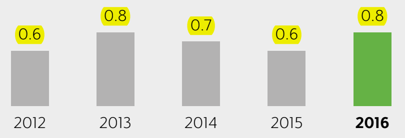
Consolidated cash flow statement

For the year ended 31 December 2016

	Note	2016 £m	2015 £m
Cash flows from operating activities			
Group operating profit		145.6	183.4
Depreciation and amortisation		45.0	45.4
Profit on disposal of property, plant and equipment and intangible assets		(6.4)	(14.4)
Profit on disposal of Public Private Partnership equity investments		(12.7)	(37.7)
Other non-cash movements		1.9	(0.3)
Non-recurring operating items		40.2	5.0
Operating profit before changes in working capital		213.6	181.4
Increase in inventories		(6.3)	(14.3)
(Increase)/decrease in trade and other receivables		(290.6)	48.0
Increase/(decrease) in trade and other payables		301.5	(41.1)
Cash generated from operations before cash flows on forward foreign currency contracts, pension deficit recovery payments and non-recurring operating items		218.2	174.0
Cash flows on forward foreign currency contracts		(34.6)	–
Deficit recovery payments to pension schemes		(46.6)	(47.4)
Non-recurring operating items		(21.5)	(6.3)
Cash generated from operations		115.5	120.3
Financial income received		2.5	2.4
Financial expense paid		(39.6)	(35.3)
Acquisition-related costs		(0.9)	(6.6)
Taxation payments		(4.2)	(7.5)
Net cash flows from operating activities		73.3	73.3
Cash flows from investing activities			
Disposal of property, plant and equipment and intangible assets		13.8	17.6
Disposal of joint ventures and other investments	29	47.1	54.1
Dividends received from joint ventures		11.8	16.8
Loan advance repayments received from joint ventures		2.1	7.2
Acquisition of subsidiaries, net of cash and cash equivalents acquired	29	(32.5)	(10.6)
Acquisition of property, plant and equipment and intangible assets		(37.3)	(30.4)
Acquisition of equity in and loan advances to joint ventures		(4.8)	(28.3)
Acquisition of other non-current asset investments		–	(0.4)
Net cash flows from investing activities		0.2	26.0
Cash flows from financing activities			
Draw down/(repayment) of bank and other loans		6.7	(19.0)
Repayment of finance lease liabilities		(7.4)	(6.0)
Acquisition of own shares		(1.0)	(0.4)
Dividends paid to equity holders of the parent		(78.9)	(76.8)
Dividends paid to non-controlling interests		(3.8)	(3.2)
Net cash flows from financing activities		(84.4)	(105.4)
Decrease in net cash and cash equivalents		(10.9)	(6.1)
Net cash and cash equivalents at 1 January		455.8	465.8
Effect of exchange rate fluctuations on net cash and cash equivalents		22.8	(3.9)
Net cash and cash equivalents at 31 December	18	467.7	455.8

7. Net Debt to EBITDA



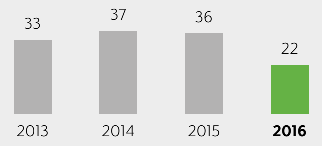
Definition: Net debt at the year-end divided by Earnings before Interest, Tax, Depreciation and Amortisation.

Comment: Our net debt to EBITDA ratio for 2016 was 0.8 (2015: 0.6).

Target: Continue to focus on cash generation in order to minimise our net debt to EBITDA ratio.

Link to strategy: 2

8. Net promoter score



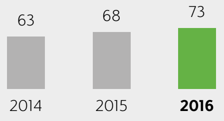
Definition: An international standard for measuring customer satisfaction. NPS can range from +100 to -100.

Comment: Our net promoter score for 2016 was +22 (2015: +36). Our 2016 score reflected the challenges of mobilising new contracts.

Target: Aim to achieve continuous improvement in our net promoter score and meet our long-term goal of +45 by 2019.

Link to strategy: 2

9. Employee engagement score (%)



Definition: The percentage of our employees who responded that they felt engaged with our businesses in our employee engagement survey.

Comment: Our engagement score increased to 73.

Target: Aim for continuous improvement in employee engagement across the Group.

Link to strategy: 3

10. Lost time incident frequency rate (LTIFR)

0.192

2015: 0.188

Definition: Lost time incidents per 200,000 hours worked for both employees and subcontractors combined.

Comment: Following a strong performance in 2014 and 2015,our LTIFR worsened slightly in 2016.

Target: Our lost time incident frequency rate target for 2017 is 0.160 or below.

Link to strategy: 2

11. Gender balance

38%

2015: 37%

Definition: The percentage of females to males employed at Carillion.

Comment: Our female to male ratio improved in 2016 to 38% (2015: 37%).

Target: Continue to drive greater diversity in our business.

Link to strategy: 3

12. Contribution to profit from sustainability

£36.1m

2015: £33.8m

Definition: Cost savings and revenue improvements generated by initiatives related to our sustainability strategy.

Comment: Contribution to profit from sustainability increased to £36.1 million (2015: £33.8 million).

Target: Increase the level of contribution sustainability makes to our business through our ongoing focus on resource efficiency.

Link to strategy: 2

13. Percentage of employees volunteering

30%

2015: 18%

Definition: The percentage of our employees involved in community and charitable volunteering activities.

Comment: The percentage of our employees engaged in volunteering activities in 2016 improved significantly to 30% (2015: 18%).

