

TPI Composites UK Company Limited

Annual Report and Financial Statements

Period Ended

31 December 2022

Company Number 13858931

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TPI Composites UK Company Limited

Company Information

Director	W E Siwek
Registered number	13858931
Registered office	Rutland House 148 Edmund Street Birmingham United Kingdom B3 2JR
Independent auditors	Ecovis Wingrave Yeats LLP 3rd Floor Waverley House 7-12 Noel Street London W1F 8GQ

TPI Composites UK Company Limited

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TPI Composites UK Company Limited

Director's Report For the Period Ended 31 December 2022

The Director presents his report and the financial statements for the period from the date of incorporation on 19 January 2022 to 31 December 2022.

Principal activity

The principal activity of the company is the provision of field service inspection and repair services to original equipment manufacturers (OEM) customers and wind farm owners and operators.

Director

The Director who served during the period was:

W E Siwek (appointed 19 January 2022)

Results and dividends

The loss for the period, after taxation, amounted to £156,810.

The Director did not recommend the payment of a dividend.

Going concern

The company has incurred a loss in the current period and is dependent on financial support from its immediate parent, TPI Holdings Switzerland GmbH. The immediate parent company has indicated that such support will be forthcoming and on this basis these financial statements have been prepared on the going concern basis.

Director's responsibilities statement

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 International Financial and Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

TPI Composites UK Company Limited

Director's Report (continued) For the Period Ended 31 December 2022

Disclosure of information to auditors

The Director at the time when this Director's Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- The Director 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 auditors are aware of that information.

Auditors

The auditors, Ecovis Wingrave Yeats LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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

The Director has also taken advantage of the small companies exemptions by section 414B of the Companies Act 2006 and not prepared a strategic report.

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

William E Siwek

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W E Siwek
Director

Date: 03 January 2024

TPI Composites UK Company Limited

Independent Auditors' Report to the Members of TPI Composites UK Company Limited

Opinion on the financial statements

We have audited the financial statements of TPI Composites UK Company Limited (the 'company') for the period ended 31 December 2022, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

TPI Composites UK Company Limited

Independent Auditors' Report to the Members of TPI Composites UK Company Limited (continued)

Other information

The other information comprises the information included in the Director's Report other than the financial statements and our Auditors' Report thereon. The director is responsible for the other information contained within the Director's Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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 period for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Director's Responsibilities Statement set out on page 1, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

TPI Composites UK Company Limited

Independent Auditors' Report to the Members of TPI Composites UK Company Limited (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with a number of individuals, including with individuals outside of the finance function, and conducted interviews to understand where they considered there was susceptibility to fraud. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to areas of estimate and judgement in the financial statements.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations and fraud risks identified in the paragraphs above. In addition to the audit procedures, we communicated the identified laws and regulations to the audit team and remained alert to any indications of non-compliance throughout the audit. The specific audit procedures performed by the engagement team included:
 - Review of Board minutes;
 - Reviewed large and unusual bank transactions;
 - Identifying and testing journal entries.

There are inherent limitations of an audit. There is a higher risk that irregularities, including fraud, will not be detected during the audit as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. The primary responsibility for the prevention and detection of non-compliance with all laws and regulations and fraud lies with both those charged with governance of the entity and management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

TPI Composites UK Company Limited

Independent Auditors' Report to the Members of TPI Composites UK Company Limited (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Stuart Hinds

Stuart Hinds (Senior Statutory Auditor)

for and on behalf of

Ecovis Wingrave Yeats LLP

Chartered Accountants and Statutory Auditors

7-12 Noel Street
3rd Floor, Waverley House
London
W1F 8GQ

Date: 03 January 2024

TPI Composites UK Company Limited

Statement of Comprehensive Income For the Period Ended 31 December 2022

		For the period to 31 December 2022 £
	Note	
Revenue	4	50,983
Cost of sales	5	(155,853)
Gross loss		(104,870)
Administrative expenses	5	(51,946)
Loss from operations		(156,816)
Finance income	8	6
Loss before tax		(156,810)
Income tax expense	9	-
Loss for the financial period		(156,810)

There were no recognised gains and losses for 2022 other than those included in the statement of comprehensive income.

The notes on pages 11 to 23 form part of these financial statements.

TPI Composites UK Company Limited

Registered number:13858931

Statement of Financial Position As at 31 December 2022

	Note	2022 £
Assets		
Current assets		
Trade and other receivables	10	27,626
Cash and cash equivalents		46,911
Total assets		<u>74,537</u>
Equity and liabilities		
Current liabilities		
Trade and other payables	11	31,088
Total liabilities		<u>31,088</u>
Equity		
Share capital	13	1
Capital contribution reserve	14	200,258
Retained earnings	14	(156,810)
Total equity		<u>43,449</u>
Total equity and liabilities		<u>74,537</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

William E Siwek

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W E Siwek
Director

Date: 03 January 2024

The notes on pages 11 to 23 form part of these financial statements.

