brightsolid online technology limited
(formerly brightsolid limited)

Directors' report and financial statements
for the year ended 31 March 2009

Registered number SC161678

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Company information

Directors	CHW Thomson JS Thomson – resigned 16/11/09 CRD van der Kuyl JH Denning – appointed 28/10/09
Secretary	JH Denning – resigned 28/10/09 L Calder – appointed 28/10/09
Registered office	Gateway House Luna Place Dundee Technology Park Dundee DD2 1TP
Auditor	Henderson Loggie Chartered Accountants Royal Exchange Panmure Street Dundee DD1 1DZ
Bankers	Bank of Scotland West Marketgait Dundee DD1 1QN

Registered number SC161678

brightsolid online technology limited
(formerly brightsolid limited)

Directors' report

The directors present their report and audited financial statements for the year ended 31 March 2009. The company changed its name to bright**solid** limited on 25 June 2008 and to bright**solid** online technology limited on 6 November 2009.

Principal activity and review of business

The principal activity of the company is to provide secure business services online, including the provision of a genealogy website on behalf of the General Registrar Office of Scotland. The services include network access, asset management, database development, application development, systems integration, managed hosting and consultancy.

The company has an ongoing commitment to provide secure quality hosting and access services. This is supplemented by applications development and integration skills. This portfolio of specialist services continues to drive the progress and growth of the business.

During the year, the company launched the official 1911 Census online website for The National Archives (www.1911census.co.uk) significantly expanding what the company offers the genealogy market.

The results for the period are set out in the profit and loss account on page 6.

Dividend

No interim dividend was paid during the period and no final dividend is proposed (2008: nil).

Directors and their interests

The directors of the company at the date of this report are shown on page 1.

So far as each director is aware, there is no relevant audit information of which the auditors are unaware. Each director has taken the appropriate steps as a director to make themselves aware of such information and to establish that the auditors are aware of it.

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, was approved by the Board on 21 January 2010 and was signed on its behalf by:

Laura Calder
Company Secretary

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

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Independent auditor's report to the shareholders of brightsolid online technology limited

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We have audited the financial statements of bright**solid** online technology limited for the year ended 31 March 2009, which comprise profit and loss account, the balance sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors
The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements

Henderson Loggie

Henderson Loggie
Chartered Accountants
Registered Auditor
Dundee

21 January 2010

brightsolid online technology limited
(formerly brightsolid limited)

Profit and loss account for the year ended 31 March 2009

	Notes	**2009 £000**	2008 £000
Turnover	2	**9,283**	5,071
Cost of sales		**(3,998)**	(2,341)
Gross profit		**5,285**	2,730
Administrative expenses		**(3,689)**	(4,164)
Operating profit/(loss)	3	**1,596**	(1,434)
Interest	5	**445**	(471)
Profit/(loss) on ordinary activities before taxation		**2,041**	(1,905)
Taxation	6	**(2)**	-
Profit/(loss) for the financial year		**2,039**	(1,905)

The above results relate to the continuing operations of the company

A statement of reserves is given in note 17.

There are no recognised gains or losses other than the profit for the financial period of £2,039,000 (2008 – £1,905,000 loss). Such profits/losses represent the only movement in shareholder funds.

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Balance sheet at 31 March 2009

	Notes		2009		2008
		£000	£000	£000	£000
Fixed assets					
Intangible assets	7		**3,230**		1,067
Tangible assets	8		**3,316**		2,951
			6,546		4,018
Current assets					
Debtors	10	**1,378**		1,001	
Cash at bank and in hand		**947**		719	
		2,325		1,720	
Creditors					
Amounts falling due within one year	11	**(4,330)**		(3,092)	
Net current liabilities			**(2,005)**		(1,372)
Total assets less current liabilities			**4,541**		2,646
Creditors					
Amounts falling due after more than one year	12		**(9,644)**		(9,777)
Deferred income					
Government grants	14		**(62)**		(73)
Net liabilities			**(5,165)**		(7,204)
Capital and reserves					
Called up share capital	16		**3,500**		3,500
Profit and loss account	17		**(8,665)**		(10,704)
Shareholders' funds			**(5,165)**		(7,204)

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board of directors on 21 January 2010 and were signed on its behalf by:

Christiaan RD van der Kuyl
Director

Registered number SC161678

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

Basis of preparation

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The directors have considered the financial position of the company and are satisfied that the financial needs should be met from within its existing facilities and agreements with its bankers and shareholders.

Intangible fixed assets

Dataset development and transcription costs are capitalised in accordance with SSAP13 as development expenditure. The expenditure so capitalised is amortised over the expected useful life, which is 5 years, of the dataset from the period in which the data is published on the website. Expenditure capitalised includes interest and labour.

Tangible fixed assets

Fixed assets are stated at cost. Depreciation and amortisation is calculated so as to write off the cost of an asset less its estimated residual value over the useful economic life of that asset as follows:

Data centre infrastructure	5-10 years
Computer equipment (hardware and software), office equipment	3 years
Furniture, fixtures and fittings	5 years
Datasets and related website development costs	33% RB

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate these values may not be recoverable. If there is an indication that impairment does exist (ie the carrying value of the asset exceeds its recoverable amount) the asset is written down through the profit and loss account to its recoverable amount.

