenues are recorded once the training has been provided.

Maintenance and support revenues are recognised on a straight line basis over the contract.

Professional service revenues provided to customers on a fixed price basis are recorded on a percentage of completion. Revenue for such services are recognised based on completion of specified "milestones" as per the terms of the contract.

The cost of work supplied and recognised by Cyient Ltd (India) is also recognised by the company together with its corresponding revenue and costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

Goodwill

Goodwill represents the excess of the consideration paid over the fair value of net assets acquired, less any provision for impairment. Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

Goodwill acquired on the purchase of the Bristol trade is amortised over 8 years.

The directors conduct an annual review on goodwill and any impairment to the value of goodwill is adjusted in the financial statements.

Patents and licences

Patents and licences are valued at cost less accumulated amortisation and any provision for impairment. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	- 33 1/3% on cost
Fixtures, fittings and equipment	- 15% - 20% on cost

Fixtures, fittings and equipment purchased for the new leased premises are being depreciated over 5 years. Furniture and equipment transferred from the old leased premises, still in use, continue to be depreciated over 7 years.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those asset have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax asset and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax asset and deferred tax liabilities relate to income taxes levied by the same taxation

authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Research and development

Research and development costs were calculated for earlier periods and additional tax relief was claimed.

1. ACCOUNTING POLICIES - continued

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of the historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Long term monetary items are translated at the year end rate.

The assets and liabilities of foreign operations arising on consolidation are translated at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from the translation of foreign subsidiaries whose affairs are so closely linked with those of the holding company are taken to the profit and loss account.

Exchange differences arising from the translation of foreign subsidiaries whose activities are not integral to the operations of the holding or investing company are taken directly to the translation reserve.

Leasing commitments

Rental payable under operating lease are charged to profit or loss on straight line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amount to owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Work in progress

Work in progress is recognised on completion of specified tasks.

The cost of the work is included in trade creditors and the sales included in trade debtors.

Related party transactions

The company has taken advantage of Section 33.1A of FRS 102 and not disclosed transactions entered into between members of the group headed by the parent company Cyient Ltd.

Investments

Fixed asset investments are measured at fair value. Changes in fair value are recognised in the profit and loss account.

CYIENT EUROPE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2016

2. REVENUE

The revenue and profit before taxation are attributable to the one principal activity of the group.

An analysis of revenue by geographical market is given below:

	2016	2015
	£	£
United Kingdom	26,142,231	16,562,408
Europe	9,488,861	7,527,982
Rest of the World	-	270,176
	<u>35,631,092</u>	<u>24,360,566</u>

3. OTHER OPERATING INCOME

	2016	2015
	£	£
Other income	<u>52,420</u>	<u>6,461</u>

4. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	10,070,839	7,035,596
Social security costs	786,225	773,162
Other pension costs	129,020	104,243
	<u>10,986,084</u>	<u>7,913,001</u>

The average monthly number of employees during the year was as follows:

	2016	2015
Administrative staff	10	8
Others	<u>220</u>	<u>123</u>
	<u>230</u>	<u>131</u>

Directors and employees also receive share options in the ultimate holding company Cyient Limited, details of which are reflected in the financial statements of Cyient Limited.

CYIENT EUROPE LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2016	2015
	£	£
Hire of plant and machinery	4,270	13,654
Depreciation - owned assets	116,261	55,095
Goodwill amortisation	107,992	44,997
Auditors' remuneration	11,000	10,000
Auditors' remuneration for non audit work	25,000	25,917
Foreign exchange differences	720,505	(780,903)
Operating lease on buildings	161,045	114,385
Hire of Motor vehicles	42,602	25,031
	<u>292,661</u>	<u>267,960</u>
Directors' remuneration	292,661	267,960
Directors' pension contributions to money purchase schemes	14,844	19,978
	<u>14,844</u>	<u>19,978</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2016	2015
	£	£
Emoluments etc	292,661	267,960
Pension contributions to money purchase schemes	14,844	19,978
	<u>14,844</u>	<u>19,978</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016	2015
	£	£
Bank interest	1,809	925
Other interest	7,839	-
	<u>9,648</u>	<u>925</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Other interest	338	78,669
Loan interest	148,259	-
	<u>148,597</u>	<u>78,669</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

8. TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	2016	2015
	£	£
Current tax:		
UK corporation tax	554,751	62
Swiss corporate tax	47,411	35,313
Dutch corporate tax	107,304	79,261
	<u>709,466</u>	<u>114,636</u>
Total current tax	709,466	114,636
Deferred tax: origination of timing differences	(47,695)	58,944
	<u>(47,695)</u>	<u>58,944</u>
Tax on profit on ordinary activities	<u>661,771</u>	<u>173,580</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2016	2015
	£	£
Profit on ordinary activities before tax	<u>3,486,194</u>	<u>1,303,575</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	697,239	260,715
Effects of:		
Expenses not deductible for tax purposes	800	1,196
Capital allowances	(23,100)	(22,112)
Depreciation	44,680	10,627
Non UK tax adjustment	(120,780)	(96,218)
FRS 102 adjustment	(13,681)	-
Losses brought forward	(30,407)	(154,146)
Dutch Corporate tax	107,304	79,261
Swiss Corporate tax	47,411	35,313
Deferred tax	(47,695)	58,944
	<u>661,771</u>	<u>173,580</u>
Total tax charge	<u>661,771</u>	<u>173,580</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

8. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	Gross £	2016 Tax £	Net £
Translation Reserve	103,840	-	103,840
	<u>103,840</u>	<u>-</u>	<u>103,840</u>
	<u>103,840</u>	<u>-</u>	<u>103,840</u>

	Gross £	2015 Tax £	Net £
Translation Reserve	(133,940)	-	(133,940)
	<u>(133,940)</u>	<u>-</u>	<u>(133,940)</u>
	<u>(133,940)</u>	<u>-</u>	<u>(133,940)</u>

9. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £2,375,238 (2015 - £763,476).

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Totals £
COST			
At 1 April 2015 and 31 March 2016	867,087	551	867,638
	<u>867,087</u>	<u>551</u>	<u>867,638</u>
AMORTISATION			
At 1 April 2015	48,147	551	48,698
Amortisation for year	107,992	-	107,992
	<u>156,139</u>	<u>551</u>	<u>156,690</u>
At 31 March 2016	156,139	551	156,690
	<u>156,139</u>	<u>551</u>	<u>156,690</u>
NET BOOK VALUE			
At 31 March 2016	710,948	-	710,948
	<u>710,948</u>	<u>-</u>	<u>710,948</u>
At 31 March 2015	818,940	-	818,940
	<u>818,940</u>	<u>-</u>	<u>818,940</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

10. INTANGIBLE FIXED ASSETS - continued

Group

Goodwill represents the excess of consideration paid over the fair value of net assets acquired.

Goodwill of £3,150 (2015: £3,150) on the acquisition of Cyient B V has been fully amortised.

Goodwill of £863,937 on the acquisition of the Bristol trade on 1 November 2014 is being amortised over 8 years.

Company

	Goodwill	Patents and licences	Totals
	£	£	£
COST			
At 1 April 2015 and 31 March 2016	<u>863,938</u>	<u>551</u>	<u>864,489</u>
AMORTISATION			
At 1 April 2015	44,997	551	45,548
Amortisation for year	<u>107,992</u>	<u>-</u>	<u>107,992</u>
At 31 March 2016	<u>152,989</u>	<u>551</u>	<u>153,540</u>
NET BOOK VALUE			
At 31 March 2016	<u>710,949</u>	<u>-</u>	<u>710,949</u>
At 31 March 2015	<u>818,941</u>	<u>-</u>	<u>818,941</u>

Goodwill represents the excess of consideration paid over the fair value of net assets acquired.

Goodwill of £3,150 (2015: £3,150) on the acquisition of Cyient B V has been fully amortised.

