

Financial statements

Brady Energy UK Limited

For the year ended 31 December 2014

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COMPANIES HOUSE

Company No. SC195633

Company information

Company registration number: SC195633

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

Directors: Gavin Lavelle
Martin Thorneycroft

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

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Report of the directors

The directors present their report together with the financial statements for the year to 31 December 2014.

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 £273k (2013: loss of £206k).

Key performance indicators

Financial

- 1 Turnover is a key measure of the company's performance. Turnover for the year was £1,725k (2013: £1,726k).
- 2 Operating profit is a key indicator of the company's performance. The operating loss for the year was £273k (2013: loss of £206k).

Operating losses have increased as a result of the full year effect of the previous year's reorganisation.

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.

Directors

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

Gavin Lavelle
Martin Thorneycroft

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.

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.

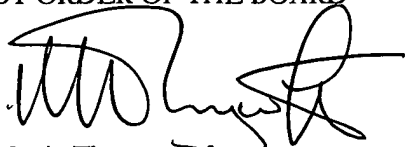
Auditor

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

Small company provisions

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



Martin Thorneycroft
Secretary

25 September 2015.



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 2014 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 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). Those standards require us to comply with the Auditing Practices Board'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2014 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report and in preparing the Directors' report.

Grant Thornton UK LLP

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

30 September 2015.

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 if 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	20% straight line
Computer hardware	33% straight line
Office equipment	20% straight line

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 a an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Leased assets

All leases are regarded as operating leases as the risks and rewards of ownership are not transferred. Payments under leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives are spread over the term of the lease.

Profit and loss account

	Note	2014 £000s	2013 £000s
Turnover	1	1,725	1,726
Cost of sales		<u>(1,481)</u>	<u>(1,534)</u>
Gross profit		244	192
Admin expenses		<u>(451)</u>	<u>(366)</u>
Operating loss	2	(207)	(174)
Interest payable and similar charges	3	<u>(66)</u>	<u>(32)</u>
Loss on ordinary activities before taxation		(273)	(206)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
Loss transferred to reserves	11	<u>(273)</u>	<u>(206)</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.

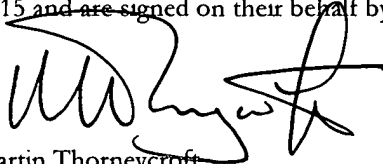
The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2014 £000s	2013 £000s
Fixed assets			
Tangible assets	6	39	44
Current assets			
Debtors	7	246	231
Cash at bank and in hand		<u>166</u>	<u>350</u>
		412	581
Creditors: amounts falling due within one year	8	<u>(1,566)</u>	<u>(1,467)</u>
Net current liabilities		<u>(1,154)</u>	<u>(886)</u>
Total assets less current liabilities		<u>(1,115)</u>	<u>(842)</u>
Net liabilities		<u>(1,115)</u>	<u>(842)</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	<u>(1,115)</u>	<u>(842)</u>
Shareholders' funds	11	<u>(1,115)</u>	<u>(842)</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

These financial statements were approved by the directors and authorised for issue on 25th September 2015 and are signed on their behalf by:


 Martin Thorneycroft
 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. The percentage of turnover attributable to markets outside the UK totalled 63% (2013: 43%).

2 Operating loss

Operating loss is stated after charging:

	2014 £000s	2013 £000s
Depreciation of owned fixed assets	18	16
Loss on disposal of fixed assets	-	-
Auditor's remuneration:		
- Audit fees	4	9
Foreign exchange losses	7	3

3 Interest payable and similar charges

	2014 £000s	2013 £000s
Interest payable to group undertakings	66	32

4 Directors and employees

	2014 £000s	2013 £000s
Wages and salaries	1,329	1,407
Social security costs	115	127
Other pension costs	37	52
	<u>1,481</u>	<u>1,586</u>

The Company operates a defined contribution pension scheme.

4 Directors and employees (continued)

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

	2014 No	2013 No
Number of directors	-	-
Number of administrative staff	19	16
	19	16

Remuneration in respect of directors was as follows:

	2014 £000s	2013 £000s
Emoluments receivable	-	-

5 Taxation on loss on ordinary activities

There was no current tax charge in 2014 and 2013 due to the loss generated.

6 Tangible fixed assets

	Computer Hardware £000s	Total £000s
Cost		
At 1 January 2014	130	130
Additions	13	13
At 31 December 2014	143	143
Depreciation		
At 1 January 2014	86	86
Charge for year	18	18
At 31 December 2014	104	104
Net book value		
At 31 December 2014	39	39
At 31 December 2013	44	44

7 Debtors

	2014 £000s	2013 £000s
Trade debtors	184	173
Amounts owed by group undertakings	25	-
Amounts recoverable on contracts	-	12
Other debtors	37	46
	246	231

8 Creditors: amounts falling due within one year

	2014 £000s	2013 £000s
Payments on account	219	374
Trade creditors	39	20
Amounts owed to group undertakings	1,131	945
Taxation and social security	77	90
Accruals	93	31
Other creditors	7	7
	1,566	1,467

9 Share capital

Authorised share capital:

	2014 £	2013 £
76 Ordinary shares of £1 each	76	76

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	76	76	76	76

10 Profit and loss account

	£000s
At 1 January 2014	(842)
Loss for the year	(273)
At 31 December 2014	(1,115)

11 Reconciliation of movements in shareholders' funds

	2014 £'000s
Opening shareholders' funds	(842)
Loss for the year	(273)
Closing shareholders' deficit	<u>(1,115)</u>

12 Leases

The Company's minimum operating lease payments are as follows:

	Within 1 year £'000s	Between 1 and 5 years £'000s	After more than 5 years £'000s	Total £'000s
31 December 2013	46	-	-	-
31 December 2014	46	-	-	-

Lease payment recognised as an expense during the year amounted to £69,000 (2013: £84,000).

13 Capital commitments

The company had no capital commitments at 31 December 2014 and 31 December 2013.

14 Contingent liabilities

There were no contingent liabilities at 31 December 2014 and 31 December 2013.

15 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.

16 Controlling party

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