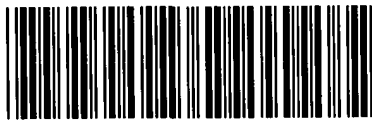


**BRADY.**

# Brady Credit Holding Limited

**FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2020**

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COMPANIES HOUSE

Company No. 04033263

© Brady

# BRADY.

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**BRADY.**

## **Company Information**

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

**Board of Directors:** Andrew Woolley (appointed 01 February 2021)

**Auditor:** Ernst and Young LLP,  
Cambridge Business Park,  
Cowley Road, Cambridge,  
CB4 0WZ

# **BRADY.**

## **Director's Report**

The Director presents his report together with the audited financial statements for the year ended 31 December 2020.

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

The principal activity of the Company during the year was to hold an investment in a subsidiary company.

The Company generated no profit or loss in the current or preceding financial years. The Director does not expect the Company to trade in the foreseeable future. No dividends were paid or declared in the years ended 31 December 2020 or 2019.

There are no key performance indicators for the years ended 31 December 2020 or 2019 as this is an investment holding company.

### **Directors**

The Directors who served the Company during the year and to the date of this report, except as stated otherwise, were as follows:

Andrew Woolley (appointed 01 February 2020)

Carmen Carey (appointed 14 February 2020, resigned 31 March 2021)

Rebecca Roberts (appointed 12 June 2020, resigned 01 February 2021)

Nadya Bentley (appointed 13 February 2020, resigned 12 June 2020)

Martin Thorneycroft (resigned 14 February 2020)

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

The Company's key risk is the underlying financial performance of the subsidiary undertaking not justifying the carrying value of the investment. The Director monitors the performance of the subsidiary through appropriate formal impairment reviews when impairment indicators arise. No impairment indicators have arisen in the year and there has been no impact on the underlying performance of the subsidiary or Company as a result of the Covid-19 pandemic.

### **Dividends**

The Director does not recommend the payment of a dividend for the year (2019: £nil).

### **Going concern**

The Director has reviewed the cash flow forecasts of the Company for the period through to 30 September 2022. The Director has also considered the current market conditions, trading activity post-year end and the liquid resources available to the Company, and has obtained a letter of support from its ultimate controlling party, Hanover Active Equity Fund II, S.C.A. SICAV-RAIF. The letter of financial support demonstrates that the Company will be provided with the necessary financial support for the foreseeable future, being at least 12 months from the date of approval of the financial statements. In assessing the future cash flows, the Director has applied sensitivities to the assumptions on new business, new product launch and also to the cost base.

# **BRADY.**

## **Director's Report (continued)**

### **Going concern (continued)**

Based on the Director's assessment of the Company's financial position and of the enquires made of the ultimate controlling party, the Director has a reasonable expectation that the

Company will continue in operational existence and meets its liabilities as they fall due for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing these financial statements.

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

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

### **Statement of Director's responsibilities**

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 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 they are 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 has 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 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.

The Director confirms that:

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

**BRADY.**

## **Director's Report (continued)**

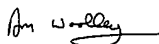
### **Auditor**

Pursuant to Section 485 of the Companies Act 2006, a resolution to appoint Ernst and Young LLP as the auditor will be proposed at the forthcoming Annual General Meeting.

### **Small company provision**

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board

DocuSigned by:  
  
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Andrew Woolley, Director

15-Sep-2021

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

## **Opinion**

We have audited the financial statements of Brady Credit Holding Limited for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 14, 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 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.

## **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**

In auditing the financial statements, we have concluded that the directors' 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 to 30 September 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report have 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 directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were entitled to take advantage of the small companies exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.



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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement 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, and for such internal control as the directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **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.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (UK GAAP), the Companies Act 2006 and the relevant tax compliance regulations in the UK.
- We understood how Brady Credit Holding Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance. We corroborated these enquiries through our review of board meeting minutes. We understood management's entity level controls to understand the company culture of honest and ethical behaviour, including the emphasis on fraud prevention.

