

Ancestry.com UK (Commerce) Limited

Directors' report and financial statements

for the year ended 31 December 2016

Company Number: 06576240

THURSDAY



A6FFTAWX

A12

21/09/2017

#41

COMPANIES HOUSE

Directors' report and financial statements

for the year ended 31 December 2016

TABLE OF CONTENTS	<i>PAGE</i>
COMPANY INFORMATION	2
DIRECTORS' REPORT	3
INDEPENDENT AUDITOR'S REPORT	5
STATEMENT OF INCOME AND RETAINED EARNINGS	7
STATEMENT OF FINANCIAL POSITION	8
NOTES TO THE FINANCIAL STATEMENTS	9

Company Information

Directors

B R Argent (Australian)
H Hochhauser (American)
H Giddings (British)
C Newell (American – appointed on 6 October 2016)

Secretary

H Giddings (British)

Registered number of incorporation

06576240

Solicitors

Taylor Wessing LLP
5 New Street Square
London
EC4A 3TW
United Kingdom

Auditor

Ernst & Young
Chartered Accountants
Ernst & Young Building
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Bankers

HSBC Bank plc
City of London Branch
60 Queen Victoria Street
London, EC4N 4TR

Registered office

4th Floor
Strand Bridge House
138-142 The Strand
London WC2R 1HH

Directors' report

for the year ended 31 December 2016

The Directors present herewith their report and audited financial statements for the year ended 31 December 2016.

Principal activities and business review

The Company's principle area of activity is the sale of certificates to customers. The discontinued operations relate to sale of family tree maker desktop software which was discontinued in 2015.

Future developments

It is the intentions of the Directors to continue to develop the current activities of the Company. The Company monitors forthcoming and current legislation regularly and continues to manage proactively the operational and reporting requirements arising from legislation and an increasing regulatory regime throughout its operations.

Results and dividend

The statement of income and retained earnings for the year ended 31 December 2016 and the statement of financial position at that date are set out on pages 7 and 8. The profit on ordinary activities before taxation for the year amounted to £148,541 (2015:£ 127,806). After charging taxation of £29,708 (2015:£ 25,907), a profit of £118,833 (2015:£ 101,899) was transferred to the reserves. Shareholders' funds at 31 December 2016 amounted to £31,357 (2015:£ 262,524).

A dividend of £350,000 (2015: £Nil) was paid to the Company's immediate parent, Ancestry Information Operations Unlimited Company, on 22 December 2016.

Directors

The Directors and Company Secretary at the date of signing of the financial statements are listed on page 2 and unless otherwise indicated, served throughout the financial period and up to the date of approval of these financial statements. On 6 October 2016, William C. Stern resigned as Director and was replaced by Carla Newell.

Principal risks and uncertainties

The Company operates in a highly competitive market. Product innovations, or sale of certificates by competitors could adversely affect the Company. The Directors regularly review and reassess these risks and have put in place controls to limit the potential impact. The Directors have controls in place to proactively monitor these risks.

Charitable and political donations

No charitable and political donations were made during the year (2015:£nil).

Key performance indicators

The Company tracks its performance against key financial and non-financial indicators. Key financial performance indicators include the monitoring and management of profitability and working capital. Key non-financial performance indicators include the review of customer activity levels as well as making available new software that offers enhanced search and other functionality.

Going concern

No material uncertainties that cast significant doubt about the ability of the Company to continue as a going concern have been identified by the Directors. On the basis of their assessment of the Company's financial position, the directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors' report

for the year ended 31 December 2016 (Continued)

Disclosure of information to the 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, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Important events since the year end

Important events since the year end are disclosed in Note 11 to the financial statements.

Directors' responsibilities statement

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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Auditor

In accordance with section 485 of the Companies Act 2006, a resolution to reappoint Ernst & Young Chartered Accountants as auditor will be put to the members at the Annual General Meeting.

Small companies provisions

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

On behalf of the Board

Helen Giddings
Director



Date: 27 July 2017

Independent auditors' report to the members of Ancestry.com UK (Commerce) Limited

We have audited the financial statements of Ancestry.com UK (Commerce) Limited for the year ended 31 December 2016 which comprise the statement of income and retained earnings, the statement of financial position and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.'

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 has been prepared in accordance with the applicable legal requirements.

Continued / ...

Independent auditor's report to the members of Ancestry.com UK (Commerce) Limited (continued)

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report.



