

Financial statements Commodities Software (UK) Limited

For the year ended 31 December 2017



Company No. 02906889

Company information

Company registration number: 02906889

Registered office: First Floor
Victory House
Vision Park
Cambridge
CB24 9ZR

Director: M Thorneycroft

Secretary: R Wright

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

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Director's Report

The Director presents his report together with the financial statements for the year ended 31 December 2017.

Principal activity and business review

Historically, the principal activity of the Company was the development and sale of software and associated services. In 2017 and 2016, the Company has not traded as its trade was transferred to other group companies within the Brady plc group in the year ended 31 December 2015. The Director expects the Company to be non-trading in the foreseeable future.

The Company made a profit for the year amounting to £471 (2016: £23,870), this is due to the write off of a historic creditor balance, which the Director considers is no longer payable.

Director

The Director who served the Company during the year and to the date of this report was as follows:

M Thorneycroft

Dividend

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

Going concern

The Company made a profit before tax in the financial year of £471 (2016: £23,870) and has net current assets of £24,915 (2016: £34,444). The Director has considered the current market conditions, trading post-year end and the liquid resources available to the Company and have obtained a letter of the 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 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, they continue to adopt the going concern basis in preparing these financial statements.

Statement of Director's responsibilities

The Director is responsible for preparing the Director's Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 101 'Reduced Disclosure Framework'). Under company law the Director must not approve the accounts unless 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 period. In preparing these financial statements, the Director is required to:

Director's Report (continued)

Statement of Director's responsibilities (continued)

- 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 him 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.

The Director confirms that:

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

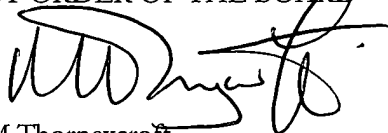
Auditor

A resolution for the 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 Director will be authorised to determine the auditor's remuneration.

Small company provisions

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

BY ORDER OF THE BOARD



M Thorneycroft
Director

10 July 2018



Independent Auditor's Report to the Members of Commodities Software (UK) Limited

Opinion

We have audited the financial statements of Commodities Software (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 Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Director has 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 Commodities Software (UK) Limited (continued)

Other information

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

Responsibilities of Director for the financial statements

As explained more fully in the Statement of Director's responsibilities, set out on pages 3 and 4, the Director is 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 Director determines 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 Director is 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 Director either intends 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 Commodities Software (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. 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 England and Wales. The address of its registered office, which is also its principal place of business, is First Floor, Victory House, Vision Park, Histon, Cambridge, England CB24 9ZR.

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 Director on 10 July 2018.

Basis of consolidation

The Company has taken advantage of section 400 of the Companies Act 2006 to be exempted from preparing group accounts as, taken together with its subsidiary undertaking (see note 3), this Company is consolidated into group accounts headed by Brady plc. These financial statements present information about the Company as an individual undertaking and not about its group.

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 Director's Report.

The Company made a profit before tax in the financial year of £471 (2016: £23,870) and has net current assets of £34,915 (2016: £34,444). The Director has considered the current market conditions, trading post-year end and the liquid resources available to the Company and have obtained a letter of the 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 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, they continue to adopt the going concern basis in preparing these financial statements.

Equity

Share capital represents the nominal value of equity shares.

Investments

Fixed asset investments are stated at cost less provision for impairment. An assessment for impairment is undertaken at least at each reporting date and, if required, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Principal Accounting Policies (continued)

Foreign currencies

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.

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.

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.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of these financial statements in conformity with FRS 101 requires the Director 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. There were no items that the Director considers were either a crucial judgement or significant estimate affecting the results of the Company.

Principal Accounting Policies (continued)

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 £ | 2016 £ |
|--|-------|-------------------|----------------------|
| Administrative income | | <u>471</u> | <u>23,870</u> |
| Operating profit being profit on ordinary activities before tax | | 471 | 23,870 |
| Tax on profit on ordinary activities | 4 | <u>-</u> | <u>-</u> |
| Profit for the year being total comprehensive income | | <u>471</u> | <u>23,870</u> |

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

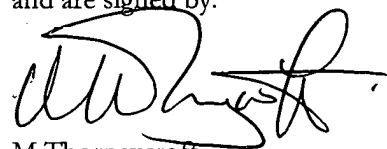
The Company has no recognised gains or losses other than the profit for the current and preceding years as set out above.