Goodwill of £863,937 on the acquisition of the Bristol trade on 1 November 2014 is being amortised over 8 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

11. PROPERTY, PLANT AND EQUIPMENT

Group

	Plant and machinery £	Fixtures, fittings and equipment £	Totals £
COST			
At 1 April 2015	298,949	255,219	554,168
Additions	105,556	59,083	164,639
At 31 March 2016	<u>404,505</u>	<u>314,302</u>	<u>718,807</u>
DEPRECIATION			
At 1 April 2015	83,355	84,475	167,830
Charge for year	87,870	28,391	116,261
At 31 March 2016	<u>171,225</u>	<u>112,866</u>	<u>284,091</u>
NET BOOK VALUE			
At 31 March 2016	<u>233,280</u>	<u>201,436</u>	<u>434,716</u>
At 31 March 2015	<u>215,594</u>	<u>170,744</u>	<u>386,338</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

11. PROPERTY, PLANT AND EQUIPMENT - continued

Company

	Plant and machinery £	Fixtures, fittings and equipment £	Totals £
COST			
At 1 April 2015	295,115	255,219	550,334
Additions	105,069	59,083	164,152
At 31 March 2016	<u>400,184</u>	<u>314,302</u>	<u>714,486</u>
DEPRECIATION			
At 1 April 2015	81,261	84,475	165,736
Charge for year	86,974	28,391	115,365
At 31 March 2016	<u>168,235</u>	<u>112,866</u>	<u>281,101</u>
NET BOOK VALUE			
At 31 March 2016	<u>231,949</u>	<u>201,436</u>	<u>433,385</u>
At 31 March 2015	<u>213,854</u>	<u>170,744</u>	<u>384,598</u>

12. FIXED ASSET INVESTMENTS

Group

	Listed investments £
COST	
At 1 April 2015 and 31 March 2016	<u>100,000</u>
PROVISIONS	
At 1 April 2015 and 31 March 2016	<u>98,051</u>
NET BOOK VALUE	
At 31 March 2016	<u>1,949</u>
At 31 March 2015	<u>1,949</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

12. FIXED ASSET INVESTMENTS - continued

Company	Shares in group undertakings £	Listed investments £	Totals £
COST			
At 1 April 2015	48,849	100,000	148,849
Additions	244,458	-	244,458
At 31 March 2016	<u>293,307</u>	<u>100,000</u>	<u>393,307</u>
PROVISIONS			
At 1 April 2015 and 31 March 2016	-	98,051	98,051
NET BOOK VALUE			
At 31 March 2016	<u>293,307</u>	<u>1,949</u>	<u>295,256</u>
At 31 March 2015	<u>48,849</u>	<u>1,949</u>	<u>50,798</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries**Cyient B.V**

Country of incorporation: The Netherlands

Nature of business: Geographical information services

Class of shares:	%	2016	2015
holding	holding	£	£
Ordinary	100.00		
Aggregate capital and reserves		1,504,082	1,033,680
Profit for the year		<u>393,722</u>	<u>260,789</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

12. FIXED ASSET INVESTMENTS - continued

Cyient Schweiz GMBH

Country of incorporation: Switzerland

Nature of business: Geographical information services

Class of shares:	% holding	2016 £	2015 £
Ordinary	100.00		
Aggregate capital and reserves		483,481	274,858
Profit for the year		189,961	139,745

Cyient SRO

Country of incorporation: Czech Republic

Nature of business: Geographical information services

Class of shares:	% holding	2016 £
Ordinary	100.00	
Aggregate capital and reserves		79,973
Loss for the year		(173,467)

