Registered number: 05966566

TPI EUROPE LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2016

FILING COPY

TPI EUROPE LIMITED

CONTENTS

TPI EUROPE LIMITED

COMPANY INFORMATION

Director	D E Berger
Registered number	05966566
Registered office	Hays House Millmead Guildford Surrey GU2 4HJ
Independent auditor	Blick Rothenberg Audit LLP 16 Great Queen Street Covent Garden London WC2B 5AH

The director presents his report and the financial statements for the year ended 31 December 2016.

Director

The director who served during the year was:

D E Berger

Disclosure of information to auditor

The director at the time when this director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemptions

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

D E Berger
Director

Date: 20 December 2017

DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with 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'. Under company law the director must not approve the financial statements unless he is satisfied that he gives a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TPI EUROPE LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2016

We have audited the financial statements of TPI Europe Limited for the year ended 31 December 2016, set out on pages 6 to 15. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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 shareholders, 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 shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the director's responsibilities statement on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the director's report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the director's report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Blick Rothenberg Audit LLP

Esther Wood (Senior statutory auditor)

for and on behalf of
Blick Rothenberg Audit LLP

Senior Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH

Date: 20/12/17

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 SEK000	2015 SEK000
Turnover	**52,153**	36,859
Cost of sales	**(52,339)**	(34,831)
Gross (loss)/profit	**(186)**	2,028
Administrative expenses	**(10,884)**	(9,748)
Operating loss	**(11,070)**	(7,720)
Interest receivable	**1**	1
Loss on ordinary activities before taxation	**(11,069)**	(7,719)
Tax on loss	**-**	-
Loss for the financial year	**(11,069)**	(7,719)

There are no items of other comprehensive income for either the year or the prior year other than the loss for the year. Accordingly no statement of other comprehensive income has been presented.

REGISTERED NUMBER:05966566

TPI EUROPE LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note		2016 SEK000		2015 SEK000
Fixed Assets					
Tangible assets	5		-		-
Current assets					
Debtors	6	**15,848**		25,319	
Cash at bank and in hand		**4,411**		5,690	
		20,259		31,009	
Creditors: amounts falling due within one year	7	**(46,561)**		(46,241)	
Net current liabilities			**(26,302)**		(15,232)
Total assets less current liabilities			**(26,302)**		(15,232)
Capital and reserves					
Profit and loss account			**(26,302)**		(15,232)
Total equity			**(26,302)**		(15,232)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006 and in accordance with Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

D E Berger
Director

Date: 20 December 2017

The notes on pages 8 to 15 form part of these financial statements.

1. General information

TPI Europe Limited is a private company limited by shares incorporated in England. The address of its registered office and principal place of business is Hays House, Millmead, Guildford, Surrey, GU2 4HJ.

The financial statements are presented in SEK.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

This is the first year that the financial statements have been prepared under FRS 102.

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis notwithstanding the fact that at 31 December 2016 the company had net liabilities of SEK 26.3m and has recorded a loss in the year to 31 December 2016 and 31 December 2015.

The company's director has received assurances of the continued support of the company's ultimate parent company for the foreseeable future being a period of at least twelve months from the date the financial statements were approved. Therefore the director has continued to adopt the going concern basis.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	- 30% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

2. Accounting policies (continued)

2.5 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does

2. Accounting policies (continued)

not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.6 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Swedish Krona (SEK).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'interest receivable and similar income or interest payable and similar expenses'. All other foreign exchange gains and losses are presented in the profit and loss account within 'expenses'.

2. Accounting policies (continued)

2.9 Equity-settled share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit and loss account over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with fair value of goods and services received.

2.10 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2015 - 3).

4. Taxation

	2016	2015
	SEK000	SEK000
Total current tax	-	-

4. Taxation (continued)

Factors that may affect future tax charges

The company has carried forward losses of approximately SEK 30,991,000 (2015: SEK 20,256,000). There is a potential deferred tax asset of approximately SEK 5,578,020 (2015: SEK 3,646,080) which has not been recognised in the financial statements due to the uncertainty concerning the timescale as to its recoverability. It is anticipated that the deferred tax asset will be recovered when the company makes sufficient taxable profits.

5. Tangible fixed assets

	Plant & machinery SEK000	Total SEK000
Cost		
At 1 January 2016 and 31 December 2016	**16**	**16**
Depreciation		
At 1 January 2016 and 31 December 2016	**16**	**16**
Net book value		
At 31 December 2016	**-**	**-**
At 31 December 2015	-	-

6. Debtors

	2016 SEK000	2015 SEK000
Trade debtors	**13,350**	14,900
Other debtors	**65**	63
Prepayments and accrued income	**2,433**	10,356
	15,848	25,319

7. Creditors: Amounts falling due within one year

	2016 SEK000	2015 SEK000
Trade creditors	**213**	229
Amounts owed to group undertakings	**44,744**	43,908
Other taxation and social security	**1,230**	1,297
Other creditors	**-**	147
Accruals and deferred income	**374**	660
	46,561	46,241

8. Share capital

	2016 SEK000	2015 SEK000
Shares classified as equity		
Allotted, called up and fully paid		
1 ordinary share of £1 each	**-**	-

9. Contingent liabilities

The Swedish tax authorities have opened a tax enquiry into the Swedish branch of TPI Europe Limited with respect to the 2014 and 2015 financial years. The company has not made an accrual for the tax penalty in the 2016 accounts, as they have appealed against the tax enquiry and have a strong expectation of winning this process. The maximum penalty payable would be 1.1m SEK.

10. Related party transactions and controlling party

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

11. Ultimate parent undertaking and controlling party

The immediate parent undertaking is TPI Eurosourcing LLC, a company incorporated in Texas, in the United States of America. The ultimate parent undertaking is Information Services Group, Inc., a company incorporated in Delaware, in the United States of America, whose registered office address is 2 Stamford Plaza, 281 Tresser Boulevard, Stamford, CT 06901. Copies of group financial statements are available to the public from 4 Stamford Plaza, 107 Elm Street, Stamford, CT 06902, United States of America.