

# Financial statements Brady Energy UK Limited

---

For the year ended 31 December 2012



Company No. SC195633

## Company information

**Company registration number:** SC195633

**Registered office:** Bank House  
20A Strathearn Road  
Edinburgh  
EH9 2AB

**Directors:** G J Lavelle  
A J Ratcliffe

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

## Index to the financial statements

	<b>Page</b>
<b>Report of the directors</b>	3 - 4
<b>Report of the independent auditor</b>	5 - 6
<b>Principal accounting policies</b>	7 - 8
<b>Profit and loss account</b>	9
<b>Balance sheet</b>	10
<b>Notes to the financial statements</b>	11 - 14

The directors present their report together with the financial statements for the year to 31 December 2012.

**Principal activities and business review**

The principal activity of the company was the development and sale of software and associated services.

There was a loss for the year amounting to £1,409k (2011: £140k).

**Directors**

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

M Dineen (resigned 20<sup>th</sup> March 2012)  
K Johansen (resigned 20<sup>th</sup> March 2012)  
R E Angell (resigned 20<sup>th</sup> March 2012)  
P J Yoxall (resigned 20<sup>th</sup> March 2012)  
G J Lavelle (appointed 17<sup>th</sup> May 2012)  
A J Ratcliffe (appointed 17<sup>th</sup> May 2012)

**Key performance indicators****Financial**

- 1 Turnover is a key measure of the company's performance. Turnover for the year was £2,004k (2011: £4,075k).
- 2 Operating profit is a key indicator of the company's performance. The operating loss for the year was £1,409k (2011: £143k).

Turnover and operating profit have fallen as a result of a reorganisation of the Brady Energy Group.

**Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 judgments and 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**Statement of directors' responsibilities (continued)**

The directors are responsible for keeping adequate accounting records that 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.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Financial risk management objectives and policies**

The company uses various financial instruments; these include cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the company's operations.

The main risk arising from the company's financial instruments is credit risk. The Board reviews and agrees policies for managing this risk and they are summarised below.

**Credit risk**

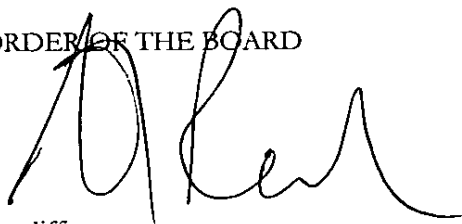
The company's principal financial assets are cash and trade debtors.

The principal credit risk lies with trade debtors. In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

**Auditor**

Grant Thornton UK LLP, were appointed as auditor in the year following the acquisition of the company.

BY ORDER OF THE BOARD



A J Ratcliffe  
Secretary

27 September 2013.



## Independent auditor's report to the members of Brady Energy UK Limited

We have audited the financial statements of Brady Energy UK Limited for the year ended 31 December 2012 which comprise the principal accounting policies, the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 and 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



## Independent auditor's report to the members of Brady Energy UK Limited

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Grant Thornton UK LLP*

Alison Seekings  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Cambridge

31 October 2013

## Principal accounting policies

### **Basis of preparation**

The financial statements are prepared in accordance with applicable accounting standards, under the historical cost convention.

After making enquires and reviewing forecasts and projections, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Company is a 100% owned subsidiary within the Brady plc group and has the full support of the parent company. The company therefore continues to adopt the going concern basis in preparing the financial statements.

### **Cash flow statement**

The company is exempt from preparing a cash flow statement as it is a subsidiary undertaking and consolidated financial statements are publicly available.

### **Turnover**

Turnover represents amounts receivable for software consultancy services provided net of VAT and trade discounts. Income in respect of software development is recognised as contract work progresses and work completed for software sales is recognised to the extent that there is reasonable certainty of the software being accepted by the customer. Income derived from maintenance contracts and annual licences is recognised evenly over the contract period.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Software	10% straight line
Plant & machinery	20% straight line
Leasehold improvements	25% on cost

### **Investments**

Fixed asset investments are stated at cost less provision for impairment.

### **Foreign currency**

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 profit and loss account.



### **Deferred taxation**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

### **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 profit and loss account. 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.

## Profit and loss account

	Note	2012 £000s	2011 £000s
<b>Turnover</b>	1	2,004	4,075
Cost of sales		<u>(1,821)</u>	<u>(2,474)</u>
<b>Gross profit</b>		183	1,601
Admin expenses		<u>(1,592)</u>	<u>(1,744)</u>
<b>Operating loss</b>	2	(1,409)	(143)
Other income		<u>-</u>	<u>-</u>
<b>Loss on ordinary activities before taxation</b>		(1,409)	(143)
Tax on loss on ordinary activities	4	<u>-</u>	<u>3</u>
<b>Loss transferred to reserves</b>	10	<u>(1,409)</u>	<u>(140)</u>

All of the activities of the company in the current year are classed as continuing.