Website development costs are capitalised under FRS15 where the website is built to present one or more specific datasets separately from the main business website and where the special purpose website is expected to create enduring value lasting more than one year.

Government grants

Government grants receivable on capital expenditure are credited to a deferral account and are released over the expected useful life of the relevant asset in line with the depreciation charge.

Government grants receivable in compensation for operating costs are released on a basis that matches the costs incurred.

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the loss for the period as adjusted for disallowed items and timing differences in line with FRS19. All deferred tax liabilities are provided for in line with FRS19 at the average rate expected to apply in the foreseeable future. Deferred tax assets are only provided for to the extent that they are regarded as recoverable. Deferred tax balances are not discounted.

Pensions

The company provides defined contribution pension benefits to its employees. Payments to these schemes are charged to the profit and loss account as incurred.

Hire purchase and operating leases

Assets obtained under hire purchase contracts which transfer to the company substantially all the benefits and risks of ownership of the assets are treated as if the assets had been purchased outright. Assets held under hire purchase agreements are depreciated over their useful economic lives. The interest element of the obligation is charged to the profit and loss account over the period of the contract based on the capital outstanding.

Operating lease payments are charged to the profit and loss account when they are incurred.

2 Turnover

Turnover consists entirely of sales made in the United Kingdom from one class of business, being the provision of online business services, managed hosting and associated technical services.

The website scotlandspeople.gov.uk is operated on behalf of the General Registrar for Scotland, and turnover arising from pay-per-view fees charged to customers for viewing genealogical data on the website is recognised on receipt according to the terms of the contract.

Turnover in respect of other activity is recognised as the services are provided. Revenue received in advance is deferred and released over the period of the contract.

Turnover in respect of websites operated and owned by the company represents fees charged to customers for viewing genealogical data on the 1911census.co.uk website, and royalties received on views of our data by 3rd parties' customers through their own websites. Pay-per-view revenue is deferred in the balance sheet until a customer obtains a view of the requested data, whereupon the revenue is recognised as turnover. Unlimited access subscription revenue is recognised evenly across the period of the subscription.

3 Operating profit/(loss)

		2009 £000	2008 £000
Operating profit/(loss) is stated after charging/(crediting):			
Depreciation		**844**	1,954
Amortisation		**269**	-
Auditor's remuneration	- audit services	**10**	8
	- taxation	**4**	-
Operating leases	- property	**176**	145
	- other	**44**	29
Release of grant		**(11)**	(10)

4 Directors' emoluments

Aggregate emoluments	**214**	220

Retirement benefits are not accruing to any directors.

Included within directors emoluments are £196,000 (2008 - £216,000) paid to third parties for the services of directors. The highest paid director received emoluments of £196,000 (2008 - £119,000).

5 Interest

	2009 £000	2008 £000
Interest on loan notes	**(542)**	327
Hire purchase interest	**87**	123
Bank interest, charges and exchange movements	**28**	21
Interest receivable	**(18)**	-
Net interest	**(445)**	471

Interest of £205,000 (2008 - £72,000) was capitalised as tangible and intangible fixed assets in the year.

Interest on other loans of £272,000 was waived and £542,000 was written back during the year as a result of the ultimate parent company agreeing to waive payment of this interest. The interest accruing and unpaid on these loans as at 31 March 2009 has been waived by DC Thomson & Company Ltd.

6 Taxation

	2009 £000	2008 £000
Corporation tax		
Current year	**487**	-
Deferred tax		
Current year	**(485)**	-
	2	-
Factors affecting tax charge		
Profit/(loss) before tax	**2,041**	(1,905)
Tax thereon at 28% *(2008 - 30%)*	**571**	(572)
Effects of:		
Expenses not deductible for tax purposes	**2**	17
Capital allowances in advance of depreciation	**(28)**	314
Capitalised interest allowed for tax purposes	**(58)**	-
Losses carried forward	**-**	241
	487	-

The company has surplus corporation tax losses brought forward which have not been recognised as assets (note15). These losses offset the trading profit and the tax charge arises from the interest receivable.

7 Intangible fixed assets

	£000
Cost	
At 1 April 2008	1,067
Additions	2,432
At 31 March 2009	**3,499**
Amortisation	**269**
Net book value	
At 31 March 2009	**3,230**
At 31 March 2008	1,067

8 Tangible fixed assets

	Plant Machinery And Equipment £000
Cost	
At 1 April 2008	10,288
Additions	1,209
Disposals	(3)
At 31 March 2009	**11,494**
Depreciation	
At 1 April 2008	7,337
Charge for the period	844
Charge on disposals	(3)
At 31 March 2009	**8,178**
Net book value	
At 31 March 2009	**3,316**
At 31 March 2008	2,951

The net book value of equipment includes £925,000 *(2008 - £1,097,000)* for assets acquired under hire purchase agreements. Depreciation charged against these assets in the year was £343,000 *(2008 - £652,000)*.

