

BRADY.

Company registration number SC195633 (Scotland)

BRADY ENERGY UK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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BRADY ENERGY UK LIMITED

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COMPANY INFORMATION

Director

Andrew Woolley

Company number

SC195633

Registered office

40 Torphichen Street
Edinburgh
EH3 8JB

Auditor

Ernst and Young LLP
Cambridge Business Park
Cowley Road
Cambridge
CB4 0WZ

BRADY ENERGY UK LIMITED



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BRADY ENERGY UK LIMITED**DIRECTOR'S REPORT****FOR THE YEAR ENDED 31 DECEMBER 2022**

The Director presents their Director's Report together with the audited financial statements for the year ended 31 December 2022.

Principal activities

Brady Energy UK Limited (the "Company" or "Brady") develops and sells trading and risk management software for the energy market, along with associated services.

Results and dividends

The Company made a profit of £83,000 for the year ended 31 December 2022 (2021: loss of £146,000).

No dividends were declared or paid in the year (2021: £nil).

Business review

The Company had the following key performance indicators (KPIs) in 2022:

KPI	2022 £'000	2021 £'000	Explanation
Revenue	2,082	940	Revenue represents direct sales to customers and consulting services to fellow group companies. Revenue to external customers has increased by £1,751,000 (594%) which is due to the Company purchasing Energy market trade and assets from other group companies in January 2022 and April 2022. Revenue to group companies decreased by £610,000 due to lower research and development services provided.
Operating profit/(loss)	99	(37)	The Company has made an operating profit in the current year, due to the Energy market business acquired from group companies.
Cash at 31 December	11	12	Cash is in line with management expectation and prior year balance.

Going concern

The Company made a profit before tax in the year ended 31 December 2022 of £0.036 million and at 31 December 2022 had net liabilities of £3.2 million. The Company's cashflows are highly related to the cashflows of the group of companies headed by Brady Acquisition Limited (the "Brady Group") and are considered on this basis by the Director. The Director has reviewed the cash flow forecasts of the Brady group for the period through to 31 December 2024.

The Director has also considered the current market conditions, trading activity post-year end and the liquid resources available to the Brady group, 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 Brady group 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, cost base, foreign exchange and the level of capital expenditure.

On the basis of the Director's assessment of the Brady group's financial position and of the enquiries 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.

BRADY ENERGY UK LIMITED



DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Andrew Woolley

Fabienne Kangayan

(Resigned 14 July 2022)

Qualifying third party indemnity provisions

The Company has entered into qualifying third party indemnity arrangements for the benefit of the Company and its Directors 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.

Financial risk management objectives and policies

The Company uses various financial instruments, including cash, trade receivables, trade payables and intercompany loans. The main purpose of these financial instruments is to provide finance for the Company's operations.

The main risks arising from the Company's financial instruments are credit risk and liquidity risk.

Liquidity risk

Liquidity risk is the risk arising from the Company not being able to meet its obligations as they fall due.

The Company manages its liquidity needs by carefully monitoring forecast cash inflows and outflows due in day-to-day business. Net cash requirements are compared to balances in order to determine headroom or any shortfalls.

Intra-group funding is utilised to maintain liquidity and the Company receives loans and provides loans to / from other Group companies.

Credit risk

The Company's principal financial assets are cash and trade receivables. The principal credit risk lies with trade receivables and contract assets.

In order to manage credit risk, the Director sets 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 aging and collection history.

Due to government sanctions imposed following the invasion of Ukraine, credit risk on receivables due from Russian customers may arise. There is no impact on the 2022 financial statements.

Outlook

The Company purchased various energy market trade and assets from other group companies in January 2022 and April 2022. The Company, with its larger customer base, continues to focus on key areas of execution including technology innovation and customer experience to ensure a business aligned to its strategic objectives into 2023 and beyond.

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.

BRADY ENERGY UK LIMITED**DIRECTOR'S REPORT (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****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 Accounting Standards including FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice). Under company law the Director must not approve the accounts unless he is satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that year. In preparing these financial statements, the Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

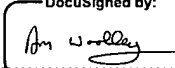
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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.

On behalf of the board

DocuSigned by:

C8A6980F523848A1..
Andrew Woolley
Director

03-Oct-2023
 Date:

BRADY ENERGY UK LIMITED

BRADY.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF BRADY ENERGY UK LIMITED

Opinion

We have audited the financial statements of Brady Energy UK Limited for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 26, 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 2022 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 31 December 2024.

