

Company Registration No. 04369607 (England and Wales)

brightsolid online publishing limited

Directors' report and accounts

for the year ended 31 March 2011



brightsolid online publishing limited

Company information

Directors	CHW Thomson JH Denning CRD van der Kuyl
Secretary	L Calder
Company number	04369607
Registered office	185 Fleet Street London EC4A 2HS
Auditor	Henderson Loggie Royal Exchange Panmure Street Dundee DD1 1DZ
Bankers	Bank of Scotland plc 2 West Marketgait Dundee Dundee DD1 1QN

brightsolid online publishing limited

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Directors' report

For the year ended 31 March 2011

The directors present their report and accounts for the year ended 31 March 2011

Principal activities and review of the business

The principal activity of the company is the provision of internet based genealogical information primarily through findmypast.co.uk and 1911Census.co.uk. From 1 April 2010, the company also operated scotlandspeople.gov.uk on behalf of the General Register Office for Scotland (now the National Records of Scotland)

Total turnover in the year was £15,064k, up from £6,857k last year with turnover from continuing operations increasing from £5,501k to £13,369k and turnover from new operations contributing a further £1,695k (2010 - £1,356k). Operating profit was £2,603k, up from £(153)k last year with profits from continuing operations increasing from £221k to £1,842k and profits from new operations contributing a further £761k (2010 - loss £374k)

Over the course of the year findmypast.co.uk continued to add to its substantial collection of over 750 million UK family history records. Two major projects were completed during the period, Chelsea Pensioner's Service Records in association with The National Archives and fully name searchable GRO civil registration indexes. Website improvements were focused on making researching your family history easier as well as improving the overall customer experience. During the year, elements of the 1911 census were launched on competitor websites, however, websites owned and operated with the brightsolid group remained the only place to make the entire 1911 census publicly available.

Following on from the award of a new contract by the General Register Office for Scotland, a new website was launched for scotlandspeople.gov.uk in September 2010. New features included advanced searching, geographical mapping of results and new Catholic Parish Register records. In April 2011, the Office released the long awaited 1911 Census records for Scotland on the website.

The principal risks and uncertainties affecting the business include the following

- **Competitive risk** - the company operates in a highly competitive market. Product innovations or technical advances by competitors could adversely affect the company. The diversity of operations reduces the possible effect of action by any single competitor. There are a growing number of records available online for free however the breadth and depth of records and the enhanced functionality has meant that customer churn remains low with customers typically using more than one website to research their family history.

Key areas of strategic development and performance of the business include

- **Competitive advantage** - the company focuses on areas where it has a competitive advantage including the addition of new records and the development of the sites with enhancements to the Family Tree Explorer, search and other functionality to make the sites easy to use which places them well in terms of superior, long-term income/cash flow growth potential.
- The company announced the launch of findmypast.com.ie in May 2011 with around 5m records available at launch. The company continues to explore new global opportunities for the brands.

The company/group continues to place considerable emphasis on environmental compliance. It is aware of its environmental responsibilities and actively takes these into account when considering key processes, strategic and operational decisions.

brightsolid online publishing limited

Directors' report (continued) For the year ended 31 March 2011

The company/group 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

The company/group's staff resources are vital to its continued operational success and on-going training and development form a fundamental strand of the Group's HR function as well as a safe and healthy workplace for its employees

Key financial performance indicators include the monitoring and management of profitability and working capital.

Results and dividends

The results for the year are set out on pages 5 to 6

Directors

The following directors have held office since 1 April 2010

CHW Thomson
JH Denning
CRD van der Kuyl

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts 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 accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the accounts 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 accounts 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

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Directors' report (continued) **For the year ended 31 March 2011**

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



L Calder

Secretary

26 October 2011

brightsolid online publishing limited

Independent auditor's report

To the members of brightsolid online publishing limited

We have audited the accounts of brightsolid online publishing limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

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 auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non financial information in the directors' report to identify material inconsistencies with the audited accounts. Should we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 31 March 2011 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

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 accounts 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.



Terry Allison (Senior Statutory Auditor)
for and on behalf of Henderson Loggie
Statutory Auditor

26 October 2011
Royal Exchange
Panmure Street
Dundee
DD1 1DZ

brightsolid online publishing limited

Profit and loss account

For the year ended 31 March 2011

	Notes	2011 £000	2010 £000
Turnover	2		
Continuing operations		13,369	5,501
Acquisitions		1,695	1,356
		<u>15,064</u>	<u>6,857</u>
Cost of sales			
Continuing operations		(6,259)	(2,272)
Acquisitions		(594)	(1,476)
		<u>(6,853)</u>	<u>(3,748)</u>
Gross profit		8,211	3,109
Administrative expenses			
Continuing operations		(5,268)	(3,008)
Acquisitions		(340)	(254)
		<u>(5,608)</u>	<u>(3,262)</u>
Operating profit/(loss)	3		
Continuing operations		1,842	221
Acquisitions		761	(374)
		<u>2,603</u>	<u>(153)</u>
Other interest receivable and similar income	4	17	7
Interest payable and similar charges	5	(12)	(71)
		<u>2,608</u>	<u>(217)</u>
Profit/(loss) on ordinary activities before taxation		2,608	(217)
Tax on profit/(loss) on ordinary activities	6	(663)	6
Profit/(loss) for the year	15	1,945	(211)

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Profit and loss account (continued) For the year ended 31 March 2011

Movement on reserves is given in note 15. There are no recognised gains and losses other than the profit for the year of £1,945k (2010 - loss of £211k). Such losses represent the only movement in shareholder funds.