Dermot Daly (Senior Statutory Auditor)
For and on behalf of Ernst & Young, Statutory Auditor
Dublin

28 July 2017

Statement of income and retained earnings

for the year ended 31 December 2016

		2016	2016	2016	2015	2015	2015
		Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
	<i>Note</i>						
Turnover	2	857,234	-	857,234	917,631	50,821	968,452
Cost of sales		(580,454)	-	(580,454)	(653,046)	(18,712)	(671,758)
Gross profit		276,780	-	276,780	264,585	32,109	296,694
Administrative expenses		(128,073)	-	(128,073)	(157,347)	(11,386)	(168,733)
Operating profit		148,707	-	148,707	107,238	20,723	127,961
Interest payable and similar charges	6	(166)	-	(166)	(155)	-	(155)
Profit on ordinary activities before taxation	3	148,541	-	148,541	107,083	20,723	127,806
Tax on profit on ordinary activities	7	(29,708)	-	(29,708)	(25,907)	-	(25,907)
Profit for the financial year		118,833	-	118,833	81,176	20,723	101,899
Retained earnings brought forward		261,524	-	261,524	159,625	-	159,625
Dividends paid	5	(350,000)	-	(350,000)	-	-	-
Retained earnings carried forward		30,357	-	30,357	240,801	20,723	261,524

Statement of financial position

at 31 December 2016

	<i>Notes</i>	<i>2016</i> £	<i>2015</i> £
Current assets			
Debtors: amounts falling due within one year	8	119,818	185,201
Cash at bank		<u>54,143</u>	<u>227,252</u>
		173,961	412,453
Creditors: amounts falling due within one year	9	<u>(142,604)</u>	<u>(149,929)</u>
Net assets		<u><u>31,357</u></u>	<u><u>262,524</u></u>
Capital and reserves			
Called up share capital	10	1,000	1,000
Retained earnings		<u>30,357</u>	<u>261,524</u>
Shareholders' funds		<u><u>31,357</u></u>	<u><u>262,524</u></u>

The accounts have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the Board on 27 July 2017

Director: Helen Giddings



Notes to the financial statements

for the year ended 31 December 2016

1. *Accounting policies*

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year are set out below.

a) *Statement of compliance*

Ancestry.com UK (Commerce) Limited is a limited liability Company incorporated in England. The Company's registered office is 4th Floor, Strand Bridge House, 138-142 The Strand, London, WC2R 1HH. The Company's financial statements have been prepared in compliance with FRS 102, the financial reporting standard applicable in the UK and Republic of Ireland, as it applies to the financial statements of the Company for the year ended 31 December 2016.

b) *Basis of preparation*

The financial statements are prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom including FRS 102. The financial statements have been prepared under the historical cost convention on the going concern basis.

The financial statements are presented in GBP Pounds (£) and are rounded to the nearest £.

c) *Judgements and key sources of estimation uncertainty*

The preparation of the financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the amounts reported and disclosed in the financial statements and accompanying notes. Actual results could differ materially from these estimates.

The Company regularly evaluates its estimates to determine their appropriateness, including taxation, among others.

The Company bases its estimates on historical experience and on various assumptions that are believed to be reasonable, the results of which form the basis for the amounts recorded within the financial statements.

d) *Turnover*

The Company recognises revenue related to sales of products and services.

Product and other revenues are generated from sales of family tree maker desktop software, certificates, shipping revenue and other products. The Company recognises revenue from sale of desktop software and other products sold directly at the point at which the Company has fulfilled its contractual obligations and the risks and rewards attaching the product, such as obsolescence, have been transferred to the customer. Shipping fees billed to customers are included in product and other revenues, and related shipping costs are included in cost of product and other revenues.

e) *Taxation*

Current tax is provided on the Company's taxable profit, at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted for the accounting period.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

f) *Cash and cash equivalents*

Cash and cash equivalents in the statement of financial position comprise cash at banks only.

Notes to the financial statements

for the year ended 31 December 2016 (Continued)

g) Provisions for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation only. The effect of the time value of money is not material and therefore provisions are not discounted.

h) Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of income and retained earnings under other operating expenses.

i) Foreign currencies

The financial statements are presented in GBP (£). Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of income and retained earnings.

j) Classification of shares as debt or equity

An equity instrument is a contract that evidence a residual interest in the assets of an entity after deducting all its liabilities. The shares of the Company are all ordinary shares.

k) The Company has taken advantage of the following disclosure exemptions under FRS 102

- i. The requirements of Section 4 – Statement of Financial Position, paragraph 4.12 (a) (iv);
- ii. The requirements of Section 7 – Statement of Cash Flows and Section 3 – Financial Statement Presentation, paragraph 3.17(d);
- iii. The requirements of Section 11 – Basic Financial Instruments, paragraphs 11.39 to 11.48A

Equivalent disclosures for disclosure exemption are included in the Ancestry.com LLC (Group) Annual Report.