Target: Continue to encourage our employees to volunteer in activities which engage our communities, aiming for 50% by 2020.

Link to strategy: 3

14. Reduction in our carbon footprint

34%

2015: 31%

Definition: Our carbon footprint includes direct and indirect emissions from our operations.

Comment: The 34% reduction in our carbon footprint (against a 2011 normalised baseline) showed continued improvement compared to 2015.

Target: Continue to seek the most effective ways to cut carbon, targeting a 41% reduction by 2020.

Link to strategy: 2

Alternative performance measures
See pages 140 to 143

Notes to the consolidated financial statements continued

19. Borrowing (continued)

In 2016, non-current other loans of £502.9 million and current other loans of £22.2 million include private placement financing at fixed rates of interest of £360.8 million and the debt component of convertible bonds amounting to £162.2 million. The contractual terms of private placement financing are disclosed below:

Currency	Currency amount	Sterling amount £m	Interest rate %	Maturity date
US$	25.0	20.1	3.85	November 2017
£ sterling	49.0	49.0	4.38	September 2018
£ sterling	17.5	17.5	3.62	August 2019
US$	80.0	64.6	4.29	November 2019
£ sterling	51.0	51.0	5.10	September 2021
£ sterling	17.5	17.5	4.19	August 2022
US$	140.0	112.9	4.86	November 2022
US$	35.0	28.2	5.01	November 2024
		360.8		

In relation to the US dollar denominated private placement financing, the Group has entered into cross-currency derivative instruments that correspond to the profile of the principal and interest repayments.

In December 2014, the Group issued £170 million of unsecured convertible bonds maturing by December 2019 with a coupon of 2.5 per cent payable semi-annually in arrears. The initial conversion price has been set at 398.56 pence and upon conversion Carillion may elect to settle its obligations by way of delivery of ordinary shares, payment of a cash alternative amount or a combination of the two. At inception, the proceeds from the convertible bond comprised a derivative liability component of £13.4 million and a debt component of £156.6 million. The derivative liability component represents the fair value of the embedded option to convert the bond into ordinary shares of the Company or to settle in cash and is calculated using a Black-Scholes or similar bespoke model. The fair value of the debt component is calculated as the difference between the proceeds from the issue and the fair value of the embedded derivative component. The debt component at 31 December 2016 amounted to £162.2 million and included £5.6 million of interest accretion.

Bank loans and overdrafts are largely unsecured and bear interest at floating rates linked to the London Interbank Offered Rate, the Canadian Dollar Offered Rate or the Emirates Interbank Offered Rate. The Group's main revolving bank loan facility of £790 million matures in November 2020. Within current and non-current bank loans of £145.9 million (2015: £118.8 million) are loans amounting to £3.7 million (2015: £9.3 million) which are secured on the assets to which they relate. Finance lease obligations are secured on the assets to which they relate.

Finance lease liabilities

Finance lease liabilities are payable as follows:

	Minimum lease payments 2016 £m	**Interest 2016 £m**	**Principal 2016 £m**	Minimum lease payments 2015 £m	Interest 2015 £m	Principal 2015 £m
Less than one year	**7.6**	**(0.4)**	**7.2**	7.0	(0.7)	6.3
Between one and five years	**8.8**	**(0.4)**	**8.4**	12.2	(0.7)	11.5
	16.4	**(0.8)**	**15.6**	19.2	(1.4)	17.8

Under the terms of the lease agreements, no contingent rents are payable.

20. Trade and other payables

Current liabilities	**2016 £m**	2015[1] £m
Trade payables	**749.2**	591.4
Amounts owed to customers on construction contracts	**57.4**	62.8
Other tax and social security costs	**44.2**	67.4
Amounts owed to joint ventures	**112.4**	87.0
Amounts owed to jointly controlled operations	**21.8**	9.0
Other creditors	**760.5**	561.7
Accruals and deferred income	**340.9**	304.0
Deferred consideration payable[2]	**3.7**	31.0
	2,090.1	1,714.3

Within trade and other payables are £40.7 million (2015: £32.7 million) of liabilities due in more than one year but which are payable within the normal operating cycle of the Group. All other trade and other payables are due within one year.

Non-current liabilities	**2016 £m**	2015[1] £m
Contingent consideration payable	**67.3**	64.0

(1) Restated for the retrospective adjustment to provisional amounts recognised on acquisitions in 2015.
(2) Deferred consideration payable within current liabilities is recognised at its undiscounted fair value.

Deferred and contingent consideration payable within current and non-current liabilities relates to the acquisition of Rokstad Power Corporation, Outland Group and Ask Real Estate Limited as disclosed in note 29. The expected maturity profile of this liability is disclosed in note 26.

