

# Financial statements Brady Energy UK Limited

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For the year ended 31 December 2017



Company No. SC195633

## Company information

**Company registration number:** SC195633

**Registered office:** 83 Princes Street  
Edinburgh  
EH2 2ER

**Directors:** Martin Thorneycroft  
Elizabeth Koehn

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

**Bankers:** Royal Bank of Scotland  
12 Market Square  
Duns  
TD11 3DA

**Solicitors:** K&L Gates  
One New Change  
London  
EC4M 9AF

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## Directors' Report

The Directors present their report together with the financial statements for the year ended 31 December 2017.

### Principal activities and business review

The principal activities of the Company were the development and sale of software and associated services. The Directors expect these activities to continue for the foreseeable future.

The Company generated a profit for the year amounting to £27k (2016: £114k).

### Key performance indicators

#### Financial

- 1 Turnover is a key measure of the Company's performance. Turnover for the year was £1,344k (2016: £1,619k). The decrease is due to a reduced amount of services and development revenues along with a reduction in revenue from fellow group undertakings.
- 2 Operating profit is a key indicator of the Company's performance. The operating profit for the year was £81k (2016: £154k). The decrease is as a result of the reduction in services and development revenues.
- 3 Cash at the year end was £122k (2016: £91k). The increase is due to timing of receipts of trade receivables.

### 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, except as stated otherwise, and to the date of this report were as follows:

M Thorneycroft  
E Koehn (appointed 11 January 2018)

### Dividends

The Directors do not recommend the payment of a dividend for the year (2016: £nil).

## Directors' Report (continued)

### Going concern

The Company made a profit before tax in the financial year of £27k (2016: £114k) and has net current liabilities of £858k (2016: £896k). The Directors have considered the current market conditions, trading post-year end and the liquid resources available to the Company and have obtained a letter of support from the Company's ultimate parent undertaking, Brady plc. The letter of financial support from the ultimate parent undertaking indicates 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.

On the basis of their assessment of the Company's financial position and of the enquires made of the Directors of the ultimate parent undertaking, the Company's Directors have a reasonable expectation that the Company will continue in operational existence and meets its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

### Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report 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 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 Directors 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 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 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.

The Directors confirm that:

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

## Directors' Report (continued)

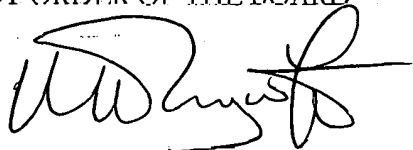
### **Auditor**

A resolution for the re-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 Directors will be authorised to determine the auditor's remuneration.

### **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

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

Martin Thorneycroft  
Director

10 July 2018



## **Independent Auditor's Report to the Members of Brady Energy UK Limited**

### **Opinion**

We have audited the financial statements of Brady Energy UK Limited (the 'Company') for the year ended 31 December 2017 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 2017 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.

### **Who we are reporting to**

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.

### **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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have 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.



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

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Financial Statements, 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.

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

### **Responsibilities of Directors for the financial statements**

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, 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.





**Independent Auditor's Report to the Members of Brady Energy UK 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.

*Grant Thornton UK LLP*

David Newstead  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Cambridge  
**Date: 10 July 2018**

# Principal Accounting Policies

## **Basis of preparation**

The Company is incorporated and domiciled in the Scotland. The address of its registered office, which is also its principal place of business, is 83 Princes Street, Edinburgh, Scotland, EH2 2ER.

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 approved by the Board of Directors on 10 July 2018.

## **Going concern**

The Company's business activities together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposure to credit risk are set out in the Directors' Report.

The Company made a profit before tax in the financial year of £27k (2016: £114k) and has net current liabilities of £845k (2016: £872k). The Directors have considered the current market conditions, trading post-year end and the liquid resources available to the Company and have obtained a letter of support from the Company's ultimate parent undertaking, Brady plc. The letter of financial support from the ultimate parent undertaking indicates 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.