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

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)***

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through our discussions with management to understand where there is susceptibility for fraud. We also considered management performance targets and how these could influence any attempts to manage earnings. We also gained an understanding of internal controls designed by the group to prevent, deter and detect fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journal entries, with an emphasis placed on manual journal entries recorded to revenue and any other large or unusual transactions to gain reasonable assurance that the financial statements were free from fraud and error. Furthermore, we performed procedures to conclude on the compliance of disclosures made in the annual report and accounts with all applicable requirements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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.



Ruth Logan (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Cambridge  
16 September 2021

# BRADY.

## Statement of Comprehensive Income

	Notes	2020 £	2019 £
<b>Operating profit</b>		-	-
Tax on profit on ordinary activities	7	-	-
<b>Profit after tax and ordinary activities</b>		-	-

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

The accompanying accounting policies and notes form part of these financial statements.

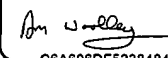
# BRADY.

## Statement of Financial Position

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Investments	8	1	1
<b>Total assets less current liabilities being net assets</b>		<b>1</b>	<b>1</b>
Called up share capital	9	<b>53,465</b>	53,465
Retained earnings	10	<b>(53,464)</b>	(53,464)
<b>Shareholder funds</b>		<b>1</b>	<b>1</b>

The accompanying accounting policies and notes form part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue by the Board of Directors on 15 September 2021 and signed on their behalf by:

DocuSigned by:  
  
 C8A696DF5238484...

Andrew Woolley, Director

Company number: 04033263

**BRADY.****Statement of Changes in Equity**

	Called up share capital £	Retained earnings £	Total £
<b>At 1 January 2019, 31 December 2019 and 31 December 2020</b>	<b>53,465</b>	<b>(53,464)</b>	<b>1</b>

The accompanying accounting policies and notes form part of these financial statements.

# **BRADY.**

## **Notes to the Financial Statements**

### **1. General information**

The Company is a private company limited by shares 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.

### **2. Principal accounting policies**

#### **Basis of preparation**

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. All amounts in the financial statements and notes have been rounded off to the nearest Pound Sterling, unless otherwise stated.

These financial statements have been authorised for issue and approved by the Directors on 15 September 2021.

#### **Basis of consolidation**

The Company has taken advantage of section 400 of the Companies Act 2006 to be exempt from preparing consolidated accounts, as taken in with its subsidiary undertaking (see note 8), this Company is consolidated into the Group accounts headed by Brady Acquisition Limited (formerly Brady plc), which are publicly available from Companies House.

These financial statements present information about the Company as an individual undertaking and not about its group.

#### **Going concern**

The Director has reviewed the cash flow forecasts of the Company for the period through to 30 September 2022. The Director has also considered the current market conditions, trading activity post-year end and the liquid resources available to the Company, and has obtained a letter of support from its ultimate controlling party, Hanover Active Equity Fund II, S.C.A. SICAV-RAIF. The letter of financial support demonstrates that the Company will be provided with the necessary financial support for the foreseeable future, being at least 12 months from the date of approval of the financial statements. In assessing the future cash flows, the Director has applied sensitivities to the assumptions on new business, new product launch and also to the cost base.

Based on the Director's assessment of the Company's financial position and of the enquires made of the ultimate controlling party, the Director has a reasonable expectation that the Company will continue in operational existence and meets its liabilities as they fall due for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing these financial statements.

#### **Tax**

The tax charge or credit comprises current tax payable and deferred tax:

# **BRADY.**

## **Notes to the Financial Statements (continued)**

### **Principal accounting policies (continued)**

#### **Current tax**

The current tax charge represents an estimate of the amounts payable to tax authorities in respect of the Company's taxable profits and is based on an interpretation of existing tax laws. Taxable profit differs from profit before tax as reported in the Statement of Comprehensive Income because it excludes certain items of income and expense that are taxable or deductible in other years or are never taxable or deductible.

