

# **Information Services Group Europe Limited**

## **Annual Report and Financial Statements**

**Year ended**

**31 December 2016**

**Company Number 01535245**

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**Directors and Advisors**

**Directors**

R M Brown  
D E Berger  
A R Scheller

**Company Secretary**

R M Brown  
Hays House  
Millmead  
Guildford  
Surrey  
GU2 4HJ

**Registered Office**

Hays House  
Millmead  
Guildford  
Surrey  
GU2 4HJ

**Company Number**

01535245

**Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
The Portland Building  
25 High Street  
Crawley  
West Sussex  
RH10 1BG

**Information Services Group Europe Limited**  
**Report of the directors for the year ended 31 December 2016**

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The directors present their report together with the audited financial statements of the Company for the year ended 31 December 2016.

The report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and the Company is therefore exempt from the requirement to prepare a Strategic Report.

### **Principal activities**

In 2011, the group headed by CCGH Limited was acquired by Information Services Group, Inc., ('ISG'). The Group is a management consulting firm that identifies and delivers significant improvement in the business operations of large global organisations. With over 1,300 professionals operating in 21 countries, ISG brings together a more comprehensive range of research, consulting and managed services offerings to deliver even greater value for our clients. From trusted business performance metrics and detailed assessment analytics to industry-leading transformation methodologies, ISG helps clients assess, optimize, and manage their operational environment and drive operational excellence throughout your organisation.

### **Results and dividends**

The income statement is set out on page 7 and shows the profit for the financial year (2015: Profit). No dividend was paid in the year (2015: £nil) and the directors do not recommend payment of a final dividend.

### **Funding and liquidity**

The Company has net current liabilities of £1,790,650 as at 31 December 2016 (2015: £1,961,689). The financial statements have been prepared on a going concern basis, which is dependent on the continuing financial support of the ultimate parent company, Information Services Group, Inc.

Information Services Group, Inc. has confirmed that it will provide financing to the Company, if required, to allow the Company to pay its debts as they fall due, for a period of at least twelve months following the signing of these financial statements.

### **Directors**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

R M Brown  
D E Berger  
A R Scheller

### **Directors' insurance**

Throughout the financial year and up to the date of the approval of these financial statements, the ultimate parent company, Information Services Group Inc. maintained Directors' & Officers' Liability insurance policies on behalf of the directors of the Company. These policies meet the 2006 Companies Act definition of a qualifying third party indemnity provision.

**Information Services Group Europe Limited**  
**Report of the directors for the year ended 31 December 2016**

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**Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 "The Financial Reporting Standards Applicable in UK and Republic of Ireland (FRS 102). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102, 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

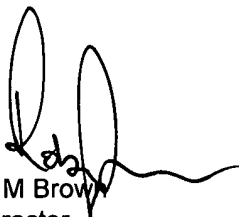
**Disclosure of Information to Auditors**

The directors at the date of approval of this report confirm that:

- so far as each of the directors are aware, there is no relevant audit information of which the Company's auditors are unaware;
- each of the directors have taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Pursuant to Section 487 of the Companies Act 2006 PricewaterhouseCoopers LLP will be deemed to be re-appointed and will continue in office.

**Approved by the board and signed on its behalf**



R M Brown  
Director  
Company Number: 01535245

15 September 2017

## **Information Services Group Europe Limited**

### **Independent auditors' report to the members of Information Services Group Europe Limited**

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#### **Report on the financial statements**

##### **Our opinion**

In our opinion, Information Services Group Europe Limited's financial statements (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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of financial position as at 31 December 2016;
- the Income statement for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **Opinions 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 Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the directors has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Report of the directors. We have nothing to report in this respect.

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

## Information Services Group Europe Limited

### Independent auditors' report to the members of Information Services Group Europe Limited

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#### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Report of the directors; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

#### Responsibilities for the financial statements and the audit

##### Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

##### What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Report of the directors, we consider whether those reports include the disclosures required by applicable legal requirements.



Peter Latham (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Gatwick  
15 September 2017

# Information Services Group Europe Limited

## Income statement for the year ended 31 December 2016

	Note	2016 £	2015 £
<b>Revenue</b>	4	<b>6,104,997</b>	6,143,058
Cost of sales		<b>(3,796,217)</b>	(3,274,153)
<b>Gross profit</b>		<b>2,308,780</b>	2,868,905
Administrative expenses		<b>(1,971,753)</b>	(1,983,971)
<b>Operating profit</b>	5	<b>337,027</b>	884,934
Finance costs	9	<b>(165,988)</b>	(173,521)
<b>Profit before taxation</b>		<b>171,039</b>	711,413
Income tax expense	10	-	-
<b>Profit for the financial year</b>		<b>171,039</b>	711,413

The results stated above are all derived from continuing operations.