On the basis of their assessment of the Company's financial position and of the enquires made of the Directors of the ultimate parent undertaking, the Company's Directors have a reasonable expectation that the Company will continue in operational existence and meets its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

## **Turnover**

Revenue comprises the value of sales (excluding trade discounts and VAT) of goods and services in the normal course of business. All revenue is measured at fair value of consideration. The Company has five sources of revenue and the policy on revenue recognition of each is detailed below. Contracts with clients typically contain a number of these sources of revenue which have separate detailed contractual arrangements within an overall agreement and are therefore treated on an unbundled basis.

Licence revenues under the up-front licence model are recognised on written or contracted acceptance of the software, when the client has confirmed all obligations in relation to the core software have been substantially completed, and at the date when the client has accepted the product, the risks and rewards of ownership have been transferred and it is probable that the economic benefits of the transaction will flow to the Company. To the extent that payments have been received in advance for licences, where written or contracted acceptance has not yet been reached, these amounts are recognised as deferred income;

Revenues under the rental model cover the contractual period of use and are recognised over the period to which the rental fee relates but only after written or contracted acceptance of the software, as defined above, has been received;

Consulting and professional service fee revenues, which are typically billed on a time and materials basis, are recognised as the work is performed provided that the amount of revenue can be measured reliably using timesheets or management estimates, it is probable that the economic benefits of the work performed will flow to the Company and the costs involved in providing the service can be measured reliably;

## Principal Accounting Policies (continued)

### Turnover (continued)

Support and maintenance and hosting revenue is recognised evenly over the period to which it relates in-line with contractual terms; and

Where the Company undertakes client specific software development, or where specific customisation or modification of the software is required and the outcome of these contracts can be reliably measured, revenue and associated costs are recognised according to the percentage-of-complete method. The stage of completion is assessed by comparing costs incurred to date with total estimated costs. Where the outcome of a contract cannot be reliably estimated, revenue is only recognised to the extent of contract costs that have been incurred and are recoverable. Contract costs are recognised in the period in which they are incurred. Full provision is made for losses on contracts in the period in which the loss is first foreseen.

Income in respect of management recharges to other Group companies is recognised when services are provided.

### Intangible assets

Software intangibles are stated at cost, net of amortisation, and any provision for impairment. Amortisation is calculated to write off the cost of all intangible assets over their expected useful economic lives of typically three years on a straight line basis. Following any impairment, the amortisation is based on the revised carry amount and, where applicable, the revised useful economic life.

### 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:

Computer equipment	33% straight line
Fixtures and fittings	33% straight line

### Impairment of non-financial assets

Assets that have an indefinite useful life, for example, intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### Foreign currency

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.

## Principal Accounting Policies (continued)

### **Tax**

Current tax is recognised for the amount of income tax payable in respect of the taxable profit 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 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.

### **Equity**

Share capital represents the nominal value of equity shares. Equity reserve represents the reserve in relation to the share options issued in Brady Plc but not yet exercised.

### **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.

### **Share-based payments**

Brady plc ("the Group") issues equity-settled share-based payments to certain employees and Directors of the Company. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and is only adjusted for the failure to meet non-market conditions.

Fair value is measured by use of a Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

### **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.

## Principal Accounting Policies (continued)

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

The preparation of these financial statements in conformity with FRS 101 requires the Directors 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. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date are discussed below:

### Revenue recognition

Significant management judgement is applied in determining the allocation and timing of the recognition of revenue on contracts. Contracts can include both the sale of licences and provision of services including integration and development. The Directors consider recognition of their separable components of revenue is appropriate based on the analysis of individual contracts, as this indicates the substance of the transaction as viewed by the customer. The point at which significant risks and rewards of ownership transfer is dependent on the contractual terms and an analysis is made of each separable component of revenue. In respect of a licence, this would usually be on delivery and written or contractual acceptance of the software provided the contract is non-cancellable. Client development and other customisation work may be subject to user acceptance tests. Revenue for these services is generally recognised on the basis of work done but where issues of client acceptance are identified, then revenue is deferred until issues are resolved. The carrying amounts at 31 December 2017 for amounts recoverable on contracts is £2,000 and payments received on account is £129,000 in notes 8 and 9, respectively.

### 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; and
- 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 *Impairment of Assets*.

