

Company Registration No. SC161678 (Scotland)

brightsolid online technology limited

financial statements

for the year ended 31 March 2019

Pages for filing with Registrar

SATURDAY



S8KRHY60

SCT

21/12/2019

#64

COMPANIES HOUSE

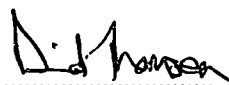
brightsolid online technology limited**Balance sheet****as at 31 March 2019**

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	3	5,979,216		6,903,268	
Current assets					
Stocks		-		5,585	
Debtors	4	2,826,671		3,230,124	
Cash at bank and in hand		379,789		430,494	
		3,206,460		3,666,203	
Creditors: amounts falling due within one year	5	(1,455,761)		(1,585,036)	
Net current assets		1,750,699		2,081,167	
Total assets less current liabilities		7,729,915		8,984,435	
Creditors: amounts falling due after more than one year	6	(3,964,093)		(5,021,274)	
Deferred income		(11,458)		(15,833)	
Net assets		3,754,364		3,947,328	
Capital and reserves					
Called up share capital	7	19,040,000		19,040,000	
Profit and loss reserves	8	(15,285,636)		(15,092,672)	
Total equity		3,754,364		3,947,328	

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 1 November 2019 and are signed on its behalf by:



DHE Thomson
Director

Company Registration No. SC161678

brightsolid online technology limited

Notes to the financial statements

for the year ended 31 March 2019

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

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. The company received funding from its parent company, D.C. Thomson & Company Limited, in a prior year to allow it to meet challenging market conditions. No further funding has been required this year or is anticipated. The parent company has confirmed that the loan will not be called for repayment in the 12 months following the date of signing these 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 receivable is accrued and 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	10 years
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.

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 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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 at bank and in hand

Cash at bank and in hand 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)

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

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 payments 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.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction 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 Accounting policies (continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.14 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 £2,939,054 (2018 - £2,871,850).

All directors are paid through brightsolid online innovation limited or another D.C. Thomson & Company Limited group company. Directors' remuneration totalling £Nil (2018 - £46,152) was recharged by D.C. Thomson & Company Limited.

brightsolid online technology limited

Notes to the financial statements (continued)

for the year ended 31 March 2019

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 2018	9,813,901	7,415,586	17,229,487
Additions	169,113	520,681	689,794
Transfers	(86,000)	86,000	-
At 31 March 2019	9,897,014	8,022,267	17,919,281
Depreciation and impairment			
At 1 April 2018	4,950,405	5,375,814	10,326,219
Depreciation charged in the year	711,213	902,633	1,613,846
At 31 March 2019	5,661,618	6,278,447	11,940,065
Carrying amount			
At 31 March 2019	4,235,396	1,743,820	5,979,216
At 31 March 2018	4,863,496	2,039,772	6,903,268

4 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	1,248,546	1,060,678
Corporation tax recoverable	160,817	597,215
Amounts due from group undertakings	561,810	656,388
Other debtors	606,197	751,498
	2,577,370	3,065,779
Deferred tax asset	249,301	164,345
	2,826,671	3,230,124

Amounts due from group undertakings have no fixed repayment terms and no interest applies.

brightsolid online technology limited**Notes to the financial statements (continued)****for the year ended 31 March 2019****5 Creditors: amounts falling due within one year**

	2019 £	2018 £
Trade creditors	102,013	90,749
Amounts due to group undertakings	47,019	15,205
Taxation and social security	22,401	13,982
Other creditors	1,284,328	1,465,100
	<u>1,455,761</u>	<u>1,585,036</u>

Amounts due to group undertakings have no fixed repayment terms and no interest applies.

6 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other creditors	3,964,093	5,021,274
	<u>3,964,093</u>	<u>5,021,274</u>

Other creditors represent an intercompany loan which is unsecured and interest applies at 2% above base rate per annum.

7 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
13,154,000 Ordinary shares of £1 each	13,154,000	13,154,000
	<u>13,154,000</u>	<u>13,154,000</u>
Preference share capital		
Issued and fully paid		
5,886,000 Preference shares of £1 each	5,886,000	5,886,000
	<u>5,886,000</u>	<u>5,886,000</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.

8 Profit and loss reserves

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

9 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 MHA Henderson Loggie, a trading name of Henderson Loggie LLP.

10 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 2019 was £842k (2018 - £4,129k).

11 Operating lease commitments

Lessee

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

2019	2018
£	£
1,089,554	1,287,736

12 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.