Wirecard 2018

Consolidated income statement

in EUR million	Notes	1 Jan 2018 – 31 Dec 2018		1 Jan 2017 – 31 Dec 2017 adjusted*	
Revenues	(5.1.),(2.2.)		2,016.2		1,488.6
Own work capitalised	(5.2.)		45.1		45.3
Cost of materials	(5.3.)		1,090.0		788.8
Gross profit			971.2		745.2
Personnel expenses	(5.4.)		234.7		186.0
Other operating expenses	(5.5.)		157.1		160.4
impairment losses of financial assets	(5.6.)		31.2		n/a
Other operating income	(5.7.)		12.7		11.8
Share of profit or loss from associates (at equity)	(1.1.),(3.3.)		–0.5		–0.2
EBITDA			560.5		410.3
Amortisation/depreciation	(5.8.)		122.0		98.7
EBIT **			438.5		311.5
Financial result	(5.9.)		–29.0		–18.2
Other financial income		20.0		15.2	
Financial expenses		49.0		33.4	
Earnings before tax **			409.4		293.3
Income tax expense	(5.10.)		62.1		37.3
Earnings after tax **	(5.11.)		347.4		256.1
Earnings per share (basic and diluted) in EUR	(5.11.)		2.81		2.07
Average shares outstanding (basic and diluted)	(5.11.),(4.1.)		123,565,586		123,565,586
EBITDA			560.5		410.3
Amortisation and depreciation (M&A adjusted)***	(5.8.)		83.4		57.9
EBIT adjusted **			477.1		352.4
Amortisation and depreciation (M&A related)	(5.8.)		38.7		40.9
EBIT **			438.5		311.5

* Some of the amounts disclosed differ from the amounts in the consolidated financial statements of fiscal year 2017 due to adjustments made in accordance with IAS 8 (see Note 2.7)

** Attributable entirely to the shareholders of the parent company

*** Adjusted by amortisation of assets which result from business combinations and acquired customer relationships (M&A related)

Consolidated cash flow statement

in EUR million	Notes	1 Jan 2018 – 31 Dec 2018	1 Jan 2017 – 31 Dec 2017 adjusted*
Earnings after tax	(5.)	347.4	256.1
Financial result		29.0	18.2
Income tax expense		62.1	37.3
Gain/loss from disposal of non-current assets		6.6	2.1
Amortisation/depreciation		122.0	98.7
Change from currency translation differences		–0.7	–1.0
Change in inventories		2.8	–6.8
Change in receivables		–344.9	–99.2
Change in liabilities of the acquiring business and trade payables		226.2	60.3
Change in other assets and liabilities		82.4	12.0
Net cash outflow arising from income tax		–62.2	–28.4
Interest paid excluding interest on loans and finance lease		–4.4	–3.4
Interest received		0.7	3.4
Cash flow from operating business before banking operations	(6.)	466.9	349.3
Change in non-current assets of banking operations		33.8	–58.4
Change in current assets of banking operations		–34.7	35.5
Change in customer deposits of banking operations		283.6	237.1
Cash flow from operating business of banking operations		282.7	214.2
Cash flow from operating activities	(6.1.)	749.6	563.5
Cash outflows for investments in intangible assets		–86.2	–96.2
Cash outflows for investments in property, plant and equipment		–23.5	–15.0
Cash outflows for investments in financial assets and interest-bearing securities		–115.0	0.0
Cash inflows from investments in financial assets and interest-bearing securities		2.0	0.0
Cash inflows from repayment of loans extended		0.0	1.0
Cash outflows for acquisition of consolidated companies less acquired cash	(1.1.),(6.2.)	–8.9	–246.8
Cash flow from investing activities	(6.2.)	–231.7	–357.1
Cash outflows for previous years' acquisitions of companies		–29.2	–65.2
Repayment of lease liabilities		–15.3	–11.7
Cash inflows from increase of financial liabilities		898.0	495.5
Cash outflows for expenses from increase of financial liabilities		–8.3	–5.5
Cash outflows for repayment of financial liabilities		–507.5	–26.1
Dividends paid		–22.2	–19.8
Interest paid on loans and finance leases		–12.1	–10.3
Cash flow from financing activities	(6.3.)	303.4	356.9
Net change in cash and cash equivalents		821.3	563.3
Exchange-rate- and revaluation-related changes to cash and cash equivalents		–14.6	1.1
Cash and cash equivalents at start of period		1,895.9	1,331.5
Cash and cash equivalents at end of period	(6.4.)	2,702.5	1,895.9

* Some of the amounts disclosed differ from the amounts in the consolidated financial statements of fiscal year 2017 due to adjustments made in accordance with IAS 8 (see Note 2.7)

Wirecard 2018

Consolidated statement of financial position

Assets

in EUR million	Notes	31 Dec 2018	31 Dec 2017 adjusted*	1 Jan 2017 adjusted*
I. Non-current assets				
1. Intangible assets	(3.1.),(2.2.)			
Goodwill		705.9	675.8	534.9
Customer relationships		452.1	484.9	392.3
Internally-generated intangible assets		138.2	120.0	99.2
Other intangible assets		113.3	109.3	81.7
		1,409.5	1,390.0	1,108.1
2. Property, plant and equipment	(3.2.),(2.2.)	81.5	57.5	44.7
3. Investments accounted for using the equity method	(3.3.)	14.0	14.6	14.8
4. Financial and other assets / interest-bearing securities	(3.4.),(2.3.)	413.6	310.2	216.2
5. Tax credits				
Deferred tax assets	(3.5.),(2.4.)	10.8	9.1	2.7
Total non-current assets		1,929.4	1,781.4	1,386.4
II. Current assets				
1. Inventories and work in progress	(3.6.),(2.2.)	10.6	13.3	4.5
2. Receivables of the acquiring business	(3.7.),(2.3.)	684.9	442.0	402.4
3. Trade and other receivables	(3.8.),(2.3.)	357.4	274.7	190.2
4. Tax credits	(3.9.),(2.4.)			
Tax refund entitlements	(3.9.)	13.1	11.0	9.4
5. Interest-bearing securities and fixed-term deposits	(3.10.)	139.6	109.1	156.5
6. Cash and cash equivalents	(3.11.),(6.)	2,719.8	1,901.3	1,332.6
Total current assets		3,925.5	2,751.4	2,095.6
Total assets		5,854.9	4,532.8	3,482.1

* Some of the amounts disclosed differ from the amounts in the consolidated financial statements of fiscal year 2017 due to adjustments made in accordance with IAS 8 (see Note 2.7).

