

# Financial statements

## Brady Credit Holding Limited

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For the year ended 31 December 2018



Company No. 04033263

## Company information

**Company registration number:** 04033263

**Registered office:** Centennium House  
100 Lower Thames Street  
London  
EC3R 6DL

**Director:** M Thorneycroft

**Auditor:** Grant Thornton UK LLP  
101 Cambridge Science Park  
Milton Road  
Cambridge  
CB4 0FY

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## Strategic Report

### **Principal activity and business review**

The principal activity of the Company during the year under review was that of an investment holding company.

The Company generated no profit or loss during the current or preceding year and the Director expects the Company to be non-trading for the foreseeable future.

On 18 November 2019, Brady plc, the Company's ultimate parent company, was acquired by Hanover Acquisitions Limited. The ultimate controlling party became the Hanover Active Equity Fund II, S.C.A. SICAV-RAIF

### **Key performance indicators**

The Director considers that there are no key performance indicators for the year ended 31 December 2018 as this is an investment holding company.


### **Going concern**

The Director has prepared the financial statements on the going concern basis. In making this assessment the Director has considered the financial position of the Company. At 31 December 2018 and at the date of approval of these financial statements, the Company does not have any liabilities that fall due within the foreseeable future and therefore the Director considers that the going concern basis of preparation remains appropriate.

### **Financial risk management objectives and policies**

This is an investment holding company and the key risk is that of the underlying financial performance of the investment in its subsidiary undertaking does not justify the carrying value which could result in a reduction of the carrying value by way of an impairment provision. The Director monitors the performance of the subsidiary through appropriate formal impairment reviews when impairment indicators arise.

BY ORDER OF THE BOARD



Martin Thorneycroft

Director

29 January 2020

## Director's Report

The Director presents his annual report together with the financial statements for the year ended 31 December 2018.

### Director

The Director who served the Company during the year and to the date of this report was as follows:

M Thorneycroft

### Dividends

The Director does not recommend the payment of a dividend for the year (2017: £nil).

### Statement of Director's responsibilities

The Director is responsible for preparing the Strategic Report, 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 101 'Reduced Disclosure Framework'). Under company law the Director must not approve the accounts unless he is satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that year. In preparing these financial statements, the Director is 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 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 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.

The Director confirms that:

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

## Director's Report (continued)

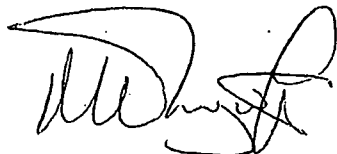
### **Qualifying third party indemnity provisions**

The Company has entered into qualifying third party indemnity arrangements for the benefit of the Company, its officers and its Director in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

### **Auditor**

A resolution for the appointment of Grant Thornton UK LLP as independent auditor of the Company is to be proposed at the forthcoming Annual General Meeting. In accordance with normal practice, the Director will be authorised to determine the auditor's remuneration.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'M Thorneycroft', written over a horizontal line.

M Thorneycroft  
Director  
29 January 2020



# Grant Thornton

## **Independent Auditor's Report to the Members of Brady Credit Holding Limited**

### **Opinion**

We have audited the financial statements of Brady Credit Holding Limited (the 'Company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, 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 'Reduced Disclosure Framework' (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 2018 and of its result 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.

### **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 Auditor's 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 UK, including the FRC'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Strategic Report and Director's Report, other than the financial statements and our Auditor's Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.



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**Independent Auditor's Report to the Members of Brady Credit Holding Limited  
(continued)**

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

**Matter on which we are required to report under the Companies Act 2006**

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 Strategic Report or the Director's Report.

**Matters on which we are required to report by exception**

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 Director for the financial statements**

As explained more fully in the Statement of Director's responsibilities set out on page 5, 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.





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**Independent Auditor's Report to the Members of Brady Credit Holding 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 auditor's 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

David Newstead  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Cambridge  
Date: 29 January 2020

## Principal Accounting Policies

### **Basis of preparation**

The Company is incorporated and domiciled in England and Wales. The address of its registered office, which is also its principal place of business, is Centennium House, 100 Lower Thames Street, London, EC3R 6DL.

The financial statements have been prepared in accordance with applicable accounting standards and in accordance with the Financial Reporting Standard 101 'The Reduced Disclosure Framework' (FRS 101). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

These financial statements have been authorised for issue and approved by the Director on 29 January 2020.

### **Going concern**

The Director has prepared the financial statements on the going concern basis. In making this assessment the Director has considered the financial position of the Company. At 31 December 2018 and at the date of approval of these financial statements, the Company does not have any liabilities that fall due within the foreseeable future and therefore the Director considers that the going concern basis of preparation remains appropriate.

### **Basis of consolidation**

The Company has taken advantage of section 400 of the Companies Act 2006 to be exempted from preparing group accounts as taken together with its subsidiary undertaking (see note 3), this Company is consolidated into group accounts headed by Brady plc. These financial statements present information about the Company as an individual undertaking and not about its group.

### **Equity**

Share capital represents the nominal value of equity shares.

### **Investments**

Fixed asset investments are stated at cost less provision for impairment. An assessment for impairment is undertaken at least at each reporting date and, if required, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

### **Foreign currencies**

The functional and presentational currency of the Company is Sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Comprehensive Income.

### **Tax**

Current tax is recognised for the amount of income tax payable in respect of the taxable result for the current or past reporting periods using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities in the financial statements with their respective tax bases. Deferred tax

## Principal Accounting Policies (continued)

### Tax (continued)

liabilities are always provided in full. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income.

### Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities.

Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the statement of comprehensive income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

### Critical accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements in conformity with FRS 101 requires the Director to make certain crucial accounting estimates and judgements that affect the amounts reported in the financial statements and accompanying notes. However, the nature of estimation means that the actual outcomes could differ from these estimates. There were no items that the Director considers were either a crucial judgement or significant estimate affecting the results of the Company.

### Disclosure exemptions

In preparing these financial statements the Company, as a wholly owned subsidiary of Brady plc, has taken advantage of all disclosure exemptions conferred by FRS 101 as follows:

- a) the requirement of paragraphs 45(b) and 46-45 of IFRS 2 *Share based payments*;
- b) the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 *Business Combinations*;
- c) the requirements of paragraphs 33(c) of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*;
- d) the requirements of IFRS 7 *Financial Instruments: Disclosures*;
- e) the requirements of paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement*;
- f) the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
  - i. paragraph 79(a)(iv) of IAS 1;
  - ii. paragraph 73(e) of IAS 16 *Property, Plant and Equipment*; and
  - iii. paragraph 118(e) of IAS 38 *Intangible Assets*.
- g) the requirement of paragraphs 10(d), 10(f) 39(c) and 134 to 136 of IAS 1 *Presentation of Financial Statements*;
- h) the requirements of IAS 7 *Statement of Cash Flows*;
- i) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- j) the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- k) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36

## Principal Accounting Policies (continued)

### Disclosure exemptions (continued)

*Impairment of Assets*; and

- l) the requirements of the second sentence of paragraph 110, paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 *Revenue from Contracts with Customers*.

## Statement of Comprehensive Income

	Note	2018 £	2017 £
Operating profit being profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities	4	-	-
Profit for the year being total comprehensive income		-	-

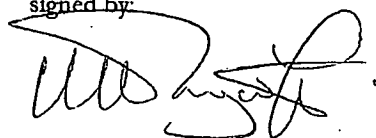
All of the activities of the Company in the current and prior years are classed as continuing.

The Company has no recognised gains or losses other than the results for the current and preceding years as set out above.

## Balance Sheet

	Notes	2018 £	2017 £
<b>Fixed Assets</b>			
Investments	3	1	1
<b>Total assets less current liabilities being net assets</b>		<u>1</u>	<u>1</u>
<b>Capital and reserves</b>			
Called up share capital	5	53,465	53,465
Profit and loss account		<u>(53,464)</u>	<u>(53,464)</u>
<b>Shareholders' funds</b>		<u>1</u>	<u>1</u>

These financial statements were approved by the Director and authorised for issue on 29 January 2020 and signed by:



M Thorneycroft  
Director

Company number 04033263

## Statement of Changes in Equity

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2017, 31 December 2017 and 31 December 2018	53,465	(53,464)	1

## Notes to the Financial Statements

### 1 Auditor's remuneration

Auditor's remuneration in respect of audit services for the Company for the current year was £1,000 (2017: £1,000). These costs were borne by another Group undertaking with no right of recharge.

### 2 Director and employees

The Company did not have any employees in either the current or preceding years. The Director of the Company, being an employee of Brady plc, has not received any emoluments in respect of his qualifying services from the Company in either the current or preceding financial years. Total emoluments received by the Directors from the Group for the year amounted to £189,284 (2017: £179,866).

### 3 Investment

£

#### Cost and net book value

As at 1 January 2018 and at 31 December 2018

1

The Company holds an investment in the following subsidiary undertaking:

Subsidiary	Registered office	Holding	Proportion of voting rights held	Principal activity
Brady Credit, Inc.	1500 Citywest Boulevard Suite 525, Houston, TX 77042, USA	Ordinary shares	100%	Software services

The Director considers the value of the investment to be supported by the underlying assets of the subsidiary undertaking as at 31 December 2018.

### 4 Taxation

The Company has no recognised or unrecognised deferred tax assets or liabilities that would affect the future tax charge at either 31 December 2017 or 2018.

### 5 Share capital

Allotted, called up and fully paid:

	2018		2017	
	No	£	No	£
Ordinary shares of £1 each	53,465	53,465	53,465	53,465



## Notes to the Financial Statements (continued)

### **6 Capital commitments**

The Company had no capital commitments at 31 December 2018 or 31 December 2017.

### **7 Contingent liabilities**

The Company had no contingent liabilities at 31 December 2018 or 31 December 2017.

### **8 Related party transactions**

As a wholly owned subsidiary of Brady plc, the Company is exempt from the requirements of FRS 101 to disclose transactions with other members of the group headed by Brady plc on the grounds that the Group accounts are publicly available at [www.bradyplc.com](http://www.bradyplc.com).

### **9 Controlling party**

As at 31 December 2018, the immediate parent undertaking was Brady Credit Limited, a company incorporated in England and Wales. The ultimate parent undertaking and controlling party was Brady plc, a company incorporated in England and Wales.

Following the acquisition of Brady plc on 18 November 2019, Hanover Acquisition Limited, a company incorporated in England and Wales and a wholly owned subsidiary of Hanover Active Equity Fund II, S.C.A. SICAV-RAIF, became the ultimate parent undertaking. The ultimate controlling party became Hanover Active Equity Fund II, S.C.A. SICAV-RAIF, a fund registered in Luxembourg.

The smallest and largest group in which the results of the Company are consolidated for the year ended 31 December 2018 is that headed by Brady plc. Copies of these consolidated financial statements may be obtained from [www.bradyplc.com](http://www.bradyplc.com).