

Financial Statements Livsmarter Limited

For the year ended 30 June 2013

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COMPANIES HOUSE

Registered number: 07204804

Livsmarter Limited

Company Information

| | |
|----------------------------|--|
| Registered number | 07204804 |
| Registered office | BBIC Innovation Way Wilthorpe BARNSELY South Yorkshire S75 1JL |
| Directors | M C Carr J R McCormick R A Moloney P Vandrill |
| Company secretary | P Vandrill |
| Independent auditor | Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 2 Broadfield Court SHEFFIELD South Yorkshire S8 0XF |
| Bankers | HSBC 5 Market Hill BARNSELY South Yorkshire S70 2PY |
| Solicitors | Turner Parkinson LLP Hollins Chambers 64a Bridge Street MANCHESTER M3 3BA |

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Directors' Report

For the year ended 30 June 2013

The directors present their report and the financial statements for the year ended 30 June 2013

Principal activities and business review

The company provides on-line health, diet and lifestyle advice

The company has invested in online and social media solutions to create and develop the Livsmarter brand. The company has also developed a complimentary range of products to support the brand. The Directors anticipate that the offering will begin to experience significant activity in the second half of this financial year. The brand has potential to expand way beyond its initial target market and has been designed with international conversions in mind.

There was a profit for the period after taxation amounting to £128,237 (2012 a loss of £228,019)

On 30 July 2012 the company changed its year end to 30 June

Directors

The directors who served during the year were

M C Carr
J R McCormick
R A Moloney
P Vandrill

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). 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 accounting 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 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.

Livsmarter Limited

Directors' Report

For the year ended 30 June 2013

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board and signed on its behalf



P Vandrill

Secretary

Date 6 December 2013

Independent Auditor's Report to the Members of Livsmarter Limited

We have audited the financial statements of Livsmarter Limited for the year ended 30 June 2013, 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 the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 as set out on page 1, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Livsmarter Limited

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 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

A handwritten signature in black ink, appearing to read "Michael Redfern".

Michael Redfern (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Sheffield

6 December 2013

Profit and Loss Account

For the year ended 30 June 2013

| | | 30 June 2013 £ | 15 months ended 30 June 2012 £ |
|--|------|----------------------|--|
| | Note | | |
| Turnover | 1 | 7,149 | - |
| Cost of sales | | (63,362) | (56,421) |
| Gross loss | | (56,213) | (56,421) |
| Administrative expenses | | (640,696) | (846,598) |
| Waiver of group loan | | 660,814 | 675,000 |
| Loss on ordinary activities before taxation | | (36,095) | (228,019) |
| Tax on loss on ordinary activities | 3 | 164,332 | - |
| Profit/(loss) for the financial year | 9 | 128,237 | (228,019) |

The above results were derived entirely from continuing activities

There were no recognised gains or losses other than the result for the year

The notes on pages 7 to 11 form part of these financial statements

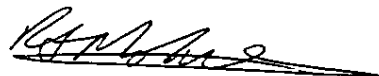
Balance Sheet

As at 30 June 2013

| | Note | £ | 2013 £ | £ | 2012 £ |
|---|------|------------------|-----------------|------------------|------------------|
| Fixed assets | | | | | |
| Intangible assets | 4 | | - | | 70,155 |
| Current assets | | | | | |
| Stocks | 5 | 11,875 | | 22,275 | |
| Debtors | 6 | 173,154 | | 60,599 | |
| Cash at bank | | 6,171 | | 1,499 | |
| | | <u>191,200</u> | | <u>84,373</u> | |
| Creditors, amounts falling due within one year | 7 | <u>(290,882)</u> | | <u>(382,447)</u> | |
| Net current liabilities | | | <u>(99,682)</u> | | <u>(298,074)</u> |
| Net liabilities | | | <u>(99,682)</u> | | <u>(227,919)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 8 | | 100 | | 100 |
| Profit and loss account | 9 | | <u>(99,782)</u> | | <u>(228,019)</u> |
| Shareholders' deficit | 10 | | <u>(99,682)</u> | | <u>(227,919)</u> |

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 December 2013


R A Moloney
Director

The notes on pages 7 to 11 form part of these financial statements

Notes to the Financial Statements

For the year ended 30 June 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The principal accounting policies remain unchanged from the previous year and are set out below

1.2 Going concern

After making enquiries, the directors have formed a judgment, at the time of approving the financial statements, that there is a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, with expectation that trading results will allow current liabilities to be met. The parent company will continue to support the company and provide relevant funds as required. For this reason the directors continue to adopt the going concern basis in preparing the financial statements

1.3 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

1.5 Intangible fixed assets and amortisation

Intangible assets relate to website, brand and product development costs

Amortisation is provided at the following rates

| | | |
|-------------------------|---|---------|
| Development expenditure | - | 5 years |
|-------------------------|---|---------|

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

Notes to the Financial Statements

For the year ended 30 June 2013

2. Loss before taxation

The loss before taxation is stated after charging

| | 30 June 2013 | 15 months ended 30 June 2012 |
|---------------------------------------|-----------------|---------------------------------------|
| | £ | £ |
| Auditor's remuneration | 5,000 | 5,000 |
| Auditor's remuneration - non-audit | - | 1,000 |
| Impairment of intangible fixed assets | 70,155 | - |
| | <u>70,155</u> | <u>-</u> |