Equity and liabilities

in EUR million	Notes	31 Dec 2018	31 Dec 2017 adjusted*	1 Jan 2017 adjusted*
I. Equity	(4.)			
1. Subscribed capital	(4.1.)	123.6	123.6	123.6
2. Capital reserve	(4.2.)	494.7	494.7	494.7
3. Retained earnings	(4.3.)	1,375.7	1,074.1	837.8
4. Other components of equity	(4.4.)	–71.2	–52.3	27.4
Total equity		1,922.7	1,640.0	1,483.4
II. Liabilities	(4.),(2.2.)			
1. Non-current liabilities	(4.5.),(2.3.)			
Non-current interest-bearing liabilities		1,348.7	754.8	579.5
Other non-current liabilities		163.8	85.4	31.4
Deferred tax liabilities		80.1	76.9	59.7
Total non-current liabilities		1,592.6	917.1	670.6
2. Current liabilities	(4.6.),(2.3.)			
Liabilities of the acquiring business		651.9	422.6	404.8
Trade payables		63.4	66.1	23.3
Interest-bearing liabilities		117.4	311.6	15.1
Other provisions		18.5	2.4	3.9
Other liabilities		186.6	151.5	119.5
Customer deposits from banking operations		1,263.0	973.2	734.0
Tax provisions	(2.4.)	38.9	48.2	27.4
Total current liabilities		2,339.6	1,975.7	1,328.0
Total liabilities		3,932.2	2,892.8	1,998.6
Total equity and liabilities		5,854.9	4,532.8	3,482.1

* Some of the amounts disclosed differ from the amounts in the consolidated financial statements of fiscal year 2017 due to adjustments made in accordance with IAS 8 (see Note 2.7)

3.2. Corporate strategy

During the past 2013 fiscal year, the Wirecard Group reached its own operating targets and successfully implemented its strategy of chiefly organically-led growth, as well as targeted expansion in Europe and Asia.

Wirecard enjoys an international presence with locally networked units and provides multinational card and payment acceptance agreements. The Wirecard platform offers locally and globally relevant payment methods.

On 21 December 2012, the Wirecard Group reached an agreement concerning the acquisition of all shares in Trans Infotech Pte. Ltd., Singapore, with its subsidiaries Trans Infotech (Laos) Ltd., Laos; Trans Infotech (Vietnam) Ltd, Vietnam and Card Techno Pte. Ltd., Singapore. This transaction was closed on 9 April 2013.

On 12 September 2013, Wirecard agreed to purchase all shares in three companies of the Korvac Group (founded in 1999). These comprise PaymentLink Pte. Ltd., Singapore, and the subsidiaries Korvac (M) SDN BHD, Kuala Lumpur (Malaysia) and Korvac Payment Services (S) Pte. Ltd. (Singapore). With more than 24,000 acceptance points, PaymentLink operates one of the largest payment networks for local contactless payment cards. The Wirecard Group is a major domestic acquiring processor and distributes local prepaid cards. The Malaysian subsidiary is a well-established provider of POS infrastructure, as well as payment and technology services, mainly for banks and financial service providers.

At the end of 2013, the takeover was announced of PT Aprisma Indonesia, which has its headquarters in Jakarta, Indonesia. With it solutions based on SOA infrastructure, PT Aprisma Indonesia ranks as one of the leading providers of payment services in the region. With this transaction, Wirecard is gaining access to Indonesia's leading banks and telecommunications companies, as well as other customers in Malaysia, Singapore and Thailand. The closing of this transaction required relevant Indonesian regulatory approval, which was granted on 3 February 2014.

The core products that run on the transaction-based software platform comprise solutions from the areas of online and mobile banking, mobile handset-based tokenisation instruments to protect mobile and online transactions, and B2B and B2C-oriented online payment solutions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
TRANS INFOTECH PTE LTD (Continued)

Report on the financial statements (Continued)

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2012 and the results, changes in equity and cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note 4 in the financial statements which indicates that as of 31 December 2012, the Company's current liabilities exceeded its current assets by $776,857 (2011: $463,768). This condition indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our audit opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

BDO LLP

BDO LLP
Public Accountants and
Certified Public Accountants

Singapore
13 June 2013

TRANS INFOTECH PTE LTD

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Note	2012 $	2011 $
Non-current assets			
Software development expenditure	5	1,484,459	1,221,505
Plant and equipment	6	51,207	103,474
		1,535,666	1,324,979
Current assets			
Asset classified as held-for-sale	7	26,900,360	-
Trade and other receivables	8	2,324,292	1,854,437
Due from related parties	9	709,071	532,235
Due from a Director	10	-	166,470
Cash and bank balances	11	476,252	187,813
		30,409,975	2,740,955
Less:			
Current liabilities			
Note payable	12	26,900,360	-
Bank loan	13	391,910	474,423
Trade and other payables	14	2,471,977	1,526,165
Due to related parties	15	1,329,326	1,146,477
Deferred rental income	16	88,597	57,158
Current income tax payable		4,662	500
		31,186,832	3,204,723
Net current liabilities		(776,857)	(463,768)
Less:			
Non-current liabilities			
Deferred rental income	16	30,566	21,981
Deferred tax liabilities	17	-	15,000
		30,566	36,981
		728,243	824,230
Equity			
Share capital	18	200,000	200,000
Retained profits		528,243	624,230
		728,243	824,230

The accompanying notes form an integral part of these financial statements.