Notes to the financial statements

for the year ended 31 December 2016 (Continued)

2. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of value added tax.

The Company's principle area of activity is the sale of certificates to customers. The discontinued operations relate to sale of family tree maker desktop software which was discontinued in 2015.

3. Profit on ordinary activities before taxation

This is stated after charging:

	2016	2015
	£	£
Net loss on foreign currency translation	3,180	5,683
Auditors' remuneration - audit services	14,700	12,046
Auditors' remuneration - tax services	5,250	5,354

4. Staff costs

The Company had no employees during the year or the preceding year.

The Directors received no remuneration from the Company for their services to the Company during the year. The Directors of the Company were paid by a fellow group undertaking.

5. Dividends paid

	2016	2015
	£	£
Dividend paid	350,000	-

A dividend of £350,000 (2015: £Nil) was paid to the Company's immediate parent, Ancestry Information Operations Unlimited Company, on 22 December 2016.

6. Interest payable and similar charges

	2016	2015
	£	£
Other bank charges	166	155

Notes to the financial statements

for the year ended 31 December 2016 (Continued)

7. Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2016 £	2015 £
<i>Current tax:</i>		
UK corporation tax on the profit for the year	29,708	25,907
Tax on profit on ordinary activities (note 7(b))	<u>29,708</u>	<u>25,907</u>

(b) Circumstances affecting current charge

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% . The differences are explained below:

	2016 £	2015 £
Profits on ordinary activities before taxation	<u>148,541</u>	<u>127,806</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20%	29,708	25,876
<i>Effects of:</i>		
Expenses not deductible	-	31
Tax on profit on ordinary activities (note 7(a))	<u>29,708</u>	<u>25,907</u>

(c) Factors that may affect future tax charges

A reduction to the standard rate of UK corporation tax to 19% from 1 April 2017 and 17% from 1 April 2020 were substantively enacted prior to the balance sheet date and have been applied to the company's deferred tax balance at 31 December 2016.

Notes to the financial statements

for the year ended 31 December 2016 (Continued)

8. Debtors: amounts falling due within one year

	2016	2015
	£	£
<i>Amounts falling due within one year:</i>		
Trade debtors	25,881	18,879
Other debtors	88,937	166,322
Corporation tax	5,000	-
	<u>119,818</u>	<u>185,201</u>

9. Creditors: amounts falling due within one year

	2016	2015
	£	£
Amounts owed to group undertakings	38,465	33,932
Other taxation	22,207	22,701
Other creditors	81,932	88,782
Corporation tax	-	4,514
	<u>142,604</u>	<u>149,929</u>

Amounts owed to group undertakings are interest free, unsecured and are payable under normal commercial credit terms.

10. Issued share capital

	2016	2015
	£	£
<i>Authorised</i>		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
<i>Allocated called up and fully paid</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

11. Events after the statement of financial position date

There have been no significant events, outside the ordinary course of business, affecting the Company since 31 December 2016.

Notes to the financial statements

for the year ended 31 December 2016 (Continued)

12. Parent undertaking, controlling party and related party transactions

The Company's immediate parent undertaking and controlling party is Ancestry Information Operations Unlimited Company, a Company registered in the Republic of Ireland.

The Company's indirect parent undertaking and controlling party is Ancestry.com LLC, a Company formed in the United States of America.

The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up, and of which the Company is a member, is Ancestry.com LLC. The consolidated financial statements of Ancestry.com LLC as of 31 December 2016 and for the annual periods ending 31 December 2016 and 2015 have been filed with the Companies House and are available upon request from its principal place of business at 1300 W Traverse Parkway, Lehi, UT 84043, U.S.A.

The Company has availed of the exemption provided in FRS 102, section 33, "Related Party Disclosures", for subsidiary undertakings wholly owned, from the requirement to give details of transactions with entities that are part of the group or investees of the group qualifying as related parties.

13. Approval of the financial statements

The Directors approved the financial statements and authorised them for issue on 27 July 2017.