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.

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 this gives rise to 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.

BRADY ENERGY UK LIMITED



INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF BRADY ENERGY UK LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' 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 strategic report or 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirements to prepare a strategic report.

Responsibilities of director

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

BRADY ENERGY UK LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBER OF BRADY ENERGY UK LIMITED

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.

- 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 Energy UK 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 tested management's entity level controls to understand the company culture of honest and ethical behaviour, including the emphasis on fraud prevention.
- 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 and tested internal controls designed by the company 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 member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Ernst & Young LLP

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Luke Little (Senior Statutory Auditor)**for and on behalf of Ernst & Young LLP, Statutory Auditor****Cambridge**

Date: 03 October 2023

BRADY ENERGY UK LIMITED**BRADY.****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2022**

		2022	2021
	Notes	£'000	as restated £'000
Revenue	3	2,082	940
Cost of sales		(12)	(230)
Gross profit		2,070	710
Operating expenses		(1,971)	(747)
Operating profit/(loss)	5	99	(37)
Net finance cost	8	(63)	(109)
Profit/(loss) before tax		36	(146)
Tax	9	47	-
Profit/(loss) after tax and total comprehensive profit/(loss) for the year	19	83	(146)

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

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

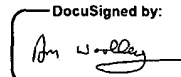
The accompanying accounting policies and notes form part of these financial statements.

BRADY ENERGY UK LIMITED**BRADY.****STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

		2022		2021 as restated	
	Notes	£'000	£'000	£'000	£'000
Non-current assets					
Property, plant and equipment	11		24		28
Right-of-use assets	11		366		428
			<u>390</u>		<u>456</u>
Current assets					
Trade and other receivables	13	547		577	
Cash and cash equivalents		11		12	
		<u>558</u>		<u>589</u>	
Current liabilities					
Trade and other payables	16	3,658		2,508	
Lease liabilities	12	65		62	
		<u>3,723</u>		<u>2,570</u>	
Net current liabilities			(3,165)		(1,981)
Total assets less current liabilities			(2,775)		(1,525)
Non-current liabilities					
Lease liabilities	12	367		432	
		<u>(367)</u>		<u>(432)</u>	
Net liabilities			<u>(3,142)</u>		<u>(1,957)</u>
Equity attributable to the owners of the Company					
Called up share capital	17		-		-
Other reserves	18		(1,268)		-
Retained earnings	19		(1,874)		(1,957)
Deficit in shareholder funds			<u>(3,142)</u>		<u>(1,957)</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 03-Oct-2023 and are signed on its behalf by:

DocuSigned by:

 C6A69BDF5238484
 Andrew Woolley
 Director

Company registration number SC195633

BRADY ENERGY UK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £'000	Other reserve £'000	Retained earnings £'000	Total £'000
As restated for the period ended 31 December 2021:				
Balance at 1 January 2021	-	-	(1,811)	(1,811)
Year ended 31 December 2021:				
Loss and total comprehensive income for the year	-	-	(146)	(146)
Balance at 31 December 2021	-	-	(1,957)	(1,957)
Year ended 31 December 2022:				
Profit and total comprehensive income for the year	-	-	83	83
Loss on purchase of energy market trade and assets from group companies - notes 18, 20 & 21	-	(1,268)	-	(1,268)
Balance at 31 December 2022	-	(1,268)	(1,874)	(3,142)

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

BRADY ENERGY UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies**Company information**

Brady Energy UK Limited is a private company limited by shares incorporated and domiciled in Scotland. The address of its registered office, which is also its principal place of business is 40 Torphichen Street, Edinburgh, EH3 8JB.

1.1 Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards and in accordance with applicable law and United Kingdom Accounting Standards including FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice). 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 thousand Pound Sterling, unless otherwise stated.

These financial statements have been authorised for issue and approved by the Directors on 03-Oct-2023

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

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of the second sentence of paragraph 110, paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirements of paragraph 52, paragraph 58, the second sentence of paragraph 89 and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of;
 - paragraph 79(a)(iv) of IAS 9
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - paragraph 118(e) of IAS 38 Intangible Assets.
- the requirement of paragraphs 10(d), 10(f), 16, 38(a)-(d), 40(a)-(d), 111 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; and
- 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.