6. Plant and equipment

	Office equipment	EDC Terminal	Computers	Furniture and fixtures	Office renovation	Total
	$	$	$	$	$	$
2012						
Cost						
At 1.1.2012	16,200	112,051	126,368	4,912	50,000	309,531
Additions	6,094	24,479	2,481	-	-	33,054
Written off	(397)	-	-	-	(50,000)	(50,397)
At 31.12.2012	21,897	136,530	128,849	4,912	-	292,188
Accumulated depreciation						
At 1.1.2012	14,095	61,544	95,338	3,135	31,945	206,057
Depreciation	3,421	43,399	18,809	1,637	2,778	70,044
Written off	(397)	-	-	-	(34,723)	(35,120)
At 31.12.2012	17,119	104,943	114,147	4,772	-	240,981
Carrying amount						
At 31.12.2012	4,778	31,587	14,702	140	-	51,207
2011						
Cost						
At 1.1.2011	16,200	148,564	93,739	4,912	50,000	313,415
Additions	-	-	32,629	-	-	32,629
Disposal	-	(36,513)	-	-	-	(36,513)
At 31.12.2011	16,200	112,051	126,368	4,912	50,000	309,531
Accumulated depreciation						
At 1.1.2011	9,903	30,104	77,372	1,498	15,278	134,155
Depreciation	4,192	42,428	17,966	1,637	16,667	82,890
Disposal	-	(10,988)	-	-	-	(10,988)
At 31.12.2011	14,095	61,544	95,338	3,135	31,945	206,057
Carrying amount						
At 31.12.2011	2,105	50,507	31,030	1,777	18,055	103,474

7. Asset classified as held-for-sale

On 21 December 2012, the Company acquired a portfolio of customer relationship with certain Merchants for a total consideration of Euro16,700,000 ($26,900,360 equivalent). The cost incurred represents a legal contractual right to provide processing services for the merchants. The consideration is satisfied by way of the issuance of a promissory note (Note 12). Negotiation for the sale of the intangible assets with Wirecard Sales International GmbH (Note 28.3) is ongoing and the sale and purchase transaction is expected to be completed within the next twelve months.

9. Due from related parties (Continued0

Movement in allowance for doubtful receivables:

	2012	2011
	$	$
Allowance at beginning of financial year	171,325	57,621
Addition	25,283	113,704
Written off	(113,704)	-
Allowance at end of financial year	82,904	171,325

The trade and non-trade amounts due from related parties are interest-free, unsecured and repayable on demand.

Due from related parties are denominated in the following currencies:-

	2012	2011
	$	$
Singapore dollar	446,492	233,492
United States dollar	262,579	298,743
	709,071	532,235

10. Due from a Director

The amount due from a Director is denominated in Singapore dollar, non-trade in nature, unsecured, interest-free and repayable on demand.

11. Cash and bank balances

Cash and bank balances are denominated in the following currencies:

	2012	2011
	$	$
Singapore dollar	413,807	46,288
United States dollar	62,445	141,525
	476,252	187,813

12. Note payable

The note payable is unsecured and repayable within 100 years after the date of issuance of the promissory note on 21 December 2012. Interest for each financial year is the portion of the (pro forma) dividends of the Company of that financial year that corresponds to the quota of the principal amount outstanding at the end of that financial year to the sum of the (pro forma) net equity of the Company plus the principal amount outstanding at the end of that financial year. The interest is payable within 180 days after the end of the financial year.

The note payable is intended to be settled by the Company by setting off against the sale consideration of the asset classified as held-for-sale. Accordingly, the note payable is classified as a current liability as at the end of the financial year.

The note payable is denominated in Euro.

Wirecard 2015

A total of 37 subsidiaries were fully consolidated as of 31 December 2015. As of 31 December 2014, this figure totalled 33 companies. Uniform accounting and valuation methods apply to the scope of consolidated subsidiaries. The shareholdings and percentages of voting rights of the subsidiaries are identical.

The Company has complied with the IAS/IFRS requirements concerning the mandatory inclusion of all domestic and foreign subsidiaries that are controlled by the parent company.

Business combinations in the fiscal year

Wirecard AG entered into agreements to acquire the payments business of Great Indian (GI) Retail Group on 27 October 2015. Founded in 2006, GI Retail Group is one of India's and South East Asia's leading groups of companies in the area of electronic payment and e-commerce solutions for payments in local retail businesses.

Wirecard has acquired 100 percent of the shares of the companies Hermes I Tickets Pte. Ltd., GI Philippines Corp. and Star Global Currency Exchange Pte. Ltd. that offer payment services in India, the Philippines, Indonesia and Malaysia under the brands "iCASHCARD", "Smartshop", "StarGlobal", "Commerce Payment" as well as others. Furthermore, Wirecard has also acquired 60 percent of the shares in GI Technology Private Limited (GIT), a licensed Prepaid Payment Instrument (PPI) issuer in India. As a result of this overall transaction, Wirecard has taken over more than 900 employees in offices in Delhi, Chennai, Hyderabad, Bangalore, Mumbai, Kolkata, Lucknow, Manila, Batam and Kuala Lumpur.