There have been acquisitions in 2011 and 2010. The continuing results in 2011 include the full year impact of the acquisition in 2010, with the acquisition results in 2011 relating only to the acquisition in that year.

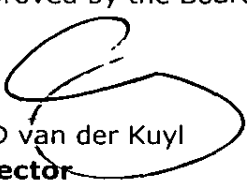
On 1 December 2009, part of the online publishing business of fellow subsidiary brightsolid online technology limited was transferred at net book value to the company. The remaining activities of online technology which had not been transferred to the company at that time were transferred at net book value on 1 April 2010. The above results include the results for those activities from the date of acquisition.

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Balance sheet As at 31 March 2011

		2011		2010	
	Notes	£000	£000	£000	£000
Fixed assets					
Intangible assets	7		4,840		4,684
Tangible assets	8		549		1,036
Investments	9		1,501		-
			<u>6,890</u>		<u>5,720</u>
Current assets					
Debtors	10	1,502		531	
Cash at bank and in hand		961		1,444	
		<u>2,463</u>		<u>1,975</u>	
Creditors: amounts falling due within one year	11	<u>(6,655)</u>		<u>(6,942)</u>	
Net current liabilities			<u>(4,192)</u>		<u>(4,967)</u>
Net assets			<u>2,698</u>		<u>753</u>
Capital and reserves					
Called up share capital	14		10		10
Profit and loss account	15		2,688		743
Shareholders' funds	16		<u>2,698</u>		<u>753</u>

Approved by the Board and authorised for issue on 26 October 2011


CRD van der Kuyl
Director

Company Registration No. 04369607

brightsolid online publishing limited

Notes to the accounts

For the year ended 31 March 2011

1 Accounting policies

1.1 Accounting convention

The accounts are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is part of a group which prepares a group cash flow statement

1.2 Compliance with accounting standards

The accounts are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Intangible fixed assets

Dataset development and transcription costs are capitalised in accordance with SSAP 13 as development expenditure. The expenditure so capitalised is amortised over the expected useful life of the dataset from the period in which the data is published on the website.

1.4 Tangible fixed assets and depreciation

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Computer equipment	3 years
Fixtures, fittings & equipment	5 years

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 (i.e. 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.

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

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Notes to the accounts (continued) For the year ended 31 March 2011

1 Accounting policies (continued)

1.8 Taxation

The tax expense represents the sum of the corporation tax and deferred tax charge for the year

The tax currently payable is based on taxable profit for the year. The company's liability 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. 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

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

Turnover represents fees charged to customers for viewing genealogical data on www.findmypast.co.uk, www.1911census.co.uk and www.discovermypast.co.uk and revenues generated from licensing data to 3rd parties. 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. Turnover also includes pay-per-view fees charged to customers via the website, www.scotlandspeople.gov.uk, which is recognised on receipt according to the terms of the contract with the National Records of Scotland

brightsolid online publishing limited

Notes to the accounts (continued) **For the year ended 31 March 2011**

3 Operating profit/(loss)	2011	2010
	£000	£000
Operating profit/(loss) is stated after charging		
Amortisation of intangible assets	1,615	1,715
Depreciation of tangible assets	616	249
Research and development	1	-
Operating lease rentals		
- Plant and machinery	4	-
- Other assets	-	75
Auditor's remuneration	33	8
Write off of intercompany balance	-	197

Auditor's remuneration for both periods has been borne by another group company

No remuneration was paid to the directors during the year All directors are paid through brightsolid online innovation limited

The company does not employ any staff All staff are provided on an agency basis by brightsolid online innovation limited

4 Investment income	2011	2010
	£000	£000
Bank interest	17	7

5 Interest payable	2011	2010
	£000	£000
Bank interest and charges	-	2
Interest on group loans	12	65
Hire purchase interest	-	4
	12	71

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Notes to the accounts (continued) For the year ended 31 March 2011

6 Taxation	2011 £000	2010 £000
Domestic current year tax		
U K corporation tax	826	36
Adjustment for prior years	(29)	(15)
Current tax charge	797	21
Deferred tax		
Deferred tax charge/credit current year	(81)	(38)
Deferred tax adjust re previous year	(53)	11
	(134)	(27)
	663	(6)
Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before taxation	2,608	(217)
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28% (2010 - 28%)	730	(61)
Effects of		
Difference between depreciation and capital allowances	87	38
Write off of intercompany balance	-	55
Expenses not deductible for tax purposes	9	4
Adjustments to previous periods	(29)	(15)
	67	82
Current tax charge	797	21