BRADY ENERGY UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****1 Accounting policies****(Continued)****1.2 Going concern**

The Company made a profit before tax in the year ended 31 December 2022 of £0.036 million and at 31 December 2022 had net liabilities of £3.2 million. The Company's cashflows are highly related to the cashflows of the group of companies headed by Brady Acquisition Limited (the "Brady Group") and are considered on this basis by the Director. The Director has reviewed the cash flow forecasts of the Brady group for the period through to 31 December 2024.

The Director has also considered the current market conditions, trading activity post-year end and the liquid resources available to the Brady group, 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 Brady group 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, cost base, foreign exchange and the level of capital expenditure.

On the basis of the Director's assessment of the Brady group's financial position and of the enquiries 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.

1.3 Revenue

Revenue comprises the value of sales (excluding trade discounts and VAT) of goods and services in the normal course of business. The Company has multiple revenue streams and the policy for each is detailed below. The Company acts as the principal in all sales.

To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as the performance obligation(s) are satisfied.

Contracts typically contain a number of revenue streams and, depending on the contractual terms, may not be distinct and therefore considered to be one performance obligation. The total contract transaction price is allocated to the various performance obligations based on their relative stand-alone selling prices.

Subscription of software, term licences and associated installation services

Revenue from rental (subscription) of software is recognised evenly over the period from the date the customer can benefit from using the software, typically the point when the customer has the ability to 'go-live', until the contract end date. Software rental contracts are under a 'right to access' model and the Company retains control of the intellectual property throughout the contract term.

Revenue from sale of software term licences is recognised at a point in time when the customer has control of the asset, which is typically at the point when the customer has the ability to 'go-live'. Software term licence contracts are under a 'right to use' model and the customer is entitled to the intellectual property as it stands at a point in time.

Due to the nature of the Company's software offerings, there is typically a period of installation before the customer can benefit from the asset. Revenue from installation services is recognised on completion of related performance obligations, typically when the customer has the ability to 'go-live'.

BRADY ENERGY UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****1 Accounting policies****(Continued)*****Consulting and professional service fee revenues***

Revenue from consulting and professional service fees is recognised over time as the work is performed as this reflects when control is considered to be transferred. The customer receives and consumes the benefit of the service as it is performed, and the Company has an enforceable right to payment for work completed to date on a time and materials basis.

The Company performs some bespoke development work on its software products at client request. Revenue from bespoke development work is recognised at a point in time when contractual commitments have been delivered, which is typically when the customer has the ability to 'go-live'.

Support, maintenance and hosting

Revenue from support, maintenance and hosting is recognised evenly over the period to which it relates in line with contractual terms. As the amount of work required under these contract elements does not vary significantly from month-to-month, the straight-line method provides a faithful depiction of the transfer of goods or services.

Contract assets and liabilities

The Company recognises the following contract assets in the Statement of Financial Position:

- Amounts recoverable on contracts, if the Company satisfies a performance obligation before it invoices the customer. The asset is derecognised at the point in time when the Company invoices the customer.
- Contract fulfilment costs if the following criteria are met:
 - The costs directly relate to a contractual performance obligation;
 - The costs relate to satisfaction of a performance obligation in the future; and
 - The costs are expected to be recovered.

The contract fulfilment asset is amortised over the period in which the revenue from the related performance obligation is recognised.

At each reporting date, contract assets are assessed for impairment by comparing the carrying amount of the asset to the remaining consideration that the Company expects to receive under the contract, less future costs to complete.

No contract assets are recognised for incremental costs of obtaining customer contracts as assessment of whether such costs are recoverable is not probable.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as 'contract liabilities' in the Statement of Financial Position.

Financing elements

The Company does not expect to have any contracts where the period between revenue recognition and payment by the customer exceeds one year. Consequently, the Company applies the practical expedient in IFRS 15.63 and does not adjust the transaction price for the time value of money.

BRADY ENERGY UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022
1 Accounting policies**(Continued)****Contract modifications**

From time to time, there is a change in scope of the original contract between the Company and a customer. All contract modifications are supported by contractual change orders. Change orders are accounted for as a separate contract when:

- The change order includes distinct goods or services; and
- The price changes relative to the stand-alone prices of the goods or services.