There are no material differences between the loss before taxation and the loss for the financial year stated above and their historical cost equivalents.

There are no other items of comprehensive income other than those included in the profit and loss account. Accordingly, no statement of comprehensive income has been presented.

The notes on pages 10 to 18 form part of these financial statements.

# Information Services Group Europe Limited

## Statement of financial position as at 31 December 2016

	Note	2016 £	2015 £
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible assets	11	-	-
Property, plant and equipment	12	-	-
		-	-
<b>Current assets</b>			
Trade and other receivables	13	4,422,016	4,692,693
Cash and cash equivalents		179,234	334,903
		4,601,250	5,027,596
<b>Total assets</b>		4,601,250	5,027,596
<b>Capital reserves and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	14	10,000	10,000
Redeemable shares	14	3,902,791	3,902,791
Accumulated losses		(5,703,441)	(5,874,480)
<b>Total equity</b>		(1,790,650)	(1,961,689)
Trade and other payables	15	6,391,900	6,989,285
		6,391,900	6,989,285
<b>Total equity and liabilities</b>		4,601,250	5,027,596

The notes on pages 10 to 18 form part of these financial statements.

The financial statements on pages 7 to 18 were approved by board of directors on 15 September 2016 and signed on its behalf by

  
R M Brown  
Director

# Information Services Group Europe Limited

## Statement of changes in equity for the year ended 31 December 2016

	Share capital	Redeemable shares	Accumulated losses	Total equity
	£	£	£	£
<b>Balance as at 1 January 2015</b>	10,000	3,902,791	(6,585,893)	(2,673,102)
Profit for the financial year	-	-	711,413	711,413
<b>Balance as at 31 December 2015</b>	10,000	3,902,791	(5,874,480)	(1,961,689)
Profit for the financial year	-	-	171,039	171,039
<b>Balance as at 31 December 2016</b>	10,000	3,902,791	(5,703,441)	(1,790,650)

# Information Services Group Europe Limited

## Notes to the financial statements for the year ended 31 December 2016

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### 1. General information

Information Services Group Europe Limited is a private limited company limited by shares and it is incorporated in the United Kingdom. The address of its registered office is Hays House, Millmead, Guildford, Surrey GU2 4HJ. The Company registration number is 01535245.

The principal activity of the Company is to help clients assess, optimize, and manage their operational environment and drive operational excellence to organisations.

### 2. Statement of compliance

The financial statements of Information Services Group Europe Limited have been prepared in compliance with United Kingdom Accounting Standards, including 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.

### 3. Summary of significant accounting policies

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

#### a) *Basis of preparation*

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including FRS 102.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in "Critical accounting judgements and key source of estimation uncertainty" included within this note.

#### b) *Going concern*

The financial statements are prepared on the going concern basis as the ultimate parent company, Information Services Group, Inc., has agreed to provide financial support for a period of at least twelve months from the date of approval of these financial statements to the Company in order that it can continue to trade and meet its liabilities as they fall due, for as long as the Company remains a member of the Information Services Group, Inc. group.

#### c) *Exemptions for qualifying entities under FRS 102*

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Information Services Group Europe Limited is a qualifying entity as its results are consolidated into the consolidated financial statements of Information Services Group, Inc. which are publicly available.

**3. Summary of significant accounting policies (continued)**

*c) Exemptions for qualifying entities under FRS 102 (continued)*

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from disclosing share based payment arrangements, required by paragraphs 26.18(b), 26.19 to 26.21 and 26.23 of FRS 102, concerning its own equity instruments; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

*d) Revenue*

Revenue represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Projects are generally on a fixed fee basis and revenue is recognised in line with the proportion of work complete. Revenues are reviewed to ensure collectability and adjusted for when necessary.

*e) Amounts recoverable on contracts*

Where revenue recognised exceeds progress billings, the balance is recognised as accrued income within trade and other receivables. Where progress billings exceed revenue recognised, the balance is recognised as deferred income within trade and other payables.