TPI Composites UK Company Limited

Statement of Changes in Equity For the Period Ended 31 December 2022

	Share capital £	Capital contribution reserve £	Retained earnings £	Total equity £
At 19 January 2022	-	-	-	-
Comprehensive loss for the period				
Loss for the period	-	-	(156,810)	(156,810)
Total comprehensive loss for the period	-	-	(156,810)	(156,810)
Contributions by owners				
Shares issued during the period	1	-	-	1
Capital contribution	-	200,258	-	200,258
At 31 December 2022	1	200,258	(156,810)	43,449

The notes on pages 11 to 23 form part of these financial statements.

TPI Composites UK Company Limited

Statement of Cash Flows For the Period Ended 31 December 2022

	For the period to 31 December 2022 £
Cash flows from operating activities	
Loss for the financial period	(156,810)
Adjustments for:	
Finance income	(6)
Increase in trade and other receivables	(27,626)
Increase in trade and other payables	31,088
Net cash generated from operating activities	<u>(153,354)</u>
Cash flows from investing activities	
Finance income	6
Net cash generated from investing activities	<u>6</u>
Cash flows from financing activities	
Issue of ordinary shares	1
Capital contribution	200,258
Net cash generated from financing activities	<u>200,259</u>
Net increase in cash and cash equivalents	<u>46,911</u>
Cash and cash equivalents at the end of period	<u><u>46,911</u></u>
Cash and cash equivalents at the end of period comprise:	
Cash at bank and in hand	46,911
	<u><u>46,911</u></u>

The notes on pages 11 to 23 form part of these financial statements.

TPI Composites UK Company Limited

Notes to the Financial Statements For the Period Ended 31 December 2022

1. General Information

TPI Composites UK Company Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is stated on the company information page and the nature of the company's operations, and its principal activities are set out in the Director's Report.

2. Accounting policies

2.1 Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs).

The financial statements are presented in Pounds Sterling (GBP), which is TPI Composites UK Company Limited's functional and presentational currency and all values are rounded to the nearest pound.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

2.2 Adoption of New and Revised International Financial Reporting Standards

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following amendments are effective for the period beginning 1 January 2022:

- Onerous contracts – Costs of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

None of these amendments had any impact on the company.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the company has decided not to adopt early.

TPI Composites UK Company Limited

Notes to the Financial Statements For the Period Ended 31 December 2022

2. Accounting policies (continued)

2.2 Adoption of New and Revised International Financial Reporting Standards (continued)

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback);
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current); and
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants).

There are no standards not yet effective that would be expected to have a material impact on the company's current or future reporting periods and on foreseeable future transactions.

2.3 Going concern

The company has incurred a loss in the current period and is dependent on financial support from its immediate parent, TPI Holdings Switzerland GmbH. The immediate parent company has indicated that such support will be forthcoming and on this basis these financial statements have been prepared on the going concern basis.

2.4 Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

TPI Composites UK Company Limited

Notes to the Financial Statements For the Period Ended 31 December 2022

2. Accounting policies (continued)

2.5 Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Revenue related to field service inspections and repair services provided under supply agreements is recognised at a point in time following the transfer of control of the promised services to the customers.

2.6 Trade and other receivables

Trade and other receivables are recognised at amortised cost, less any allowance for expected credit losses, i.e. the expected credit losses that result from all possible default events over the expected life of the asset. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

2.7 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.8 Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

TPI Composites UK Company Limited

Notes to the Financial Statements For the Period Ended 31 December 2022

2. Accounting policies (continued)

2.9 Financial instruments

(a) Financial assets

The company uses two criteria to determine the classification of financial assets: the company's business model and contractual cash flow characteristics of the financial assets. Where appropriate the company identifies three categories of financial assets: amortised cost, fair value through profit and loss (FVTPL), and fair value through other comprehensive income (FVOCI).

Financial assets held at amortised cost

Financial assets held at amortised cost are initially measured at fair value except for trade debtors which are initially measured at cost. Both are subsequently carried at amortised cost using the effective interest rate (EIR) method, less impairment. The EIR amortisation is presented within finance income in the income statement.

Derecognition

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

(b) Financial liabilities

Financial liabilities are classified at initial recognition, as a financial liability at fair value through profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Financial liabilities are subsequently measured at amortised cost.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender with substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

2.10 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

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.

TPI Composites UK Company Limited

Notes to the Financial Statements For the Period Ended 31 December 2022

2. Accounting policies (continued)

2.10 Foreign currency translation (continued)

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 statement of comprehensive income 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 Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

2.11 Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

2.12 Share capital

Ordinary shares are classified as equity.

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

TPI Composites UK Company Limited

Notes to the Financial Statements For the Period Ended 31 December 2022

2. Accounting policies (continued)

2.13 Finance income

Finance income is recognised in the statement of comprehensive income using the effective interest method.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

4. Revenue

An analysis of revenue by class of business is as follows:

	For the period to 31 December 2022 £
Revenue from field service inspections and repair services	50,958
Other income	25
	<hr/>
	50,983
	<hr/>

TPI Composites UK Company Limited

Notes to the Financial Statements For the Period Ended 31 December 2022

5. Expenses by nature

	For the period to 31 December 2022 £
Cost of sales	
Wages and salaries	28,209
Manufacturing expenses	127,644
	<u>155,853</u>
Administrative expenses	
Legal and professional	9,296
Foreign exchange losses	478
Travel	5,518
Equipment	78
Insurance	21,640
Other expenses	14,936
	<u>51,946</u>
	<u>207,799</u>

6. Employees

The average monthly number of employees, including the Director, during the period was 2.