If both criteria are not met, the change order is not accounted for as a separate contract and the Company accounts for the change order as if it were part of the performance obligations in the existing contract. The effect of the change order on contract value and progress to date is assessed at contract modification date and a cumulative catch-up adjustment to revenue is recognised at this point.

1.4 Property, plant and equipment

Tangible fixed assets are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged to the Statement of Comprehensive Income so as to write off the cost or valuation less estimated residual values over their expected useful lives on a straight-line basis over the following periods:

Leasehold improvements	over the period of the lease
Fixtures, fittings & equipment	three years

Residual values and useful economic lives are assessed annually. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in operating expenses.

1.5 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 that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

BRADY ENERGY UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022
1 Accounting policies**(Continued)****1.7 Trade receivables**

Trade receivables are amounts due from customers for products sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method less loss allowance.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which use a lifetime expected credit loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

1.8 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expired.

1.9 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.

1.10 Tax

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

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.

BRADY ENERGY UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****1 Accounting policies****(Continued)*****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 not 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.

1.11 Employee benefits

Short term employee benefits, including salaries, bonuses, social security contributions, paid annual leave and paid sick leave, are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employee renders the related service. Liabilities are presented within trade and other payables in the consolidated Statement of Financial Position.

1.12 Retirement benefits

The Company operates a defined contribution pension arrangement. The amount charged to the Statement of Comprehensive Income represents the contribution payable in the period.

Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

1.13 Leased assets***Identification of a lease***

For any new contracts entered into on or after 1 January 2019, the Company considers whether a contract is, or contains, a lease. A lease is defined as a 'contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identifiable asset, which is either explicitly identified in the contract or implicitly specified as being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights defined within the scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

BRADY ENERGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies**(Continued)*****Initial measurement***

At the lease commencement date, the Company recognises a right-of-use (RoU) asset and a lease liability on the Statement of Financial Position.

The RoU asset is measured at cost, which is made up of:

- the initial measurement of the lease liability;
- any initial direct costs incurred by the Company;
- an estimate of cost to dismantle, restoration costs or cost to remove the asset at the end of the lease; and
- any lease payments made in advance of the lease commencement date, net of any incentives received.

At the lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Company's incremental borrowing rate. To determine the incremental borrowing rate, the Company uses recent third party financing arrangements as a starting point, adjusted to reflect changes in the Company's position since the financing was received and for any lease-specific factors such as term, country, currency or security.

Lease payments included in the measurement of the lease liability are made up of:

- fixed payments (including in-substance fixed);
- variable payments based on an index or rate;
- amounts expected to be paid under a residual guarantee; and
- payments arising from options reasonably certain to be exercised.

Subsequent measurement

The Company depreciates the RoU asset on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the RoU asset or the end of the lease term. The Company also assesses the RoU asset for impairment when indicators exist.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the profit and loss so as to produce a constant periodic rate of interest of the remaining balance of the liability for each period. The lease liability will be reduced for payments made and be increased for finance costs. It is remeasured to reflect any reassessment or modification, or if there are changes to the in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the RoU asset, or profit and loss if the RoU asset is already reduced to zero.

Practical expedients

The Company has elected to account for short-term leases (leases with a term of under 12 months) and leases of low-value assets (leases with initial lease liability of under £5,000) using the practical expedients in IFRS 16. Instead of recognising a RoU asset and a lease liability, the payments in relation to these are recognised as an expense in the profit or loss on a straight-line basis over the lease term.

BRADY ENERGY UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****1 Accounting policies****(Continued)****1.14 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 Statement of Comprehensive Income within "operating expenses". Non-monetary items 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.

1.15 Interest income and expense

Interest income and expense is included in the Statement of Comprehensive Income on a time basis, using the effective interest method by reference to the principal outstanding.

1.16 Correction of an error

The Company identified an error in the completeness of intra-group R&D service charges included in the statement of comprehensive income for the year ended 31 December 2021, with a corresponding error in the amounts owed by group companies in the statement of financial position at 31 December 2021. In accordance with IAS 8, the error has been corrected by restating the affected financial statement line items for the prior year as follows:

	As reported £'000	Adjustment £'000	As restated £'000
Statement of comprehensive income			
Revenue	481	459	940
Statement of financial position			
Trade and other receivables	118	459	577
Statement of changes in equity			
Retained earnings	(2,416)	459	(1,957)

2 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 the following to be critical accounting judgements or key sources of estimation uncertainty affecting the results of the Company in the current and preceding financial years:

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 performance obligations are completed 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 at the point control is passed on to the customer, typically on functional acceptance tests. 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 the issues are resolved.