9 Investments

The company owns the entire issued share capital of Golfing Scotland Limited, a dormant company registered in Scotland. The investment cost £2.

10 Debtors

	2009 £000	2008 £000
Amounts falling due within one year:		
Trade debtors	**515**	708
Taxation and social security	**-**	16
Prepayments and accrued income	**520**	277
Amounts due from group company	**343**	-
	1,378	1,001

11 Creditors

Amounts falling due within one year:		
Bank loan (secured)	**52**	39
Trade creditors	**729**	1,700
Taxation and social security	**416**	37
Hire purchase creditors (secured)	**455**	472
Deferred income	**2,413**	599
Accruals	**263**	205
Other loan	**-**	40
Corporation tax	**2**	-
	4,330	3,092

The other loan was interest-free short-term funding from DC Thomson & Company Limited and was repaid on 30 March 2009.

12 Creditors

	2009 £000	2008 £000
Amounts falling due after more than one year:		
Bank loan (secured)	**181**	238
Hire purchase creditor (secured)	**300**	540
Loan from parent undertaking	**1,050**	1,050
Other loans and accrued interest	**8,113**	7,949
	9,644	9,777

The term loan is secured by a bond and floating charge over all the company's assets.

The hire purchase creditor is secured over the relevant fixed tangible assets and is wholly repayable within 5 years.

13 Loans

	2009	2008
	£000	£000
Bank loans due within one year	**52**	39
Bank loans due outwith one year	**181**	238
	233	277
Loan from parent undertaking	**1,050**	1,050
Other loans	**8,113**	7,949
	9,396	9,276

The bank loan is repayable by 65 monthly instalments of interest and capital, currently of £4,827. Interest is charged at base plus 2%. The other loans are from DC Thomson & Company Limited. These total £7,836,000 (2008 - £7,336,000) are unsecured and attract interest at 2% above bank base rate. At the year end interest of £277,000 (2008 - £613,000) has accrued and is included in creditors due outwith one year. Interest on other loans of £272,000 was waived and £542,000 was written back during the year as a result of the ultimate parent company agreeing to waive payment of this interest.

14 Deferred income – Government Grants

	£000
At 31 March 2008	73
Released to profit and loss account	(11)
At 31 March 2009	**62**

15 Deferred taxation

	2009	2008
	£000	£000
Accelerated capital allowances	**65**	107
Trading losses carried forward	**287**	772
Deferred tax asset	**352**	879

This asset has not been recognised due to the uncertainty of generating sufficient future taxable profits. This year £485,000 of these losses were utilised to offset the corporation tax charge arising.

16 Share capital

	2009 £000	2008 £000
Authorised		
'A' Ordinary shares of £1 each	**2,000**	2,000
'B' Ordinary shares of £1 each	**2,000**	2,000
	4,000	4,000
Allotted, called up and fully paid		
'A' Ordinary shares of £1 each	**1,750**	1,750
'B' Ordinary shares of £1 each	**1,750**	1,750
	3,500	3,500

These shares have equal rights.

17 Profit and loss account

	£000
At 1 April 2008	(10,704)
Profit for the financial year	2,039
At 31 March 2009	**(8,665)**

18 Pensions

The total pension cost of the company under defined contribution schemes was £31,000 (2008 - £21,000).

19 Commitments

At the end of the financial year the company had annual commitments under non-cancellable operating leases as follows:

	2009 £000	2008 £000
Property		
Amount payable next year where lease expires:		
Within one year	**8**	-
Over 10 years	**145**	145
Plant and machinery		
Amount payable next year where lease expires:		
Within one year	**48**	13
In second to fifth year inclusive	**10**	5

20 Contingent liability

DC Thomson & Company Limited hold a bond and floating charge and a cross guarantee with bright**solid** online innovation limited over all the assets of the company. The amount secured at 31 March 2009 was £7,785,000 (2008 - £7,805,000).

21 Related party disclosures

bright**solid** online technology limited provided services to DC Thomson & Company Limited during the year which amounted to £281,000 (2008 - £190,000) of which £88,000 (2008 - £100,000) was outstanding at the year end. DC Thomson & Company Limited provided services to bright**solid** online technology limited totalling £242,000 (2008 - £39,000) of which £23,000 (2008 - £29,000) was outstanding at the year end. During the year, DC Thomson & Company Limited provided new loans of £2,500,000. bright**solid** online technology limited repaid loans of £2,040,000 (2008 – nil). Total loans of £7,836,000 (2008 – £7,376,000) were outstanding at the year end, together with interest of £277,000 (2008 - £613,000).

During the year Noble Grossart Investments Limited provided services to bright**solid** online technology limited totalling £15,000k (2008 - £15,000). There was no outstanding liability at the year end (2008 - £48,000).

22 Parent undertaking and control

The company is a wholly owned subsidiary of bright**solid** online innovation limited, a company incorporated in Great Britain and registered in Scotland. Since the year end, bright**solid** online innovation limited has become a wholly owned subsidiary undertaking of DC Thomson & Company Limited, the ultimate parent company. No one person controls DC Thomson & Company Limited.

Registered