Cyient SRO was incorporated on 30 September 2015.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	10,120,921	7,659,744	8,237,051	5,691,525
Other debtors	13,280	480,136	12,987	462,532
Guarantees & deposits	155,978	17,833	67,949	-
Due from related companies	4,060,886	4,927,064	4,021,917	4,927,064
Due from subsidiary companies	-	-	181,035	236,335
Due from parent company	1,560,967	-	1,261,831	-
Other taxes recoverable	7,814	-	-	-
Dutch corporate tax	-	11,971	-	-
Prepayments and accrued income	141,432	1,595,200	64,020	1,051,986
	16,061,278	14,691,948	13,846,790	12,369,442

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts (see note 16)	37	-	37	-
Trade creditors	2,039,315	301,070	1,653,755	290,393
Corporation tax	554,781	62	554,781	62
Swiss corporate tax	73,347	60,341	-	-
Dutch corporate tax	22,272	-	-	-
Social security and other taxes	1,394,764	1,129,502	1,244,557	1,003,414
Other creditors	119,607	154,844	83,160	42,576
Due to related companies	2,371,922	28,683	2,297,420	-
Due to subsidiary companies	-	-	315,718	51,479
Due to parent company	4,162,423	7,096,847	3,414,400	6,186,246
Accruals and deferred income	1,174,626	2,185,914	925,898	1,699,371
	<u>11,913,094</u>	<u>10,957,263</u>	<u>10,489,726</u>	<u>9,273,541</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Other loans (see note 16)	<u>4,310,109</u>	<u>5,200,928</u>	<u>4,310,109</u>	<u>5,200,928</u>

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	<u>37</u>	<u>-</u>	<u>37</u>	<u>-</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Other loans more 5yrs instal	<u>4,310,109</u>	<u>5,200,928</u>	<u>4,310,109</u>	<u>5,200,928</u>

The other loan represents a ten year loan from Cyient GMBH for Euro 7,100,000 with interest charged at 3% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

17. LEASING AGREEMENTS

Group

	Non-cancellable operating leases	
	2016	2015
	£	£
Between one and five years	285,755	285,755
In more than five years	210,732	41,316
	<u>496,487</u>	<u>327,071</u>

Company

	2016	2015
	£	£
Between one and five years	275,235	275,235
In more than five years	41,316	41,316
	<u>316,551</u>	<u>316,551</u>

18. SECURED DEBTS

Assets held as security and formally charged to HSBC are :

- (i) Debenture including fixed charge over all present freehold and leasehold property.
- (ii) First fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future.
- (iii) First floating charge over all assets and undertaking both present and future dated 24 June 2013.

19. LOANS AND OVERDRAFTS

(i) The bank has granted the following facilities:

-Overdraft facility of £1,000,000.

(ii) The subsidiary company's bankers have provided guarantees for the sum of Euro 46,560.

(iii) The bank has also given a guarantee dated 11 July 2013 in favour of E.On Bayern Ag for €266,000.

CYIENT EUROPE LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016**

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Deferred tax Accelerated capital allowances	11,249	58,944	11,249	58,944

Group	Deferred tax £
Balance at 1 April 2015	58,944
Credit to Income Statement during year	(47,695)
Balance at 31 March 2016	11,249

Company	Deferred tax £
Balance at 1 April 2015	58,944
Credit to Income Statement during year	(47,695)
Balance at 31 March 2016	11,249

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2016	2015
Number:	Class:	Nominal value:	£	£
18,500,000	Ordinary shares	£0.01	1,850,000	1,850,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2016

22. RESERVES

Group

	Retained earnings £	Share premium £	Translation reserves £	Totals £
At 1 April 2015	740,294	552,427	(165,828)	1,126,893
Profit for the year	2,824,423			2,824,423
Foreign exchange difference on consolidation	-	-	103,840	103,840
At 31 March 2016	<u>3,564,717</u>	<u>552,427</u>	<u>(61,988)</u>	<u>4,055,156</u>

Company

	Retained earnings £	Share premium £	Totals £
At 1 April 2015	(646,739)	552,427	(94,312)
Profit for the year	2,375,238		2,375,238
At 31 March 2016	<u>1,728,499</u>	<u>552,427</u>	<u>2,280,926</u>

Translation reserves

Translation reserves comprise of foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries on consolidation whose activities are not integral to the operations of the holding or investing company.

23. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the group to the fund and amounted to £129,020 (2015:£104,243). The contributions that were payable to the fund at the year end and are included in creditors amounted to be £22,668 (2015: £34,957).

24. ULTIMATE PARENT COMPANY

The company is wholly owned by Cyient Limited, a company incorporated in India.

The parent company's address is 11 Software Units Layouts, Infocity, Madhapur, Hyderabad, India, where copies of the group financial statements can be publicly obtained.

25. RELATED PARTY DISCLOSURES

Other than transactions between members of the group headed by the parent company for which exemption under FRS102 section 33.1A was adopted, there were no related party transactions.

26. GOING CONCERN

The Financial Statements have been prepared on a going concern basis as the holding company Cyient Ltd continues to support the UK entity as its largest supplier and delivery partner. In this context, operations and work is conducted in India as part of the deliverables to the UK entity's customers and this work is charged to the UK entity at arm's length. The same model has been followed since 2000.

CYIENT EUROPE LIMITED

RECONCILIATION OF EQUITY

1 APRIL 2014

(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Property, plant and equipment		109,862	-	109,862
Investments		1,949	-	1,949
		<u>111,811</u>	<u>-</u>	<u>111,811</u>
CURRENT ASSETS				
Debtors		4,529,149	-	4,529,149
Cash at bank and in hand		940,294	-	940,294
		<u>5,469,443</u>	<u>-</u>	<u>5,469,443</u>
CREDITORS				
Amounts falling due within one year		(3,600,416)	(88,516)	(3,688,932)
NET CURRENT ASSETS				
		<u>1,869,027</u>	<u>(88,516)</u>	<u>1,780,511</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		<u>1,980,838</u>	<u>(88,516)</u>	<u>1,892,322</u>
NET ASSETS				
		<u>1,980,838</u>	<u>(88,516)</u>	<u>1,892,322</u>
CAPITAL AND RESERVES				
Called up share capital		1,850,000	-	1,850,000
Share premium		552,427	-	552,427
Translation reserves		(31,888)	-	(31,888)
Retained earnings		(389,701)	(88,516)	(478,217)
SHAREHOLDERS' FUNDS				
		<u>1,980,838</u>	<u>(88,516)</u>	<u>1,892,322</u>

The notes form part of these financial statements

CYIENT EUROPE LIMITED

RECONCILIATION OF EQUITY - continued
31 MARCH 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Intangible assets		818,940	-	818,940
Property, plant and equipment		386,338	-	386,338
Investments		1,949	-	1,949
		<u>1,207,227</u>	<u>-</u>	<u>1,207,227</u>
CURRENT ASSETS				
Debtors		14,691,948	-	14,691,948
Cash at bank and in hand		3,294,853	-	3,294,853
		<u>17,986,801</u>	<u>-</u>	<u>17,986,801</u>
CREDITORS				
Amounts falling due within one year		(10,850,057)	(107,206)	(10,957,263)
NET CURRENT ASSETS		<u>7,136,744</u>	<u>(107,206)</u>	<u>7,029,538</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,343,971	(107,206)	8,236,765
CREDITORS				
Amounts falling due after more than one year		(5,200,928)	-	(5,200,928)
PROVISIONS FOR LIABILITIES		(58,944)	-	(58,944)
NET ASSETS		<u>3,084,099</u>	<u>(107,206)</u>	<u>2,976,893</u>
CAPITAL AND RESERVES				
Called up share capital		1,850,000	-	1,850,000
Share premium		552,427	-	552,427
Translation reserves		(165,828)	-	(165,828)
Retained earnings		847,500	(107,206)	740,294
SHAREHOLDERS' FUNDS		<u>3,084,099</u>	<u>(107,206)</u>	<u>2,976,893</u>