BRADY ENERGY UK LIMITED**BRADY.****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****3 Revenue**

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

An analysis of sales revenues split between external customers and other group companies is given below:

	2022	2021
	£'000	£'000
Revenue to external customers	2,047	295
Revenue to other group companies	35	645
Total revenue	2,082	940

Revenue from three (2021: two) customers of Brady Energy UK Limited contributed more than 10% individually to the company's external revenues and amounted to £1,255,000 (2021: £240,000).

Revenue to other group companies comprises consultancy services.

An analysis of external sales revenue by activity and time of revenue recognition is given below:

	Recurring support, maintenance and rentals £'000	Services including development £'000	Software licences £'000	Total £'000
Year ended 31 December 2022				
Timing of revenue recognition:				
At a point in time	-	128	5	133
Over time	1,585	329	-	1,914
Total revenues to external customers	1,585	457	5	2,047

	Recurring support, maintenance and rentals £'000	Services including development £'000	Software licences £'000	Total £'000
Year ended 31 December 2021				
Timing of revenue recognition:				
At a point in time	-	-	-	-
Over time	295	-	-	295
Total revenues to external customers	295	-	-	295

BRADY ENERGY UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022
4 Assets and liabilities related to contracts with customers

The Company has recognised the following assets and liabilities related to contracts with customers:

Current contract assets relating to:		2022	2021
	Note	£'000	£'000
Recurring support, maintenance and rentals		-	3
Services, including development		62	-
	13	<u>62</u>	<u>3</u>
Current contract liabilities relating to:		2022	2021
	Note	£'000	£'000
Recurring support, maintenance and rentals		1,036	12
Services, including development		27	-
	16	<u>1,063</u>	<u>12</u>

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities:

	2022	2021
	£'000	£'000
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period		
Advance billing for recurring revenue	<u>12</u>	<u>80</u>

Assets recognised from costs to fulfil a contract

The Company has not recognised any assets at 31 December 2022 (2021: £nil) in relation to costs to fulfil a long-term contract.

5 Operating profit/(loss)

		2022	2021
	Note	£'000	£'000
Operating profit/(loss) for the year is stated after charging/(crediting):			
Net foreign exchange losses		40	6
Depreciation of property, plant and equipment	11	4	13
Depreciation of right of use assets	11	62	62
(Profit)/loss on disposal of property, plant and equipment		-	2
Amortisation of intangible assets	10	<u>188</u>	<u>-</u>

BRADY ENERGY UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022
6 Auditor's remuneration

Auditor's remuneration in respect of audit services for the Company for the current year was £10,000 (2021: £7,500). These costs were borne by another group undertaking with no right of recharge.

7 Directors and employees

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

	2022 Number	2021 Number
Sales, service and client support	-	3
Development	-	4
Administration	-	1
	<u> </u>	<u> </u>
Total	-	8
	<u> </u>	<u> </u>

On 31 October 2021, all employees were transferred under TUPE to a sister company, Brady Trading Limited. The Company had no employees from this date onwards.

Their aggregate remuneration comprised:

	2022 £'000	2021 £'000
Wages and salaries	-	596
Social security costs	-	68
Post employment benefits: defined pension contributions	-	51
	<u> </u>	<u> </u>
	-	715
	<u> </u>	<u> </u>

The Directors of the Company, being employees of other group companies, 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 £482,000 (2021: £444,000).

A relevant proportion of employee and Director costs are included in the recharge from Brady Technologies Limited, the indirect parent company, which contains the central services business for the group.