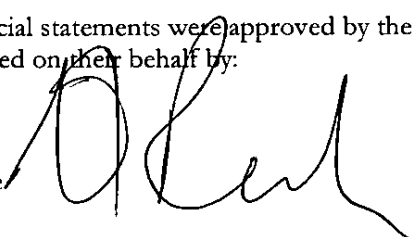
The company has no recognised gains or losses other than the results for the year as set out above.

## Balance sheet

	Note	2012	2011
		£000s	£000s
<b>Fixed assets</b>			
Tangible assets	5	34	52
<b>Current assets</b>			
Debtors	6	271	1,321
Cash at bank and in hand		336	293
		607	1,614
<b>Creditors: amounts falling due within one year</b>	7	(1,277)	(893)
<b>Net current (liabilities)/assets</b>		(670)	721
<b>Total assets less current liabilities</b>		(636)	773
<b>Net (liabilities)/assets</b>		(636)	773
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Profit and loss account	9	(636)	773
<b>Shareholders' (defecit)/funds</b>	10	(636)	773

These financial statements were approved by the directors and authorised for issue on 17 September 2013 and are signed on their behalf by:

A J Ratcliffe  
 Director



Company number SC195633

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

**1 Turnover and loss on ordinary activities before taxation**

The turnover and loss before tax are attributable to the one principal activity of the company.

**2 Operating loss**

Operating loss is stated after charging:

	2012 £000s	2011 £000s
Depreciation of owned fixed assets	19	20
Loss on disposal of fixed assets	2	-
Auditor's remuneration:		
- Audit fees	9	5

**3 Directors and employees**

	2012 £000s	2011 £000s
Wages and salaries	1,588	2,034
Social security costs	161	209
Other pension costs	117	136
	<u>1,866</u>	<u>2,379</u>

The average number of staff employed by the company during the financial year amounted to:

	2012 No	2011 No
Number of directors	2	4
Number of administrative staff	<u>18</u>	<u>28</u>
	<u>20</u>	<u>32</u>

Remuneration in respect of directors was as follows:

	2012 £000s	2011 £000s
Emoluments receivable	<u>43</u>	<u>187</u>

**4 Taxation on loss on ordinary activities**

Analysis of charge in the year

	2012 £000s	2011 £000s
Corporation tax at 24.5%	-	-
Surrender of tax credit	-	(3)
Total current tax	-	(3)

**5 Tangible fixed assets**

	Plant and Machinery £000s	Total £000s
<b>Cost</b>		
At 1 January 2012	122	122
Additions	2	2
Disposals	(20)	(20)
At 31 December 2012	104	104
<b>Depreciation</b>		
At 1 January 2012	69	69
Charge for year	19	19
Eliminated on disposal	(18)	(18)
At 31 December 2012	70	70
<b>Net book value</b>		
At 31 December 2012	34	34
At 1 January 2012	52	52

**6 Debtors**

	2012 £000s	2011 £000s
Trade debtors	207	293
Amounts owed by group undertakings	2	794
Amounts recoverable on contract	23	151
Other debtors	39	83
	271	1,321

**7 Creditors: amounts falling due within one year**

	2012 £000s	2011 £000s
Payments on account	274	435
Trade creditors	24	43
Amounts owed to group undertakings	776	187
Taxation and social security	95	111
Accruals	35	-
Other creditors	73	117
	<u>1,277</u>	<u>893</u>

**8 Share capital**

Authorised share capital:

	2012 £	2011 £
76 Ordinary shares of £1 each	76	76

Allotted, called up and fully paid:

	2012 No	£	2011 No	£
Ordinary shares of £1 each	76	76	76	76

**9 Profit and loss account**

	£000s
At 1 January 2012	773
Loss for the period	<u>(1,409)</u>
At 31 December 2012	<u>(636)</u>

**10 Reconciliation of movements in shareholders' funds**

	2012 £000s
Loss for the period	(1,409)
Opening shareholders' funds	<u>773</u>
Closing shareholders' deficit	<u>(636)</u>

**11 Capital commitments**

The company had no capital commitments at 31 December 2012 and 31 December 2011.

**12 Contingent liabilities**

There were no contingent liabilities at 31 December 2012 and 31 December 2011.

**13 Related party transactions**

As a wholly owned subsidiary of Brady plc, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Brady plc on the grounds that accounts are publicly available.

**14 Controlling party**

The ultimate parent undertaking and controlling party of this company is Brady plc, registered in England and Wales, company number 2164768.