The total consideration for the overall transaction including a capital contribution to GI Technology will amount to EUR 230 million, payable in cash and approved lines of credit. Further payments of up to a total of EUR 110 million are linked to the achievement of certain financial results in the 2015 to 2017 calendar years.

According to the provisional financial statements for the fiscal year, revenues from the acquired payment business reached EUR 45 million in the 2015 calendar year, an increase of more than 50 percent compared to the 2014 calendar year. Operating earnings before interest, tax, depreciation and amortisation (EBITDA) doubled in the same period (2015 in comparison to 2014) to reach EUR 7 million. Revenue for the 2016 calendar year is expected to exceed EUR 75 million and EBITDA after integration costs is expected to be between EUR 15 million and EUR 18 million in 2016.

Acquisitions in 2016

In contrast, a 60 percent shareholding in GI Technology Pte. Ltd. was acquired as of 1 March 2016 because this was the point in time at which the last stages of the transaction for the transfer of the shares was closed. In this context, a sum of kEUR 14,000 was paid in the form of a capital increase. Due to the conditions in the shareholders agreement, which are particularly associated with the Indian regulations for financial services companies, the company will be accounted for using the equity method. This is because Wirecard exercises a significant influence on the company but does not have control.

Wirecard AG and Visa Inc. concluded a cooperation agreement on 17 November 2014 for the issue of prepaid cards and have thus reaffirmed their joint commitment to this global growth market, especially in Southeast Asia and Latin America. As part of their partnership, Wirecard and Visa Inc. have concluded a contract in which Wirecard has acquired certain assets in Visa Processing Service Pte. Ltd. (VPS), with headquarters in Singapore, as well as all shares in the former Visa Processing Service (India) Pte. Ltd. for a cash price of USD 16 million. The closing was carried out on 23 February 2015.

Visa Processing Service has business relationships with 14 financial institutions in seven countries and more than three million customer accounts distributed across over 70 card programmes. VPS provides card issuing banks with a comprehensive range of solutions for gift cards, general purpose reloadable (GPR) cards, single or multi-currency travel cards and international money remittance. Wirecard will support the increasing global demand for prepaid cards with a wide range of products, including innovative mobile and contactless payment solutions, card-based solutions for the distribution of government transfers and for consumers without access or with only limited access to financial institutions. As part of the relationship, Wirecard will provide outsourcing services to Visa for the provision of specific prepaid processing services in support of Visa's clients. In addition, Wirecard has joined the Visa Issuer Processing Program that has been designed to match financial institutions with leading issuers and processors of prepaid cards to help support and promote the growth of prepaid programmes globally. In 2015, consolidated revenues of Wirecard India Pte. Ltd. came to kEUR 3,263, consolidated EBITDA was kEUR 1,139 and were consolidated earnings after taxes kEUR 171. For the full 2015 fiscal year, the company was able to achieve earnings after taxes of kEUR 242 with revenues of kEUR 3,631.

Non-separable assets, such as the specialist knowledge and contacts held by the employees and management, as well as the synergy effects within the Wirecard Group, are recognised under goodwill.

	(e) Share Application Money Pending Allotment is the amount of consideration to be paid to shareholders of GI Tech Gaming Co India Private Limited in accordance with the Scheme in the form of 53,475 - 8% Non Cumulative Optionally Convertible Preference Shares of face value Rs. 10/- at a premium of Rs. 3,678/- each.
29	DISCLOSURE UNDER ACCOUNTING STANDARD 23: The Company has equity shareholding in GI Technology Private Limited (GIT) to the extent of 39% of its total share capital. As per Accounting Standard 23 and Section 129(3) of the Act, since the Company excercises significant influence over GIT, it has prepared the consolidated financial statements treating GIT as its Associate. Since the share of losses in Associate has exceeded the carrying amount of investment in Associate, the carrying amount has been reduced to Nil amount and written off against the Surplus in the Statement of Profit and Loss.
30	The Company had held equity shareholding in three subsidiaries in the year ended March 31, 2015 - namely: Hermes i Tickets Pvt Ltd, GI Hospitalities Pvt Ltd (GIH) and GI Technology Pvt Ltd (GIT). However in the current year, the Company has fully disposed its equity investment in Hermes i Tickets Pvt Ltd. GIH has been merged with the Company with effect from April 1, 2015 as given in Note 28. GIT has made fresh allotment of shares whereby the shareholding of the Company has been reduced from 98% to 39% during the current year, thus becoming an Associate as given in Note 29. Hence the amounts for the current year are not comparable with the amounts for the previous year.

