

Company Registration No. SC161678 (Scotland)

brightsolid online technology limited

financial statements

for the year ended 31 March 2017

Pages for filing with Registrar



brightsolid online technology limited

Company information

Directors	AF Thomson MF Thomson EAN Watson	(Appointed 5 July 2016)
Secretary	I Douglas	
Company number	SC161678	
Registered office	Gateway House Luna Place Technology Park Dundee DD2 1TP	
Auditor	Henderson Loggie The Vision Building 20 Greenmarket Dundee DD1 4QB	

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brightsolid online technology limited**Balance sheet****as at 31 March 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3	7,214,178		7,587,659	
Current assets					
Stocks		7,064		-	
Debtors	4	3,450,208		2,142,500	
Cash at bank and in hand		665,186		103,337	
		4,122,458		2,245,837	
Creditors: amounts falling due within one year	5	(6,387,004)		(3,020,065)	
Net current liabilities		(2,264,546)		(774,228)	
Total assets less current liabilities		4,949,632		6,813,431	
Deferred income		(20,208)		(24,583)	
Net assets		4,929,424		6,788,848	
Capital and reserves					
Called up share capital	6	19,040,000		19,040,000	
Profit and loss reserves	7	(14,110,576)		(12,251,152)	
Total equity		4,929,424		6,788,848	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 31/1/17 and are signed on its behalf by:



MF Thomson
Director

Company Registration No. SC161678

brightsolid online technology limited

Notes to the financial statements

for the year ended 31 March 2017

1 Accounting policies

Company information

brightsolid online technology limited is a private company limited by shares incorporated in Scotland. The registered office is Gateway House, Luna Place, Technology Park, Dundee, DD2 1TP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

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

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

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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:

Land and buildings Freehold	
Plant & machinery	10 years
Furniture, fixtures & fittings	5 years
Computer equipment & office equipment	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Notes to the financial statements (continued)

for the year ended 31 March 2017

1 Accounting policies (continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

brightsolid online technology limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

1 Accounting policies (continued)

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

The tax expense represents the sum of the corporation tax and deferred tax charge/(credit) for the year.

The tax currently payable/(repayable) is based on taxable profit/(loss) for the year. The company's liability/asset for current tax is calculated using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on differences between the carrying amounts of assets and liabilities in the accounts and the corresponding tax bases, as used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available in the future. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss accounts, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.12 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.

brightsolid online technology limited**Notes to the financial statements (continued)****for the year ended 31 March 2017****1 Accounting policies (continued)****1.13 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The company does not employ any staff. All staff are provided on an agency basis by brightsolid online innovation limited. Staff recharges totalled £2,759,204 (2016 - £2,794,912).

3 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 April 2016	9,425,667	5,547,954	14,973,621
Additions	25,037	1,024,283	1,049,320
At 31 March 2017	9,450,704	6,572,237	16,022,941
Depreciation and impairment			
At 1 April 2016	3,562,404	3,823,558	7,385,962
Depreciation charged in the year	688,717	734,084	1,422,801
At 31 March 2017	4,251,121	4,557,642	8,808,763
Carrying amount			
At 31 March 2017	5,199,583	2,014,595	7,214,178
At 31 March 2016	5,863,263	1,724,396	7,587,659

brightsolid online technology limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

4 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	1,581,912	741,070
Corporation tax recoverable	1,119,035	880,232
Other debtors	643,138	447,772
	3,344,085	2,069,074
Deferred tax asset	106,123	73,426
	3,450,208	2,142,500

5 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	217,450	105,534
Amounts due to group undertakings	4,758,786	1,386,322
Other taxation and social security	116,000	-
Other creditors	1,294,768	1,528,209
	6,387,004	3,020,065

Amounts due to group undertakings have no fixed repayment terms.

brightsolid online technology limited

Notes to the financial statements (continued)

for the year ended 31 March 2017

6 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
13,154,000 Ordinary shares of £1 each	13,154,000	13,154,000
	<u> </u>	<u> </u>
Preference share capital		
Issued and fully paid		
5,886,000 Preference shares of £1 each	5,886,000	5,886,000
	<u> </u>	<u> </u>

Each ordinary share carries one vote and is entitled to participate pari passu with other ordinary shares in any dividend or capital distribution.

The preference shareholders are not entitled to receive any dividend. The company alone has the right at any time to redeem the whole or any number of the preference shares on giving to the holders of the preference shares to be redeemed not less than one month's notice in writing. On this basis they are treated as equity.

On a return of capital on liquidation or otherwise, the surplus assets of the company remaining after payment of its liabilities shall be applied first in repaying to the preference shareholders the paid up amount on each preference share held.

Preference shareholders are entitled to receive notice of and attend all general or other meetings of the company, they shall not be entitled to vote at such meetings.

7 Profit and loss reserves

Profit and loss reserves include all current and prior period retained profits and losses.

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Gavin Black.

The auditor was Henderson Loggie.

9 Financial commitments, guarantees and contingent liabilities

The company's ultimate parent undertaking D.C. Thomson & Company Limited holds a bond and floating charge and a cross guarantee with brightsolid online innovation limited over all the assets of the company. The amount secured at 31 March 2017 was £2,272k (2016 - £2,202k).

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Notes to the financial statements (continued)

for the year ended 31 March 2017

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	206,687	211,369
Between two and five years	685,142	695,155
In over five years	552,500	722,500
	<u>1,444,329</u>	<u>1,629,024</u>

11 Parent company

The company is a wholly owned subsidiary of brightsolid online innovation limited, a company incorporated in Great Britain and registered in Scotland.

The ultimate parent company is D.C. Thomson & Company Limited, a company incorporated in Great Britain and registered in Scotland.

There is no individual controlling party of D.C. Thomson & Company Limited.