# Statement of Comprehensive Income

	Notes	2017 £'000	2016 £'000
<b>Turnover</b>	1	1,344	1,619
Cost of sales		(762)	(756)
<b>Gross profit</b>		582	863
Administrative expenses		(501)	(709)
<b>Operating profit</b>	2	81	154
Interest payable and similar charges	3	(54)	(40)
<b>Profit on ordinary activities before taxation</b>		27	114
Tax on profit on ordinary activities	5	-	-
<b>Profit for the year being total comprehensive income</b>		27	114

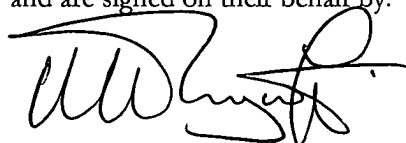
All of the activities of the Company in the current year are classed as continuing.

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

## Balance Sheet

	Notes	2017		2016	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	6		-		-
Tangible assets	7		<u>13</u>		<u>24</u>
			<b>13</b>		<b>24</b>
<b>Current assets</b>					
Debtors	8	<b>346</b>		<b>712</b>	
Cash at bank and in hand		<u>122</u>		<u>91</u>	
		<b>469</b>		<b>803</b>	
<b>Creditors: amounts falling due within one year</b>	9	<u><b>(1,327)</b></u>		<u><b>(1,699)</b></u>	
<b>Net current liabilities</b>			<u><b>(858)</b></u>		<u><b>(896)</b></u>
<b>Total assets less current liabilities</b>			<u><b>(845)</b></u>		<u><b>(872)</b></u>
<b>Capital and reserves</b>					
Called up share capital	10		-		-
Equity reserve			<b>4</b>		<b>4</b>
Profit and loss account			<u><b>(849)</b></u>		<u><b>(876)</b></u>
<b>Shareholders' deficit</b>			<u><b>(845)</b></u>		<u><b>(872)</b></u>

These financial statements were approved by the Board of Directors and authorised for issue on 10 July 2018 and are signed on their behalf by:



Martin Thorneycroft  
 Director

Company number SC195633

## Statement of Changes in Equity

	Called up share capital	Equity reserve	Profit and loss account	Total
	£ '000	£ '000	£ '000	£ '000
<b>At 1 January 2016</b>	-	3	(990)	(987)
Total comprehensive income for the year	-	-	114	114
Credit to equity for share-based payments	-	1	-	1
<b>At 31 December 2016</b>	-	4	(876)	(872)
Total comprehensive income for the year	-	-	27	27
<b>At 31 December 2017</b>	-	4	(849)	(845)

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



# Notes to the Financial Statements

## 1 Turnover

The turnover is attributable to the principal activities of the Company.

An analysis of sales revenue by geographic segment is given below:-

	2017 £'000	2016 £'000
United Kingdom	996	624
Rest of Europe	348	936
North America	-	59
	<b>1,344</b>	<b>1,619</b>

An analysis of sales revenue by activity is given below:-

	2017 £'000	2016 £'000
Recurring support, maintenance and rentals	570	538
Services including development	25	244
Other	749	837
	<b>1,344</b>	<b>1,619</b>

Other revenue comprises management re-charges to other Group companies.

## 2 Operating profit

Operating profit on ordinary activities before taxation is stated after charging/(crediting):

	2017 £'000	2016 £'000
Depreciation of owned tangible fixed assets	17	23
Loss on disposal of tangible fixed assets	1	-
Amortisation of intangible fixed assets	-	1
Operating lease rental charges	108	67
Net foreign exchange losses / (gains)	8	(2)

Auditor's remuneration in respect of audit services for the Company for the current year was £7,150 (2016: £7,150). These costs were borne by another Group undertaking with no right of recharge.

## Notes to the Financial Statements (continued)

### 3 Interest payable and similar charges

	2017 £'000	2016 £'000
Interest payable to fellow Group undertakings	54	40

### 4 Directors and employees

The average number of staff employed by the Company (including Executive Directors) during the financial year amounted to:

	2017 £'000	2016 £'000
Sales, service and client support	4	7
Development	8	8
Administration	2	2
	14	17

The Directors of the Company, being employees of Brady plc, 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 £180k (2016: £547k). Options held by employees of Brady Energy UK Limited are over shares in the ultimate parent company, Brady plc.

