

Registered number: 04992246

**LIVSMART LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2012**



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**LIVSMART LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTOR</b>	J R Barclay A G Stilwell
<b>COMPANY SECRETARY</b>	L A Outram
<b>COMPANY NUMBER</b>	04992246
<b>REGISTERED OFFICE</b>	1 Mann Island Liverpool United Kingdom L3 1BP
<b>AUDITOR</b>	Ernst & Young LLP 20 Chapel Street Liverpool L3 9AG

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**LIVSMART LIMITED**

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## LIVSMART LIMITED

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### DIRECTORS' REPORT For the year ended 31 March 2012

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The directors present their report and the financial statements for the year ended 31 March 2012

#### RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £352,055 (2011 - loss £351,047)

The directors do not recommend the payment of a dividend (2011 £nil)

#### PRINCIPAL ACTIVITIES

The principal activity of the company is that of managing information, access and communication through a Smart Card on behalf of public and private organisations

#### BUSINESS REVIEW

During the financial year, LiveSmart Limited has considerably reduced the range of loyalty, membership and ticketing products it has formerly delivered throughout the Liverpool city region, using smart card technology and the internet

#### 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

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**LIVESMART LIMITED**

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**DIRECTORS' REPORT**  
**For the year ended 31 March 2012**

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**DIRECTORS**

The directors who served during the year were

J R Barclay  
A G Stilwell  
N Scales (resigned 12 January 2012)  
D J Wade-Smith (resigned 19 October 2011)  
C Speight (resigned 19 October 2011)

**EVENTS SINCE THE END OF THE YEAR**

The directors have deemed that the business is not a going concern. Since the balance sheet date the Directors have continued to wind down the operations at LiveSmart Limited. The business now concentrates on one core product and one smaller product, employing only two full-time employees. LiveSmart is now directly managed by Merseyside Passenger Transport Executive who are reviewing the long-term viability of the brand.

**PROVISION 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 information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

**AUDITOR**

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The report of the directors has 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.

This report was approved by the board on 20 December 2012 and signed on its behalf



**A G Stilwell**  
Director

20/12/2012

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## LIVSMART LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LIVSMART LIMITED

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We have audited the financial statements of Livesmart Limited for the year ended 31 March 2012, 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). As explained in Note 1.1 the financial statements are prepared on a break-up basis.

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 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 Ethical Standards for Auditors.

#### SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements 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 financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Financial statements for the year ended 31 March 2011 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### 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 31 March 2012 and of its loss 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 financial statements are prepared is consistent with the financial statements.

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**LIVESMART LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LIVESMART LIMITED**

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**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 take advantage of the small companies' exemption in preparing the Directors' Report



Barry Flynn (Senior Statutory Auditor)

for and on behalf of  
**Ernst & Young LLP**

Statutory Auditor

Liverpool

Date 21/12/2012

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**LIVSMART LIMITED**

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**PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 March 2012**

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	Note	2012 £	2011 £
<b>TURNOVER</b>	1,2	<b>93,044</b>	<b>312,920</b>
Cost of sales		<b>(40,186)</b>	<b>(194,074)</b>
<b>GROSS PROFIT</b>		<b>52,858</b>	<b>118,846</b>
Administrative expenses		<b>(391,399)</b>	<b>(469,893)</b>
<b>OPERATING LOSS</b>	3	<b>(338,541)</b>	<b>(351,047)</b>
<b>EXCEPTIONAL ITEMS</b>			
Other exceptional items	8	<b>(13,481)</b>	-
<b>LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>(352,022)</b>	<b>(351,047)</b>
Interest payable and similar charges	7	<b>(33)</b>	-
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(352,055)</b>	<b>(351,047)</b>
Tax on loss on ordinary activities	9	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>	17	<b>£ (352,055)</b>	<b>£ (351,047)</b>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account

The notes on pages 7 to 15 form part of these financial statements



**LIVSMART LIMITED**  
Registered number: 04992246

**BALANCE SHEET**  
As at 31 March 2012

	Note	£	2012 £	£	2011 £
<b>FIXED ASSETS</b>					
Tangible assets	10		-		413
Investments	11		100		100
			<u>100</u>		<u>513</u>
<b>CURRENT ASSETS</b>					
Stocks	12	-		1,606	
Debtors	13	17,835		63,743	
Cash at bank and in hand		21,570		80,110	
			<u>39,405</u>	<u>145,459</u>	
<b>CREDITORS: amounts falling due within one year</b>	14	<b>(2,155,797)</b>		<b>(542,913)</b>	
<b>NET CURRENT LIABILITIES</b>			<b>(2,116,392)</b>		<b>(397,454)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>(2,116,292)</b>		<b>(396,941)</b>
<b>CREDITORS: amounts falling due after more than one year</b>	15		-		<b>(1,367,296)</b>
<b>NET LIABILITIES</b>			<b>£ (2,116,292)</b>		<b>£ (1,764,237)</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		196		196
Profit and loss account	17		(2,116,488)		(1,764,433)
<b>SHAREHOLDERS' DEFICIT</b>	18		<b>£ (2,116,292)</b>		<b>£ (1,764,237)</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 December 2012



**A G Stilwell**  
Director

The notes on pages 7 to 15 form part of these financial statements

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## LIVESMART LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2012

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#### 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 applicable accounting standards

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The directors, having reviewed the trading activities of the company post year end, have concluded that the break up basis is the most appropriate basis for the preparation of the accounts, as the losses built up by Livesmart Limited are no longer viewed as sustainable, and no realistic viability of the business can be foreseen.