8 Net finance cost

	Note	2022 £'000	2021 £'000
Interest payable to group undertakings		42	85
Lease liability interest payable	12	21	24
		<u> </u>	<u> </u>
		63	109
		<u> </u>	<u> </u>

BRADY ENERGY UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022
9 Taxation

	2022	2021
	£'000	£'000
Current tax		
Overseas tax credit - adjustment in respect of prior year	(47)	-
	<u>(47)</u>	<u>-</u>
The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:		
	2022	2021
	£'000	£'000
Profit/(loss) before taxation	36	(146)
Expected tax charge/(credit) based on a corporation tax rate of 19.00% (2021: 19.00%)	7	(28)
Effect of expenses not deductible in determining taxable profit	46	1
Adjustment in respect of prior years	(47)	-
Tax losses for which no deferred tax was recognised	-	27
Use of losses brought forward	(53)	-
Taxation credit for the year	<u>(47)</u>	<u>-</u>

Factors affecting future tax charge

The Company has tax losses of £2.5 million (2021: £3.3 million) that are available for offset against future taxable profits. A deferred tax asset of £0.6 million (2021: £0.8 million) has not been recognised in respect of these losses as future taxable profits are uncertain.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

BRADY ENERGY UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****10 Intangible assets**

	Trademarks and patents £'000	Development costs £'000	Total £'000
Cost			
At 1 January 2022	-	-	-
Additions	32	2,814	2,846
Disposals	(32)	(2,814)	(2,846)
At 31 December 2022	-	-	-
Amortisation and impairment			
At 1 January 2022	-	-	-
Charge for the year	8	180	188
Eliminated on disposals	(8)	(180)	(188)
At 31 December 2022	-	-	-
Carrying amount			
At 31 December 2022	-	-	-
At 31 December 2021	-	-	-

In January 2022, the Company purchased development costs from Brady Technologies Limited, the indirect parent company, of £156,000. See note 20.

In April 2022, the Company purchased development costs from Brady Trading Limited, a sister subsidiary company at the time, of £2,659,000. See note 20.

In December 2022, the Company sold development costs of £2,634,000 and trademarks and patents of £24,000 to Brady Technologies Limited. See note 21.

BRADY ENERGY UK LIMITED**BRADY.****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****11 Property, plant and equipment**

	Property	Leasehold improvements	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2022	619	41	21	681
At 31 December 2022	619	41	21	681
Depreciation				
At 1 January 2022	191	13	21	225
Charge for the year	62	4	-	66
At 31 December 2022	253	17	21	291
Carrying amount analysed between owned assets and right-of-use assets				
At 31 December 2022				
Owned assets	-	24	-	24
Right-of-use assets	366	-	-	366
	<u>366</u>	<u>24</u>	<u>-</u>	<u>390</u>
At 31 December 2021				
Owned assets	-	28	-	28
Right-of-use assets	428	-	-	428
	<u>428</u>	<u>28</u>	<u>-</u>	<u>456</u>

Right-of-use assets

The Company has the following lease contract for an office:

	2022 £'000	2021 £'000
Net values at the year end		
Property	<u>366</u>	<u>428</u>
Depreciation charge for the year		
Property	<u>62</u>	<u>62</u>


BRADY ENERGY UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022
12 Lease liabilities

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022 £'000	2021 £'000
Lease liabilities		
Current	65	62
Non-current	367	432
	<u>432</u>	<u>494</u>

The Statement of Comprehensive Income includes the following amounts relating to right of use assets:

	Note	2022 £'000	2021 £'000
Included in operating expenses			
Depreciation charge relating to right of use property asset	11	62	62
		<u>62</u>	<u>62</u>
Included in net finance cost			
Lease liability interest payable	8	21	24
		<u>21</u>	<u>24</u>

13 Trade and other receivables

	2022 £'000	2021 £'000
Trade receivables	436	14
Provision for bad and doubtful debts	(2)	-
	<u>434</u>	<u>14</u>
Contract assets (note 4)	62	3
VAT receivable	-	7
Amounts owed by group undertakings	-	548
Other receivables	42	-
Prepayments	9	5
	<u>547</u>	<u>577</u>

The amounts owed by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

Trade receivables and contract assets are stated after provisions for impairment of £2,000 (2021: £nil).