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

Balance Sheet

| | Notes | £ | 2017 £ | £ | 2016 £ |
|---|-------|----------------|---------------|----------------|---------------|
| Fixed assets | | | | | |
| Investments | 3 | | <u>3,331</u> | | <u>3,331</u> |
| Current assets | | | | | |
| Debtors | 5 | 38,246 | | 30,505 | |
| Cash at bank and in hand | | <u>-</u> | | <u>7,741</u> | |
| | | 38,246 | | 38,246 | |
| Creditors: amounts falling due within one year | 6 | <u>(3,331)</u> | | <u>(3,802)</u> | |
| Net current assets | | | <u>34,915</u> | | <u>34,444</u> |
| Total assets less current liabilities being net assets | | | <u>38,246</u> | | <u>37,775</u> |
| Capital and reserves | | | | | |
| Called up share capital | 7 | | 2 | | 2 |
| Profit and loss account | | | <u>38,244</u> | | <u>37,773</u> |
| Shareholders' funds | | | <u>38,246</u> | | <u>37,775</u> |

These financial statements were approved by the Director and authorised for issue on 10 July 2018 and are signed by:



M Thorneycroft
 Director

Company number 02906889

Statement of Changes in Equity

| | Called up share capital £ | Profit and loss account £ | Total £ |
|---|--|--|--------------------|
| At 1 January 2016 | 2 | 13,903 | 13,905 |
| Total comprehensive income for the year | - | 23,870 | 23,870 |
| At 31 December 2016 | 2 | 37,773 | 37,775 |
| Total comprehensive income for the year | - | 471 | 471 |
| At 31 December 2017 | 2 | 38,244 | 38,246 |

Notes to the Financial Statements

1 Directors and employees

The Company did not have any employees in either the current or preceding years. The Director of the Company, being an employee of Brady plc, has not received any emoluments in respect of his qualifying services from the Company in either the current or preceding financial years. Total emoluments received by the Directors from the Group for the year was £180k (2016: £547k).

2 Auditor's remuneration

Auditor's remuneration in respect of audit services for the Company for the current year was £1,000 (2016: £1,000). These costs were borne by another Group undertaking, with no right of recharge.

3 Investments

| | £ |
|---|----------------|
| Cost | |
| At 1 January 2017 and at 31 December 2017 | <u>268,752</u> |
| Provision for Impairment | |
| At 1 January 2017 and at 31 December 2017 | <u>265,421</u> |
| Net book value | |
| At 31 December 2016 and 31 December 2017 | <u>3,331</u> |

The Company holds an investment in the following subsidiary undertaking:

| Subsidiary | Registered office | Holding | Proportion of voting rights held | Principal activity |
|-------------------|---|--------------------|---|---------------------------|
| Coastdata Limited | First Floor, Victory House Vision Park, Histon, Cambridge, CB24 9ZR | Ordinary shares | 100% | Dormant |

The Director considers the value of the investment to be supported by the underlying assets of the subsidiary undertaking as at 31 December 2017.

Notes to the Financial Statements (continued)

4 Tax on profit on ordinary activities

a) Analysis of charge in the year

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Current tax | | |
| 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 £ | 2016 £ |
|--|-----------|-----------|
| Profit on ordinary activities before taxation | 471 | 23,870 |
| Profit on ordinary activities multiplied by standard rate of tax | 91 | 4,774 |
| Group relief received for nil consideration | (91) | (4,774) |
| Tax on profit on ordinary activities | - | - |

c) Factors affecting future tax charge

The Company has no unrecognised deferred tax assets or liabilities at either 31 December 2016 or 2017 that would affect the future tax charge.

5 Debtors

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Amounts owed by ultimate parent undertaking | 38,246 | 30,505 |

6 Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Amounts owed to fellow Group undertakings | 3,331 | 3,802 |

Notes to the Financial Statements (continued)

7 Share capital

Allotted, called up and fully paid:

| | 2017 | | 2016 | |
|----------------------------|----------|----------|----------|----------|
| | No | £ | No | £ |
| Ordinary shares of £1 each | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |

8 Capital commitments

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

9 Contingent liabilities

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

10 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.bradypkc.com.

11 Controlling party

-- The immediate and 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.bradypkc.com.