	For the period to 31 December 2022 £
Wages and salaries	28,209
Social security costs	9,431
Cost of defined contribution scheme	-
	<u>37,640</u>

TPI Composites UK Company Limited

Notes to the Financial Statements For the Period Ended 31 December 2022

7. Auditors' remuneration

During the period, the company obtained the following services from the company's auditors:

	For the period to 31 December 2022 £
Fees payable to the company's auditors for the audit of the company's financial statements	7,500

8. Finance income

	For the period to 31 December 2022 £
Other interest receivable	6

9. Income tax

	For the period to 31 December 2022 £
Corporation tax	
Income tax expense	-
Taxation on loss on ordinary activities	-

TPI Composites UK Company Limited

Notes to the Financial Statements For the Period Ended 31 December 2022

9. Income tax (continued)

Factors affecting tax charge for the period

The tax assessed for the period is the same as the standard rate of corporation tax in the UK of 19%.

	For the period to 31 December 2022 £
Loss on ordinary activities before tax	(156,810)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(29,794)
Effects of:	
Remeasurement of deferred tax for changes in tax rates	(9,408)
Movement in deferred tax not recognised	39,202
Total tax charge for the period	-

10. Trade and other receivables

	31 December 2022 £
Trade receivables	2,166
Other receivables	3,019
Prepayments and accrued income	22,441
	27,626

TPI Composites UK Company Limited

Notes to the Financial Statements For the Period Ended 31 December 2022

11. Trade and other payables

	31 December 2022 £
Trade payables	24,480
Amounts owed to group undertakings	2,344
Other taxation and social security	4,264
	<u>31,088</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

12. Financial instruments

The following table shows the carrying amounts of financial assets and financial liabilities:

	31 December 2022 £
Financial assets at amortised cost	
Trade and other receivables	5,185
Cash and cash equivalents	46,911
	<u>52,096</u>
	<u>31 December 2022 £</u>
Financial liabilities at amortised cost	
Trade and other payables	<u>26,824</u>

Due to their short term nature, the carrying value of cash and cash equivalents, trade and other receivables and trade and other payables approximates their fair value.

TPI Composites UK Company Limited

Notes to the Financial Statements For the Period Ended 31 December 2022

12. Financial instruments (continued)

General objectives, policies and processes

The company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

Risk management policies include identification and analysis of the risk exposure of the company and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk

The company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Price risk

The company is not exposed to any significant price risk.

Interest rate risk

The company is not exposed to any significant interest rate risk.

Credit risk

The company is not exposed to any significant credit risk.

Liquidity risk

Liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

TPI Composites UK Company Limited

Notes to the Financial Statements For the Period Ended 31 December 2022

12. Financial instruments (continued)

The following table sets out the contractual maturities (representing undiscounted cash-flows) of the company's financial liabilities:

	Up to one year £	Between one and two years £	Between two and five years £	Over five years £
At 31 December 2022				
Trade payables	24,480	-	-	-
Amounts owed to group undertakings	2,344	-	-	-
	<u>26,824</u>	<u>-</u>	<u>-</u>	<u>-</u>

Capital risk management

The company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

13. Share capital

	31 December 2022 £
Authorised, allotted, called up and fully paid	
1 Ordinary share of £1.00	<u>1</u>

On incorporation the company issued 1 Ordinary £1.00 share at par.

Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

TPI Composites UK Company Limited

Notes to the Financial Statements For the Period Ended 31 December 2022

14. Reserves

The company's capital and reserves are as follows:

Share Capital

Share capital represents the nominal value of the shares issued.

Capital contribution reserve

Capital contributions reserve represents cash contributions made by the shareholders where no shares are issued, and the contribution amount is not repayable by the company.

Retained earnings

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

15. Related party transactions

Amounts owed to group undertakings included within trade and other payables relate to balances from intercompany transactions. Of the total amounts owed to group undertakings, £2,344 was owed to TPI Composites Inc., the ultimate parent company.

During the period, a capital contribution of £50,000 was received from TPI Holdings Switzerland GmbH, the immediate holding company, and £150,258 was received from TPI Composites Inc., the ultimate parent company. The cash contributions were made absolutely on an irrevocable, non-repayable, non-refundable, non-recourse basis. TPI Holdings Switzerland GmbH and TPI Composites Inc. will neither retain any rights or interest in the cash contributions nor will they be issued any shares in TPI Composites UK Company Limited in consideration for the cash contributions.

16. Controlling party

The immediate holding company is TPI Holdings Switzerland GmbH by virtue of their shareholding in the company.

The ultimate controlling party is TPI Composites Inc., a company incorporated in USA.

TPI Composites Inc. is the parent of the largest Group which prepares consolidated financial statements which includes the results of the company. The registered office address of TPI Composites Inc. is Suite 250, 9200 East Pima Parkway, Scottsdale, AZ 85258.