During the financial year, the directors have managed a reduction and restructure of Livesmart Limited's business, maintaining only the core activity and repositioning Livesmart Limited within the Merseyside Passenger Transport umbrella. As part of this restructure, all commitments and liabilities have been assessed and realised. Notwithstanding this change in strategy, the directors of Merseyside Passenger Transport Executive will ensure that sufficient liquid resources are made available for Livesmart Limited to meet any future liabilities that may arise prior to the business being closed down.

##### 1.2 CASH FLOW

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### 1.3 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.

##### 1.4 INVESTMENTS

Investments held as fixed assets are shown at cost less provision for impairment.

##### 1.5 STOCKS

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

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**LIVSMART LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2012

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**2. TURNOVER**

The whole of the turnover is attributable to the principal business activity

All turnover arose within the United Kingdom

**3. OPERATING LOSS**

The operating loss is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets - owned by the company	<u>413</u>	<u>891</u>

**4. AUDITORS' REMUNERATION**

Fees payable to the company's auditor for the audit of the company's annual accounts have been paid by Merseyside Passenger Transport Executive, the ultimate parent company

**5. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	188,785	247,414
Social security costs	17,582	25,482
	<u>£ 206,367</u>	<u>£ 272,896</u>

The average monthly number of employees, including the directors, during the year was as follows

	2012 No.	2011 No.
Marketing	3	3
Administration	2	2
IT	2	2
	<u>7</u>	<u>7</u>

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**LIVSMART LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2012

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**6. DIRECTORS' REMUNERATION**

	2012 £	2011 £
Emoluments	£ 73,967	£ 118,965
Compensation for loss of office	£ 26,847	£ -

There were no retirement benefits accruing to the directors in either the current or the preceding year

**7. INTEREST PAYABLE**

	2012 £	2011 £
On bank loans and overdrafts	£ 33	£ -

**8. EXCEPTIONAL ITEMS**

	2012 £	2011 £
Write off of debt due from Global Smart Media Limited	85	-
Write off of debt due from Global Smart Media (IPR) Limited	13,396	-
	£ 13,481	£ -

As the directors have prepared these accounts on a break-up basis, the business no longer being considered to be a viable going concern, all intercompany loans within the group have been released. This decision was supported by Merseyside Passenger Transport Executive, the ultimate parent company.

**LIVSMART LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2012

**9. TAXATION**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
UK corporation tax charge on loss for the year	£ -	£ -
	<u>          </u>	<u>          </u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 26% (2011 - 28%). The differences are explained below

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	£ (352,055)	£ (351,047)
	<u>          </u>	<u>          </u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	(91,534)	(98,293)

**EFFECTS OF:**

Income and expenses not deductible for tax purposes	4,683	2,570
Capital allowances for year in excess of depreciation	(1,445)	(1,840)
Unrelieved tax losses carried forward	88,296	97,563

<b>CURRENT TAX CHARGE FOR THE YEAR</b> (see note above)	£ -	£ -
	<u>          </u>	<u>          </u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The company has tax losses of £5,458,000 which are available to be carried forward and utilised against future trading profits. Tax losses amounting to £143,800 have been surrendered to group companies.

**Deferred taxation**

The deferred tax asset of £1,315,000, calculated at a rate of 24%, arising from the tax losses carried forward and fixed asset timing differences has not been recognised in these accounts due to the future uncertainty regarding their recoverability.

**Impact of change in corporation tax rate**

In his Budget of 21 March 2012 the Chancellor of the Exchequer announced certain changes which have an effect on the company's future tax position. The proposals included phased reductions in the corporation tax rate to 22% from 1 April 2014. The corporation tax rate has been reduced to 24% from 1 April 2012 which was substantively enacted on 26 March 2012. The 2012 Finance Bill contains proposals to reduce the corporation tax rate to 23% from 1 April 2013 with a further reduction to 22% expected to be reflected in future Finance Acts. These changes had not been substantively enacted at the balance sheet date and, therefore, are not reflected in these financial statements.

These changes will reduce the company's future current tax charge accordingly.