BRADY ENERGY UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022
14 Trade receivables - credit risk

The loss allowance as at 31 December 2022 and 31 December 2021 was determined as follows:

31 December 2022	Current	More than 30 Days	More than 60 Days	More than 90 Days	Total
Expected loss rate	0.4%	0.9%	6.4%	17.3%	0.4%
Gross carrying amount trade receivables £'000	436	-	-	-	436
Gross carrying amount contract assets £'000	62	-	-	-	62
Loss allowance	2	-	-	-	2
31 December 2021	Current	More than 30 Days	More than 60 Days	More than 90 Days	Total
Expected loss rate	0.0%	0.0%	0.0%	0.0%	0.0%
Gross carrying amount trade receivables £'000	14	-	-	-	14
Gross carrying amount contract assets £'000	3	-	-	-	3
Loss allowance	-	-	-	-	-

15 Cash and cash equivalents

	2022	2021
	£'000	£'000
Cash and cash equivalents at bank	11	12
	<u>11</u>	<u>12</u>

The carrying amount of cash and cash equivalents approximates to fair value because of the short-term maturity of these instruments.

BRADY ENERGY UK LIMITED**BRADY.****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2022**16 Trade and other payables**

	2022	2021
	£'000	£'000
Trade payables	16	7
Contract liabilities (note 4)	1,063	12
Amounts owed to group undertakings	2,516	2,479
Accruals	18	9
Taxation and social security	4	1
Other payables	41	-
	<u>3,658</u>	<u>2,508</u>

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

17 Share capital

Allotted, called up and fully paid:

	2022		2021	
	Number	£	Number	£
Ordinary shares of £1 each	76	76	76	76
	<u>76</u>	<u>76</u>	<u>76</u>	<u>76</u>

18 Other reserves

	2022	2021
	£'000	£'000
At the beginning of the year	-	-
Loss on purchase of energy market trade and assets from group companies	(1,268)	-
At the end of the year	<u>(1,268)</u>	<u>-</u>

Other reserves relate to the excess of the consideration paid compared to the carrying value of the energy market trade and assets purchased from group companies in January 2022 and April 2022.

19 Retained earnings

Retained earnings are the cumulative profit and loss of the Company, net of any distribution to owners.

BRADY ENERGY UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022
20 Purchases of trade and assets

On 1 January 2022, the Company purchased the trade and assets of Brady Energy AG, a sister subsidiary company registered in Switzerland, which sells software and associated services in the Energy Market. The Company purchased the trade and assets from Brady Technologies Limited, the indirect parent company, who had purchased the trade and assets from Brady Energy AG on 31 December 2021.

The following net liabilities were acquired:

	£'000
Cash and cash equivalents	9
Internally generated software asset	156
Other current assets	290
Other current payables	855
Net intra-group balances	11
	<hr/>
Net liabilities acquired	411
	<hr/> <hr/>

The consideration payable was £882,000, which is included in amounts owed to group undertakings at 31 December 2022. The excess of consideration payable over net liabilities acquired of £1,293,000 is recognised in other reserves within equity (see note 18).

In April 2022, due to a group restructuring, the Company purchased the trade and assets relating to the Energy business of Brady Trading Limited, a 100% subsidiary company at that time, registered in England.

The Company acquired the following net assets:

	£'000
Internally generated software asset	2,659
Other current assets	15
Other current payables	99
	<hr/>
New assets purchased	2,575
	<hr/> <hr/>

The consideration payable was £2,575,000 and is included in amounts owed to group undertakings at 31 December 2022.

BRADY ENERGY UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****21 Disposals**

In December 2022, the Company sold its intellectual property rights relating to the Energy business to Brady Technologies Limited, the indirect parent company.

The Company sold the following assets:

	£'000
Internally generated software asset	2,634
Trademarks and patents	24
	<hr/>
Net assets sold	2,658
	<hr/> <hr/>

The consideration receivable was £2,635,000 and reduced the amounts owed to group undertakings at 31 December 2022. The difference between the consideration receivable and the net asset sold of £23,000 is recognised in other reserves within equity (see note 18).

22 Contingent liabilities

The Company had no contingent liabilities at 31 December 2022 or 31 December 2021.

23 Capital commitments

The Company had no capital expenditure contracted for but not provided in the financial statements at 31 December 2022 or 31 December 2021.

24 Events after the reporting period

No adjusting or non adjusting events have occurred between the 31 December 2022 reporting date and the date of authorisation of these financial statements.

25 Related party transactions

The Directors remuneration is disclosed in note 7.

As a wholly owned subsidiary of Brady Technologies 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.

26 Controlling party

As at 31 December 2022 the immediate parent undertaking is Brady Energy Norway AS, a company incorporated in Norway.

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 is 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 2022 is that headed by Brady Acquisition Limited. Copies of these financial statements may be obtained from Companies House.