The notes form part of these financial statements

CYIENT EUROPE LIMITED**RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 MARCH 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
REVENUE	24,360,566	-	24,360,566
Cost of sales	(19,602,104)	-	(19,602,104)
GROSS PROFIT	4,758,462	-	4,758,462
Administrative expenses	(3,276,398)	(107,206)	(3,383,604)
Other operating income	6,461	-	6,461
OPERATING PROFIT	1,488,525	(107,206)	1,381,319
Interest receivable and similar income	925	-	925
Interest payable and similar charges	(78,669)	-	(78,669)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,410,781	(107,206)	1,303,575
Tax on profit on ordinary activities	(173,580)	-	(173,580)
PROFIT FOR THE FINANCIAL YEAR	<u>1,237,201</u>	<u>(107,206)</u>	<u>1,129,995</u>
Profit attributable to: Owners of the parent	<u>1,237,201</u>	<u>(107,206)</u>	<u>1,129,995</u>

The notes form part of these financial statements

CYIENT EUROPE LIMITED

CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016

	2016		2015	
	£	£	£	£
Turnover				
United Kingdom	26,142,231		16,562,408	
Europe	9,488,861		7,527,982	
Rest of world	-		270,176	
	<u> </u>	35,631,092	<u> </u>	24,360,566
Cost of sales				
Purchases	18,090,388		14,114,200	
Salaries	6,586,778		4,541,692	
Social security	543,801		489,883	
Staff pension costs	80,227		82,090	
Other staff expenses	192,681		268,240	
Sub contractors	-		105,999	
Travelling & Subsistence	72,167		-	
	<u> </u>	25,566,042	<u> </u>	19,602,104
GROSS PROFIT		10,065,050		4,758,462
Other income				
Other income	52,420		6,461	
Bank interest	1,809		925	
Other interest	7,839		-	
	<u> </u>	62,068	<u> </u>	7,386
		10,127,118		4,765,848
Expenditure				
Rent, rates, services & electricity	284,779		230,409	
Insurance	53,465		34,498	
Directors' salaries	292,661		267,960	
Directors' social security	39,628		36,331	
Directors' pension contributions	14,844		19,978	
Salaries - Sales & administration	3,191,400		2,225,944	
Social security - Administration	202,796		246,948	
Pensions	33,949		2,175	
Hire of plant and machinery	4,270		13,654	
Telephone & communications	109,442		83,037	
Printing, stationery & postage	34,099		43,855	
Hire of motor vehicles	711		25,031	
Subscriptions	1,454		1,443	
Repairs & maintenance	48,374		85,950	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carried forward	4,311,872	10,127,118	3,317,213	4,765,848

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CYIENT EUROPE LIMITED

**CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

	2016		2015	
	£	£	£	£
Brought forward	4,311,872	10,127,118	3,317,213	4,765,848
Penalty	4,000		10,000	
Office cleaning	227		316	
Travelling & sustenance	306,485		193,181	
Visa application expenses	-		17,426	
Sundry expenses	20,611		10,843	
Staff expenses - staff welfare	53,032		22,062	
Staff expenses - benefits	16,861		10,174	
Accountancy	-		28,862	
Staff recruitment cost	35,668		-	
Compensation for loss of office	-		2,119	
Legal & professional	388,451		194,573	
Auditors' remuneration	11,000		10,000	
Auditors' remuneration for non audit work	25,000		25,917	
Donations	500		-	
Foreign exchange (gain)/ loss	720,505		(780,903)	
Amortisation of intangible fixed assets				
Goodwill	107,992		44,997	
Depreciation of tangible fixed assets				
Plant and machinery	87,928		41,142	
Furniture, fittings & equipment	28,390		12,945	
Marketing and advertising	382,619		147,148	
Entertainment	5,232		6,608	
Bad debts	(37,018)		36,343	
		6,469,355		3,350,966
		3,657,763		1,414,882
Finance costs				
Bank charges	22,972		32,638	
Other interest	338		78,669	
Loan interest	148,259		-	
		171,569		111,307
NET PROFIT		3,486,194		1,303,575

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