**LIVSMART LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2012

**10. TANGIBLE FIXED ASSETS**

	Office equipment £	Other fixed assets £	Total £
<b>COST</b>			
At 1 April 2011 and 31 March 2012	2,422	189,814	192,236
<b>DEPRECIATION</b>			
At 1 April 2011	2,422	189,401	191,823
Charge for the year	-	413	413
At 31 March 2012	2,422	189,814	192,236
<b>NET BOOK VALUE</b>			
At 31 March 2012	£ -	£ -	£ -
<i>At 31 March 2011</i>	£ -	£ 413	£ 413

**11. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £
<b>COST OR VALUATION</b>	
At 1 April 2011 and 31 March 2012	100
<b>NET BOOK VALUE</b>	
At 31 March 2012	£ 100
<i>At 31 March 2011</i>	£ 100

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Global Smart Media (IPR) Limited	Ordinary	100%

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**LIVESMART LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2012

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**11. FIXED ASSET INVESTMENTS (continued)**

The aggregate of the share capital and reserves as at 31 March 2012 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Global Smart Media (IPR) Limited	<u>3</u>	<u>6,552</u>

Global Smart Media (IPR) Limited did not trade during the period, its only activity during the year was the release of a loan liability due to Livesmart Limited and the release of a debt due from Global Smart Media Limited

**12. STOCKS**

	2012 £	2011 £
Finished goods and goods for resale	<u>£ -</u>	<u>£ 1,606</u>

**13. DEBTORS**

	2012 £	2011 £
Trade debtors	5,406	39,406
Amounts owed by group undertakings	-	14,551
Other debtors	8,585	-
Prepayments and accrued income	3,844	9,786
	<u>£ 17,835</u>	<u>£ 63,743</u>

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**LIVSMART LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2012

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**14. CREDITORS:**  
**AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012	2011
	£	£
Debenture loans	100,000	-
Trade creditors	23,823	25,784
Social security and other taxes	1,597	11,369
Accruals and deferred income	9,649	83,328
Share capital treated as debt (Note 16)	2,020,728	422,432
	<u>£ 2,155,797</u>	<u>£ 542,913</u>

Disclosure of the terms and conditions attached to the non-equity shares are made in note 16

The loan is secured by a fixed and floating charge over all the assets of the company

**15. CREDITORS:**  
**AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2012	2011
	£	£
Debenture loans	-	100,000
Share capital treated as debt (Note 16)	-	1,267,296
	<u>£ -</u>	<u>£ 1,367,296</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 16

Creditors include amounts not wholly repayable within 5 years as follows

	2012	2011
	£	£
Repayable other than by instalments	£ -	£ 100,000

The loan is secured by a fixed and floating charge over all the assets of the company



**LIVSMART LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2012

**16. SHARE CAPITAL**

	2012 £	2011 £
<b>SHARES CLASSIFIED AS CAPITAL</b>		
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
100 A ordinary shares of £1 each	100	100
96 B ordinary shares of £1 each	96	96
	<b>£ 196</b>	<b>£ 196</b>
<b>SHARES CLASSIFIED AS DEBT</b>		
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
2,020,728 (2011 - 1,689,728) Cumulative redeemable preference shares of £1 each	£ 2,020,728	£ 1,689,728

During the period the company issued 331,000 cumulative redeemable preference shares of £1 each at par; the consideration received was £331,000

As stated in Note 1 1, the directors have concluded that the accounts should be prepared on a break-up basis. Accordingly, the whole of the issued preference share capital has been disclosed within liabilities as due within one year

**17. RESERVES**

	Profit and loss account £
At 1 April 2011	(1,764,433)
Loss for the year	(352,055)
At 31 March 2012	<b>£(2,116,488)</b>

**18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	2012 £	2011 £
Opening shareholders' deficit	(1,764,237)	(1,413,190)
Loss for the year	(352,055)	(351,047)
Closing shareholders' deficit	<b>£ (2,116,292)</b>	<b>£ (1,764,237)</b>

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**LIVSMART LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2012**

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**19. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption conferred under FRS 8, as a wholly owned subsidiary, not to disclose balances and transactions with other group companies as consolidated accounts of the ultimate parent are available

**20. POST BALANCE SHEET EVENTS**

Since the balance sheet date, the LiveSmart Limited business has been further reduced, with only two full-time employees remaining in the company. The business has physically moved location to the Merseyside Passenger Transport building whilst the Directors of Merseyside Passenger Transport Executive resolve their long-term plans for the future of the card schemes and the LiveSmart brand.

**21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company is a subsidiary of Global Smart Media Limited, the immediate parent company. Copies of the parent company accounts may be obtained from 1 Mann Island, Liverpool L3 1BP.

The directors consider Global Smart Media Limited to be controlled by Merseyside Passenger Transport Executive, the ultimate parent undertaking and controlling party. Copies of the parent undertaking financial statements may be obtained from MPTE, 1 Mann Island, Liverpool L3 1BP.