*f) Foreign currency*

*i) Functional and presentation currency*

The Company's functional and presentation currency is the pound sterling.

*ii) Transactions and balances*

Transactions in foreign currency are converted to Sterling at the rate ruling at the date of the transaction.

Monetary assets and liabilities expressed in foreign currencies are translated into Sterling at the rates of exchange ruling at the reporting date.

Foreign exchange gains and losses are recognised in the income statement.

*g) Employee benefits*

The Company provides a range of benefits to employees, including defined contribution pension plans.

*i) Short-term benefits*

Short-term benefits, including bonus and other similar non – monetary benefits, are recognised as an expense in the period in which the service is received.

*ii) Defined contribution pension scheme*

Contributions to the Company's defined contribution pension scheme are charged to the income statement in the year in which they become payable.

# Information Services Group Europe Limited

## Notes to the financial statements for the year ended 31 December 2016

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### 3. Summary of significant accounting policies (continued)

#### *h) Taxation*

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

Current or deferred taxation assets and liabilities are not discounted.

#### *i) Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### *ii) Deferred tax*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or subsequently enacted at the reporting date.

#### *i) Intangible assets*

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of two and a half years, on a straight-line basis.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

#### *j) Property, plant and equipment*

Property, plant and equipment are stated at historic cost, less accumulated depreciation and provision for impairment. Cost includes the original purchase price, cost directly attributable in bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised. Depreciation is provided to write off the cost, less estimated residual values, of all property, plant and equipment evenly over their expected useful lives. It is calculated at the following rates:

Computer equipment	-	20%-33.3% on a straight-line basis per annum
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Repairs, maintenance and minor inspection costs are expensed as incurred.

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

**3. Summary of significant accounting policies (continued)**

*j) Property, plant and equipment (continued)*

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

*k) Impairment of non-financial assets*

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the income statement. If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the income statement.

*l) Cash and cash equivalents*

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

*m) Financial instruments*

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

*i) Financial assets*

Basic financial assets, including trade and other receivables and cash, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

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 not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

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) 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.

**3. Summary of significant accounting policies (continued)**

*ii) Financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue derivative financial instruments.

*iii) Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

*n) Critical accounting judgements and key source of estimation uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

*Impairment of receivables*

The Company makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the current credit rating of the debtor, the ageing profile of receivables and historical experience. See note 13 for the net carrying amount of the debtors and associated impairment provision.

**4. Revenue**

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and the company is therefore exempt from the requirement to disclose a geographic analysis of revenue.

# Information Services Group Europe Limited

## Notes to the financial statements for the year ended 31 December 2016

### 5. Operating profit

	Year ended 31 December 2016	Year ended 31 December 2015
	£	£
This is arrived at after charging:		
Staff costs		
- Wages and salaries	3,689,241	3,267,233
- Social security costs	450,357	384,390
- Other pension costs	142,542	134,137
Amortisation of intangibles	-	341
Exchange differences	5,307	2,372
Services provided by the Company's Auditors		
- Fees payable for the audit	25,105	17,858
- Fees payable for other services - tax compliance	9,390	8,715

### 6. Employee information

The average monthly number of persons (including executive directors) employed during the year was:

	Year ended 31 December 2016	Year ended 31 December 2015
	Number	Number
Project related	42	36

### 7. Directors' remuneration

The remuneration of all of the directors was borne by other group subsidiaries which make no (2015 : £nil) recharge to the Company. The directors are directors of the fellow group subsidiaries and are also directors of a number of fellow group subsidiaries. It is therefore not possible to make an accurate apportionment of their remuneration in respect of each of the fellow group subsidiaries that they are a director of. Total directors' remuneration is disclosed in the annual financial statements of ISG (Group Services) Limited.

### 8. Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge amounted to £142,542 (2015: £134,137). Contributions amounting to £27,367 (2015: £27,857) were payable to the fund and are included in trade and other payables.

### 9. Finance costs

	Year ended 31 December 2016	Year ended 31 December 2015
	£	£
Interest payable on loans from group companies	165,988	173,521

# Information Services Group Europe Limited

## Notes to the financial statements for the year ended 31 December 2016

### 10. Income tax expense

#### (a) Analysis of the tax result

	Year ended 31 December 2016	Year ended 31 December 2015
	£	£
Current tax:		
UK Corporation tax		
Current tax on profits of the year	-	-
Income tax expense	-	-

#### (b) Factors affecting the tax result

The tax assessed for the year is lower than (2015: lower) than the standard effective rate of corporation tax in UK for the year ended 31 December 2016 of 20.00% (31 December 2015: 20.25%). The differences are explained below.