During the year, no director received any emoluments (2012 - £NIL)

3. Taxation

| | 30 June 2013 | 15 months ended 30 June 2012 |
|--|------------------|---------------------------------------|
| | £ | £ |
| UK corporation tax charge on loss for the period | (164,332) | - |
| | <u>(164,332)</u> | <u>-</u> |

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2012 - higher than) the standard rate of corporation tax in the UK of 23.75% (2012 - 25.6%). The differences are explained below

| | 30 June 2013 | 15 months ended 30 June 2012 |
|---|------------------|---------------------------------------|
| | £ | £ |
| Loss on ordinary activities before tax | (36,095) | (228,019) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.75% (2012 - 25.6%) | (8,573) | (58,377) |
| Effects of: | | |
| Expenses not deductible for tax purposes | - | 26 |
| Non-taxable income | (156,948) | - |
| Other differences | 1,189 | - |
| Group relief surrendered | - | 58,351 |
| Current tax charge for the period (see note above) | <u>(164,332)</u> | <u>-</u> |

Notes to the Financial Statements

For the year ended 30 June 2013

3. Taxation (continued)**Factors that may affect future tax charges**

There is a potential deferred tax asset of £1,150 (2012 £nil) that has not been recognised. This is due to the company being unlikely to take advantage of these assets.

4. Intangible fixed assets

| | Website development costs £ |
|---------------------------------|--------------------------------------|
| Cost | |
| At 1 July 2012 and 30 June 2013 | 70,155 |
| Impairment | |
| At 1 July 2012 | - |
| Impairment charge | 70,155 |
| At 30 June 2013 | 70,155 |
| Net book value | |
| At 30 June 2013 | - |
| At 30 June 2012 | 70,155 |

5. Stocks

| | 2013 £ | 2012 £ |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | 11,875 | 22,275 |

6. Debtors

| | 2013 £ | 2012 £ |
|---------------------------|-----------|-----------|
| Corporation tax repayable | 164,333 | - |
| VAT repayable | 1,597 | 60,599 |
| Prepayments | 7,224 | - |
| | 173,154 | 60,599 |

Notes to the Financial Statements

For the year ended 30 June 2013

7. Creditors:

Amounts falling due within one year

| | 2013 | 2012 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 1,324 | 86,427 |
| Amounts owed to group undertakings | 256,756 | 283,631 |
| Accruals | 32,802 | 12,389 |
| | <u>290,882</u> | <u>382,447</u> |

8. Share capital

| | 2013 | 2012 |
|------------------------------------|------------|------------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

9. Reserves

| | Profit and loss account £ |
|-------------------------------|---------------------------------|
| At 1 July 2012 | (228,019) |
| Profit for the financial year | 128,237 |
| | <u>(99,782)</u> |
| At 30 June 2013 | |

10. Reconciliation of movement in shareholders' deficit

| | 2013 | 2012 |
|---------------------------------------|-----------------|------------------|
| | £ | £ |
| Opening shareholders' (deficit)/funds | (227,919) | 3 |
| Profit/(loss) for the year/period | 128,237 | (228,019) |
| Shares issued during the period | - | 97 |
| | <u>(99,682)</u> | <u>(227,919)</u> |
| Closing shareholders' deficit | | |

On 15 September 2011 the company increased its share capital from 3 ordinary of £1 each to 100 ordinary shares of £1 each. Nominal consideration was paid in respect of the shares issued and accordingly no share premium was generated.

Notes to the Financial Statements

For the year ended 30 June 2013

11. Capital commitments

At 30 June 2013 there were capital commitments in relation to the website development costs of £nil (2012 £300,000)

12. Related party transactions

Moloney Technologies Limited is a related party by virtue of its 90% ownership of the company. During the year the company received working capital funding from Moloney Technologies Limited. At the year end the balance was £256,756 (2012 £273,631). The parent company waived £660,814 (2012 £675,000) of the loan.

Touch4 Limited is a related party by virtue of being a fellow subsidiary in the group headed up by Moloney Technologies Limited. During the year wages and salaries were paid by Touch4 Limited on behalf of the company which have been recharged as a management fee. At the year end the balance outstanding was £nil (2012 £nil).

Enterprise Technologies (UK) Limited is a related party by virtue of being a fellow subsidiary in the group headed up by Moloney Technologies Limited. At the year end the balance outstanding was £nil (2012 £10,000).

13. Ultimate parent undertaking and controlling party

The immediate parent company and ultimate controlling related party is Moloney Technologies Limited by virtue of its 90% ownership of the company's ordinary share capital.

The largest and smallest group undertaking for which group accounts are prepared is Moloney Technologies Limited. These can be obtained at BBIC, Innovation Way, Wilthorpe, Barnsley, S75 1JL.

14. Liability limitation agreement with auditor

The company has entered into a limited liability agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 30 June 2013. The proportionate liability agreement follows the terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Audit Liability Agreements, and was approved by the Shareholders by written resolution.