### 5 Tax on profit on ordinary activities

#### a) Analysis of charge in year

	2017 £'000	2016 £'000
<b>Current tax</b>		
UK corporation tax based on profit for the year at 19.25% (2016: 20%)	-	-
Tax on profit on ordinary activities	-	-

#### b) Factors affecting tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained as follows:-

	2017 £'000	2016 £'000
Profit on ordinary activities before taxation	27	114
Profit on ordinary activities multiplied by standard rate of tax	5	(23)
Losses and other timing differences	(5)	(23)
Tax on profit on ordinary activities	-	-

## Notes to the Financial Statements (continued)

### **5 Tax on profit on ordinary activities (continued)**

The Company has tax losses of £1.7 million (2016: £1.8 million) that are available for offset against future taxable profits. A deferred tax asset has not been recognised in respect of these losses as future taxable profits are uncertain.

### **6 Intangible fixed assets**

	<b>Software</b> <b>£'000</b>
<b>Cost</b>	
At 1 January 2017	52
Disposals	(42)
<b>31 December 2017</b>	<u><b>10</b></u>
<b>Depreciation</b>	
At 1 January 2017	(52)
Elimination on disposal	42
<b>31 December 2017</b>	<u><b>(10)</b></u>
<b>Net Book Value</b>	
At 31 December 2017	<u>-</u>
At 31 December 2016	<u>-</u>

## Notes to the Financial Statements (continued)

### 7 Tangible fixed assets

	Fixtures & Fittings £'000	Computer Equipment £'000	Total £'000
<b>Cost</b>			
At 1 January 2017	3	130	133
Additions	7	-	7
Disposals	-	(18)	(18)
<b>At 31 December 2017</b>	<b>10</b>	<b>112</b>	<b>122</b>
<b>Depreciation</b>			
At 1 January 2017	(3)	(106)	(109)
Charge for the year	(2)	(15)	(17)
Elimination on disposal	-	17	17
<b>At 31 December 2017</b>	<b>(5)</b>	<b>(104)</b>	<b>(109)</b>
<b>Net Book Value</b>			
At 31 December 2017	5	8	13
At 31 December 2016	-	24	24

### 8 Debtors

	2017 £'000	2016 £'000
Trade debtors	75	135
Amounts owed by fellow Group undertakings	218	416
VAT receivable	-	14
Other debtors	23	13
Amounts recoverable on contracts	2	116
Prepayments and accrued income	28	18
	<b>346</b>	<b>712</b>

## Notes to the Financial Statements (continued)

### **9 Creditors: amounts falling due within one year**

	2017 £'000	2016 £'000
Payments on account	129	119
Trade creditors	40	35
Amounts owed to fellow Group undertakings	1,040	1,502
Other creditors	15	5
Taxation and social security	28	20
Accruals	75	18
	<b>1,327</b>	<b>1,699</b>

### **10 Share capital**

Allotted, called up and fully paid:

	2017		2016	
	No	£	No	£
Ordinary shares of £1 each	76	76	76	76

### **11 Leases**

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

	2017 £'000	2016 £'000
No later than 1 year	75	67
Later than 1 year and no later than 5 years	-	-
More than 5 years	-	-
	<b>75</b>	<b>67</b>

### **12 Capital commitments**

The Company had no capital commitments at 31 December 2017 and 31 December 2016.

### **13 Contingent liabilities**

The Company had no contingent liabilities at 31 December 2017 and 31 December 2016.

### **14 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).

## Notes to the Financial Statements (continued)

### **15 Controlling party**

The immediate parent undertaking is Brady Energy Norway AS, a company incorporated in Norway. The ultimate parent undertaking and controlling party is Brady plc, a company incorporated in England and Wales.

The smallest and largest group in which the results of the Company are consolidated for the year ended 31 December 2017 is that headed by Brady plc. Copies of these consolidated financial statements may be obtained from [www.bradyplc.com](http://www.bradyplc.com).