[300100] Notes - Revenue

Unless otherwise specified, all monetary values are in INR

	01/04/2015 to 31/03/2016
Disclosure of revenue explanatory [TextBlock]	

HERMES I TICKETS PRIVATE LIMITED

Standalone Balance Sheet for period 01/04/2013 to 31/03/2014

[400100] Disclosure of general information about company

Unless otherwise specified, all monetary values are in INR

	01/04/2013 to 31/03/2014	01/04/2012 to 31/03/2013
Name of company	HERMES I TICKETS PRIVATE LIMITED	
Corporate identity number	U63040TN2006PTC082562	
Permanent account number of entity	AABCH7295J	
Address of registered office of company	NO: C-9, T.V.K. INDUSTRIAL ESTATE,, GUINDY, CHENNAI Tamil Nadu-600032	
Type of industry	Commercial and Industrial	
Date of board meeting when final accounts were approved	03/09/2014	
Period covered by financial statements	01-04-2013 To 31-03-2014	01-04-2012 To 31-03-2013
Date of start of reporting period	01/04/2013	01/04/2012
Date of end of reporting period	31/03/2014	31/03/2013
Nature of report standalone consolidated	Standalone	
Content of report	Balance Sheet	
Description of presentation currency	INR	
Level of rounding used in financial statements	Actual	
Type of cash flow statement	Direct Method	

Disclosure of principal product or services [Table] ..(1)

Unless otherwise specified, all monetary values are in INR

Types of principal product or services [Axis]	COLUMN 1	Column 2	Column 3	Column 4
	01/04/2013 to 31/03/2014	01/04/2013 to 31/03/2014	01/04/2013 to 31/03/2014	01/04/2013 to 31/03/2014
Disclosure of general information about company [Abstract]				
Disclosure of principal product or services [Abstract]				
Disclosure of principal product or services [LineItems]				
Product or service category (ITC 4 digit) code	9985	9985	9985	9985
Description of product or service category	TRAVEL ARRANGEMENT TOUR OPERATOR AND RELATED SERVICES	TRAVEL ARRANGEMENT TOUR OPERATOR AND RELATED SERVICES	TRAVEL ARRANGEMENT TOUR OPERATOR AND RELATED SERVICES	TRAVEL ARRANGEMENT TOUR OPERATOR AND RELATED SERVICES
Turnover of product or service category	1,102,42,42,016	12,74,31,767	23,82,11,671	281,23,46,744
Highest turnover contributing product or service (ITC 8 digit) code	99855110	99855120	99855190	99855120
Description of product or service	AIRLINE TICKET BOOKING	BILL DESK BOOKING	OTHER BOOKING	RAILWAYS TICKET BOOKING
Turnover of highest contributing product or service	1,102,42,42,016	12,74,31,767	23,82,11,671	281,23,46,744

expressing an opinion on the effectiveness of the Company?s internal control . An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified opinion

6. a) No provision has been made for Defined Benefit Plans which constitute a major departure from the Accounting Standard 15 (AS-15),notified under the Act read with the General Circular 15/2013 dated 13th September, 2013of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This is the result of a decision taken by the management at the start of the financial year 2007-08 and caused us to qualify our audit opinion on financial statements since that year. The effect on the financial statements on account of the same could not be quantified by us. The Company has not disclosed the effect of departure from the Accounting Standard in the financial statements.

b) The Company?s major revenue is the commission it earns from online booking of air/rail /movie/ bus tickets and other support services which is in the nature of agency commission. As per Accounting Standard 9, gross commission earned should be taken as gross revenue and not the gross inflow of cash or sales value. However, the Company has followed the policy of recognizing gross inflow of cash from sale of tickets as sales value instead of taking gross commission earned as its revenue. This has resulted in the gross revenue overstated by Rs 1,520.17 crores (previous year Rs.1,118.70 crores)and gross purchase cost overstated by Rs.1,492.02 crores (previous year Rs.1,101.86 crores). This is the result of a decision taken by the management and caused us to qualify our audit opinion on financial statements since 2012-13. The effect on the financial statements on account of the same could not be quantified by us. The Company has not disclosed the effect of departure from the Accounting Standard in the financial statement.

c) The Company is required to comply with the provisions of Payment of Bonus Act, 1965 and provide liability on account of minimum bonus payable as per the provisions of the said Act. However, the Company has not made any provision in the accounts towards payment of bonus and consequently, the profit for the year has been overstated to that extent, the liability of which we are unable to quantify.

d) No provision has been made in the accounts for advance of Rs.1.83 crores paid to various airline companies and their agents for purchase of tickets which has become doubtful of recovery due to stoppage of operations by the said airline companies.

e) The Company has not obtained confirmation of balances in respect of Trade debtors, Trade payables, deposits, loans and advances outstanding as on March 31, 2014.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the basis for Qualified opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

	Adjustments for increase / (decrease) in operating liabilities:				
	Long term Borrowings	7,887,484		792,808	
	Trade payables	252,119,700		(51,515,580)	
	Other current liabilities	(83,146,989)		256,823,864	
	Cash generated from operations	(783,631,744)		384,579,495	
	Income Tax (Paid) / Refund	(207,648,000)		(44,688,639)	
	Cash flow before extraordinary items	(991,279,744)		339,890,856	
	Extraordinary items	-		-	
	Net cash flow from / (used in) operating activities (A)		(991,279,744)		339,890,856
B	Cash flow from investing activities				
	Purchase of Fixed Assets - Intangible Asset is on account of Capitalisation of CWIP taken over from GI Tech Gaming Co India Pvt Ltd	(28,227,619)		(22,803,231)	
	Purchase of Units of Mutual Fund	(4,285,038,135)		-	
	Proceeds from sale of investment in subsidiary	2,749,940,988		-	
	Purchase of shares in subsidiary	(322,486,444)		(894,777)	
	Proceeds from sale of units in Mutual Fund	3,196,517,495		-	
	Proceeds from sale of other investment	75,221,600		60,000	
	Dividend Income	617,479,579		-	
	Interest Income received	1,497,079		5,815,835	
	Net cash flow from / (used in) investing activities (B)		2,004,904,543		(17,822,173)
C	Cash flow from financing activities				
	Finance Cost Paid	(36,981,979)		(49,728,091)	
	Proceeds/ (Repayment) from short term borrowings	963,425,159		32,342,113	
	Proceeds/ (Repayment) from long term borrowings	8,447,633		1,730,662	
	Net cash flow from / (used in)				