	Year ended 31 December 2016	Year ended 31 December 2015
	£	£
Profit before taxation	171,039	711,413
Tax on profit at standard UK tax rate of 20.00% (2015: 20.25%)	34,208	144,037
Effects of:		
Expenses not deductible	2,097	1,720
Effects of group relief / other relief	33,198	4,204
Losses	(69,503)	(149,961)
Total tax charge for the year	-	-

The Company has tax trading losses carried forward of approximately £2,171,782 (2015: £2,579,097).

No provision has been made for a deferred tax asset on the losses due to the uncertainty over the timing and extent of the tax benefit.

#### (c) Factors that may affect future tax charges

The tax rate for the current period is lower than the prior period due to changes in the corporate tax rate which decreased from 21% to 20% from 1 April 2016.

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 on 26 October 2015. These include reductions to the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. In the 2016 Budget, the Government announced a further reduction of the main rate to 17% for the year starting 1 April 2020.

# Information Services Group Europe Limited

## Notes to the financial statements for the year ended 31 December 2016

### 11. Intangible assets

	Software
	£
<i>Cost or valuation</i>	
At 1 January 2016 and 31 December 2016	9,065
<i>Accumulated Amortisation</i>	
At 1 January 2016 and 31 December 2016	9,065
At 31 December 2015 and 31 December 2016	-

### 12. Property, plant and equipment

	Computer Equipment
	£
<i>Cost or valuation</i>	
At 1 January 2016 and 31 December 2016	5,622
<i>Accumulated Amortisation</i>	
At 1 January 2016 and 31 December 2016	5,622
At 31 December 2015 and 31 December 2016	-

### 13. Trade and other receivables

	2016	2015
	£	£
Trade receivables	1,965,442	2,245,854
Amounts owed by group undertakings	2,422,552	2,413,539
Prepayments and accrued income	34,022	33,300
	<b>4,422,016</b>	<b>4,692,693</b>

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

Trade receivables are stated after provision for impairment of £464 (2015: £1,973).

# Information Services Group Europe Limited

## Notes to the financial statements for the year ended 31 December 2016

### 14. Share capital

	2016 £	2015 £
<i>Allotted, issued, called up and fully paid</i>		
10,000 (2015: 10,000) ordinary shares of £1 each	10,000	10,000
3,902,791 (2015: 3,902,791) redeemable shares of £1 each	3,902,791	3,902,791
	<b>3,912,791</b>	<b>3,912,791</b>

The redeemable shares are redeemable at par, at the option of the Company, and are not entitled to receive notice of, attend or vote at general meetings. The redeemable shares rank equally with the ordinary shares in respect of dividends and return of capital.

### 15. Trade and other payables

	2016 £	2015 £
Trade payables	185,016	278,763
Amounts payable to pension fund	27,367	27,857
Amounts owed to group undertakings	5,520,164	6,170,713
Taxation and social security	346,009	329,597
Accruals and deferred income	313,344	182,355
	<b>6,391,900</b>	<b>6,989,285</b>

Amounts owed to group undertakings include a loan of £4,612,244 due to ISG (Group Services) Limited (2015: £4,775,912) and a loan of £183,381 due to Compass Holdings BV (2015: £203,788). Both loans incur interest at LIBOR plus 3.5% per annum calculated on a daily basis and are repayable on demand. The remaining amounts owed to group companies are unsecured, interest free and are repayable on demand.

### 16. Related party disclosures

The Company is a wholly owned subsidiary of Information Services Group, Inc. and the Company has taken the advantage of the exemption provided by Section 33.1A of FRS 102 from disclosing related party transactions with the wholly owned entities.

### 17. Ultimate Parent undertaking and controlling party

The Company's immediate parent undertaking is Compass Holding BV, a company registered in the Netherlands.

The Company's ultimate parent undertaking and controlling party is Information Services Group, Inc. a company registered in United States of America. The consolidated financial statements of Information Services Group, Inc. are available at Two Stamford Plaza, 281 Tresser Boulevard, Stamford, Connecticut, CT 06901, USA. No other group financial statements include the results of the Company.