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Notes to the accounts (continued) For the year ended 31 March 2011

7 Intangible fixed assets

	Development Costs £000
Cost	
At 1 April 2010	10,910
Additions	1,771
At 31 March 2011	12,681
Amortisation	
At 1 April 2010	6,226
Charge for the year	1,615
At 31 March 2011	7,841
Net book value	
At 31 March 2011	4,840
At 31 March 2010	4,684

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Notes to the accounts (continued) **For the year ended 31 March 2011**

8 Tangible fixed assets

	Plant and machinery £000
Cost	
At 1 April 2010	2,220
Additions	128
At 31 March 2011	2,348
Depreciation	
At 1 April 2010	1,183
Charge for the year	616
At 31 March 2011	1,799
Net book value	
At 31 March 2011	549
At 31 March 2010	1,036

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £000
Net book values	
At 31 March 2011	-
At 31 March 2010	35
Depreciation charge for the year	
At 31 March 2011	-
At 31 March 2010	25

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Notes to the accounts (continued) For the year ended 31 March 2011

9 Fixed asset investments

	Shares in subsidiary undertakings £000
Cost	
At 1 April 2010	1
Additions	1,500
At 31 March 2011	1,501
Net book value	
At 31 March 2011	1,501

During the year the company acquired the entire share capital of Genes Reunited Limited, a company which provides online genealogy services, from fellow subsidiary Friends Reunited Limited as part of the ongoing group restructuring

The company owns the entire share capital of brightsolid newspaper archive limited, which was incorporated during the year and is working on a project to scan British Library newspaper archive material

The company owns the entire share capital of brightsolid online innovation (Ireland) Limited and brightsolid online publishing Australasia PTY limited companies set up to provide internet based genealogical information in those countries

10 Debtors

	2011 £000	2010 £000
Trade debtors	140	53
Amounts owed by group undertakings	697	-
Prepayments	442	125
Accrued income	18	52
Other debtors	12	242
Deferred tax asset (see note 12)	193	59
	1,502	531

brightsolid online publishing limited

Notes to the accounts (continued) For the year ended 31 March 2011

11 Creditors: amounts falling due within one year	2011 £000	2010 £000
Net obligations under hire purchase contracts	-	16
Trade creditors	479	180
Amounts owed to group undertakings	608	2,228
Taxation and social security	46	209
Corporation tax	243	14
Deferred income	4,524	3,955
Other creditors	414	318
Group relief	341	22
	6,655	6,942

Amounts owed to group undertakings are unsecured and have no fixed repayment date

The hire purchase balance is secured over related assets and is fully payable in less than five years

12 Provisions for liabilities and charges

The deferred tax asset (included in debtors, note 10) is made up as follows:

	2011 £000
Balance at 1 April 2010	(59)
Profit and loss account	(134)
Balance at 31 March 2011	(193)

	2011 £000	2010 £000
Decelerated capital allowances	(193)	(59)

brightsolid online publishing limited

Notes to the accounts (continued) For the year ended 31 March 2011

13 Pension and other Post-Retirement benefit commitments Defined contribution

	2011	2010
	£000	£000
Contributions payable by the company for the year	26	30

14 Share capital

	2011	2010
	£000	£000
Allotted, called up and fully paid		
100,000 ordinary shares of 10p each	10	10

15 Statement of movements on profit and loss account

	Profit and loss account £000
Balance at 1 April 2010	743
Profit for the year	1,945
Balance at 31 March 2011	2,688

16 Reconciliation of movements in shareholders' funds

	2011	2010
	£000	£000
Profit/(Loss) for the financial year	1,945	(210)
Opening shareholders' funds	753	963
Closing shareholders' funds	2,698	753

17 Contingent liabilities

The company's ultimate parent undertaking DC Thomson & Company Limited has provided a guarantee for a maximum of £1 2m in connection with a commercial contract

DC Thomson & Company Limited also hold 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 2011 was £Nil (2010 - £nil)

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Notes to the accounts (continued) For the year ended 31 March 2011

18 Financial commitments

At 31 March 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2012

	Land and buildings		Other	
	2011	2010	2011	2010
	£000	£000	£000	£000
Operating leases which expire				
Within one year	158	12	1	1

19 Control

The company is a wholly owned subsidiary undertaking of brightsolid online innovation limited, a company incorporated in Great Britain and registered in Scotland, which is a wholly owned subsidiary undertaking of DC Thomson & Company Limited, the ultimate parent company. No one person controls DC Thomson & Company Limited.

20 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" not to disclose related party transactions between companies which are wholly owned by the ultimate parent company during the year where group accounts are prepared.