#### **Deferred tax**

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the financial statements with the tax base. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax 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. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date. Deferred tax is recognised as a component of tax expense in the Statement of Comprehensive Income, except where it relates to items charged or credited directly to other comprehensive income or equity when it is recognised in other comprehensive income or equity.

#### **Foreign currencies**

The functional and presentational currency of the Company is Sterling.

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at rates ruling at the period end date. Such exchange differences are included in the income statement within "operating expenses". Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

#### **Investments**

Investment in the subsidiary is held at cost less accumulated impairment losses. An assessment for impairment is undertaken at least each reporting date and, if required, an impairment loss is recognised in the Statement of Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount.

#### **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. The nominal value of shares issued is classified as share capital.

**BRADY.**

## **Notes to the Financial Statements (continued)**

### **3. Critical accounting judgements and key sources of estimation uncertainty**

Preparation of these financial statements in accordance with FRS 101 requires the Directors to make certain accounting judgements and estimates that affect the amounts reported in the financial statements and accompanying notes. The resulting estimates will, by definition, seldom equal the actual result.

The Directors consider that there are no critical accounting judgements or key sources of estimation uncertainty affecting the results of the Company in either the current or preceding financial years.

### **4. Disclosure exemptions**

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

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirement of paragraphs 10(d), 10(f) 39(c) and 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18(a) of IAS 24 Related Party Disclosures;
- 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; and
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets.



# BRADY.

## 5. Operating profit

Auditor's remuneration in respect of audit services for the Company for the current year was £1,000 (2019: £1,000). These costs were borne by another Group undertaking with no right of recharge.

## 6. Directors and employees

The Company did not have any employees in either the current or preceding years.

The Directors of the Company, being employees of Brady Acquisition Limited, have not received any emoluments in respect of their qualifying services from the Company in either the current or preceding financial years.

Total emoluments received by these Directors from the Group for the year amounted to £498,000 (2019: £214,000).

## 7. Taxation

The Company has no recognised or unrecognised deferred tax assets or liabilities that would affect the future tax charge at either 31 December 2020 or 2019.

## 8. Investments

	£
<b>Cost and net book value</b>	
As at 1 January 2020 and 31 December 2020	<u>1</u>

The Company holds an investment in the following subsidiary undertaking:

Subsidiary	Registered Office	Holding	Proportion of voting rights held	Principal activity
Brady Credit, Inc	700 Louisiana Street, Suite 3950, Houston, TX 77002, USA	Ordinary shares	100%	Software services

The Directors consider the value of the investment to be supported by the underlying assets of the subsidiary at 31 December 2020.

## 9. Share capital

Allotted, called up and fully paid:

	2020 No	£	2019 No	£
<b>31 December 2020</b>				
Ordinary shares of £1 each	53,465	53,465	53,465	53,465

# **BRADY.**

## **10. Reserves**

The only reserves in the Company are retained earnings. These relate to the cumulative profit and loss of the Company, net of any distribution to owners.

## **11. Capital commitments**

The Company had no capital expenditure contracted for but not provided in the financial statements at 31 December 2020 or 31 December 2019.

## **12. Contingent liabilities**

The Company had no material contingent liabilities at 31 December 2020 or 31 December 2019.

## **13. Related party transactions**

Directors remuneration is disclosed in note 6.

As a wholly owned subsidiary of Brady Acquisition Limited, the Company is exempt from the requirements of FRS 101 to disclose transactions with other members of the group headed by Brady Acquisition Limited on the grounds that the Group accounts are publicly available from Companies House.

## **14. Controlling party**

As at 31 December 2020, the immediate parent undertaking is Brady Credit Limited, a company incorporated in England and Wales.

Brady Acquisition (Holding) Limited, a company incorporated in England and Wales, and a wholly owned subsidiary of Hanover Active Equity Fund II, S.C.A. SICAV-RAIF, is 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 2020 is that headed by Brady Acquisition Limited. Copies of these financial statements may be obtained from Companies House.