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web : www.gitechnology.in
CIN : U72200TN2005PTC057560

Sl.No.	Name, address and PAN of the Persons	No of Shares	Value per share	Amount to be brought in (Euro and Rs.)
1.	Emerging Markets Investments Fund 1A 5th floor, Barkly Wharf, Le Caudan Waterfront, Port Louis, Republic of Maritius	1,00,000	Euro 10 per share Price Band of Rs.700 to Rs.800 per share.	Euro 10,00,000 With a consideration band of Rs. 7 Crores to Rs.8 Crores
2.	Wirecard Acquiring & Issuing GmbH Einsteinring 35, 85609 Aschheim, Germany	14,00,000	Euro 10 per share Price Band of Rs.700 to Rs.800 per share.	Euro 140,00,000 With a consideration band of Rs.98 crores to Rs.112 Crores
	Total	**15,00,000**		**Euro 150,00,000** With a consideration band of Rs.105 Crores to Rs.120 crores

"**RESOLVED FURTHER THAT** the equity shares to be issued on preferential basis shall rank pari-passu in all respects with the existing securities of the Company."

SGC

ANNEXURE - 'C' TO FORM MGT - 7

Sl No	Details of shares / debentures transfers since the close of last financial year [or in the case of the first return at any time since the incorporation of the Company.)	
1	Date of closure of previous financial year	31.03.2015
	Date of Registration of Transfer of Shares	02.02.2016
	Type of Security	Equity Shares
	Number of Shares	504999
	Nominal Value (each in Rs.)	Rs 100/- each
	Ledger Folio of Transferor:	5
	Transferor's Name	Star Destination Management Co Pvt Ltd
	Ledger Folio of Transferee:	6
	Transferee's Name	Emerging Markets Investment Fund 1A
2	Date of closure of previous financial year	31.03.2015
	Date of Registration of Transfer of Shares	29.02.2016
	Type of Security	Equity Shares
	Number of Shares	504999
	Nominal Value (each in Rs.)	Rs 100/- each
	Ledger Folio of Transferor:	6
	Transferor's Name	Emerging Markets Investment Fund 1A
	Ledger Folio of Transferee:	7
	Transferee's Name	Wirecard Sales International GMBH
3	Date of closure of previous financial year	31.03.2015
	Date of Registration of Transfer of Shares	29.02.2016
	Type of Security	Equity Shares
	Number of Shares	1
	Nominal Value (each in Rs.)	Rs 100/- each
	Ledger Folio of Transferor:	4
	Transferor's Name	Mr B Ramesh Kumar
	Ledger Folio of Transferee:	8
	Transferee's Name	Wirecard India Private Limited

For Star Global Currency Exchange Pvt. Ltd.

Director

Wirecard's Summary of Rajah & Tann Singapore LLP's Summary of Updated Findings

We have received today a summary of updated findings from the independent investigation of the law firm Rajah & Tann Singapore LLP into alleged issues at Wirecard's Singapore subsidiaries.

The findings are limited to specific transactions concerning specific Wirecard entities and are based on the documents provided to Rajah & Tann Singapore LLP, including an independent forensic review.

We summarise as follows:

1. A non-implemented transaction structure with a certain customer group has led to the following wrongful accounting recordings:

   (a) Revenue of EUR 2.5M emanating from a purported contract was wrongfully recorded (and related invoices wrongfully issued) by a Wirecard subsidiary in 2017 (which will be restated in the 2018 annual accounts).

   (b) A subsidiary also wrongfully recorded an asset of approximately EUR 3M for a short period in 2018; however this was corrected within a week and as such will not be reflected or have an influence on the 2018 annual accounts.

   (c) In addition, draft contracts were prepared and signed on behalf of certain subsidiaries, and not fully executed. These events occurred in respect of agreements which may appear to not have underlying genuine transactions. Save for one transaction of approximately EUR 63K, none of the draft transactions were entered into respective ledgers nor did funds flow into or out of the bank accounts of Wirecard group companies.

2. An amount of EUR 2.3M was entered into the aged receivables report of a Wirecard subsidiary in January 2018. This was wrongfully done because no agreement or business transaction has been entered into with the counterparty. The entry was removed a month later without being ever logged into the general ledger.

3. In addition, Rajah & Tann Singapore LLP could not correlate certain payments made between business partners and Wirecard entities with agreements between them.

4. It is not clear why revenue from third parties, with whom a Wirecard entity has existing relationships, was booked into a different Wirecard entity's accounts. Not all of the revenue recorded has been received. There is evidence of contracts being created for IFRS audit purposes.

5. An internal agreement and a separate internal transaction between Wirecard entities were entered into by or on the instructions of a person without apparent authority to do so.

6. Criminal liability may be attributable to a few local employees in Singapore according to local law in relation to some of the above mentioned circumstances. Investigations by the Singapore authorities are currently ongoing.

7. The review has not revealed findings of criminal liability under Singapore law in respect of the headquarters of Wirecard in Munich/Aschheim.