

Company Registration No. 07227708 (England and Wales)

LivingSocial Limited
Annual Report and Unaudited Financial Statements
For the period ended 1 October 2017

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COMPANIES HOUSE

LivingSocial Limited

Company information

Directors Roland Patrick Bryan
Karen Louise Kemble-Diaz
Andrew Peter MacKinnon

Secretary Hannah Catherine Rigby

Company number 07227708

Registered office 12-27 Swan Yard
London
N1 1SD

Bankers NatWest
49 Bishopsgate
London
EC2N 3AS

LivingSocial Limited

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LivingSocial Limited

Directors' report

For the period ended 1 October 2017

The directors present their annual report and financial statements for the period ended 1 October 2017 (the "Period").

Principal activities

The principal activity of the company is to offer daily voucher deals and online discounts.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Roland Patrick Bryan
Karen Louise Kemble-Diaz
Andrew Peter MacKinnon

Results and dividends

The results for the period are set out on page 2.

Directors' insurance

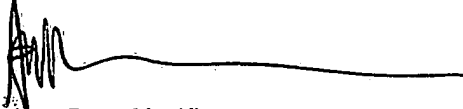
The Company's parent company, Excalibur Bidco Limited, has made qualifying third party indemnity provisions for the benefit of its directors during the period. These provisions remain in force at the reporting date.

Future developments

Following the acquisition of the entire trade, assets and liabilities of the Company by Wowcher Limited on 2 October 2016, the Company has ceased to trade.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Andrew Peter MacKinnon

Director

25 January 2018

LivingSocial Limited

Income statement

For the period ended 1 October 2017

		Period ended 1 October 2017 £'000	Period ended 2 October 2016 £'000
	Notes		
Turnover		-	9,503
Cost of sales		-	(3,195)
Gross profit		-	6,308
Administrative expenses		-	(5,420)
Operating profit before exceptional costs		-	888
Other operating income		-	29,045
Exceptional item	2	-	(1,214)
Operating profit		-	28,719
Interest payable and similar expenses	6	-	(27)
Profit before taxation		-	28,692
Taxation	7	-	-
Profit for the financial period		-	28,692

LivingSocial Limited
Statement of financial position
As at 1 October 2017

		2017		2016	
	Notes	£'000	£'000	£'000	£'000
Current assets					
Creditors: amounts falling due within one year	8	(7,979)		(7,979)	
Net current liabilities			<u>(7,979)</u>		<u>(7,979)</u>
Capital and reserves					
Called up share capital	9		-		-
Other reserves			6,337		6,337
Profit and loss account			<u>(14,316)</u>		<u>(14,316)</u>
Total equity			<u>(7,979)</u>		<u>(7,979)</u>

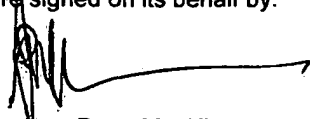
For the financial period ended 1 October 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared 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 25 January 2018 and are signed on its behalf by:



Andrew Peter MacKinnon
Director

Company Registration No. 07227708

LivingSocial Limited
Statement of changes in equity
For the period ended 1 October 2017

	Other reserves	Profit and loss account	Total equity
	£'000	£'000	£'000
Balance at 1 October 2015	6,337	(43,008)	(36,671)
Period ended 2 October 2016:			
Profit and total comprehensive income for the period	<u>-</u>	<u>28,692</u>	<u>28,692</u>
Balance at 2 October 2016	6,337	(14,316)	(7,979)
Period ended 1 October 2017:			
Profit and total comprehensive income for the period	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 1 October 2017	<u>6,337</u>	<u>(14,316)</u>	<u>(7,979)</u>

LivingSocial Limited

Notes to the financial statements

For the period ended 1 October 2017

1 Accounting policies

Company information

LivingSocial Limited is a private Company limited by shares incorporated in England and Wales. The registered office is 12-27 Swan Yard, London, N1 1SD.

1.1 Basis of preparation

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 £'000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Reporting period

These financial statements are for the period from 3 October 2016 to 1 October 2017. The comparative figures are for the period from 1 October 2015 to 2 October 2016.

1.3 Turnover

The Company generates revenue through the sale and issue of vouchers that can be exchanged for goods and services provided by third party merchant partners or on some occasions with LivingSocial itself, where the Company acts as both the supplier of the product as well as the issuer of the voucher.

The Company recognises revenue at the point at which the customer purchases a voucher from the LivingSocial website, with consideration being passed at that point. The amount recognised as revenue comprises the Company's fees and any other income in accordance with its contract with the third party merchant partner, rather than the gross value of vouchers purchased by customers.

Customers purchase the vouchers from the Company and redeem them with the Company's merchant partners. The revenue recognition criteria are met when the consideration passes from the customer to LivingSocial and a voucher is issued. At that time, the Company's obligations are substantially complete.

1.4 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.

1.5 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 statement of financial position 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.

LivingSocial Limited

Notes to the financial statements (continued)

For the period ended 1 October 2017

1 Accounting policies

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.

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.

1.6 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.

1.7 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.

1.8 Retirement benefits

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

1.9 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.

LivingSocial Limited

Notes to the financial statements (continued)

For the period ended 1 October 2017

1 Accounting policies

1.10 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 income statement for the period.

1.11 Exceptional costs

The Company classifies certain one-off charges or credits that have a material impact on the Company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Company.

2 Exceptional costs/(income)

	2017 £'000	2016 £'000
Exceptional costs - reorganisation	-	1,214

In the prior year on 29 March 2016, the Company announced a restructuring of its operations involving the closure of the Company's leasehold office premises in London and the redundancy of a number of employee roles.

The reorganisation expense of nil (2016: £1,214,000) comprises the costs of a redundancy programme together with the costs of exiting premises previously occupied by the LivingSocial business. The costs have been charged to operating profit and included in administrative expenses in the statement of comprehensive income.

3 Other income

	2017 £'000	2016 £'000
Intercompany balance waived	-	29,045
	-	29,045

Other income relates to the waiver by LivingSocial, Inc, the former immediate and ultimate parent company, on 26 November 2015 of all balances that were previously owed by the Company.

4 Employees

The average monthly number of persons (including directors) employed by the company during the period was 0 (2016 - 74).

LivingSocial Limited

Notes to the financial statements (continued)

For the period ended 1 October 2017

5 Share based payments

At 1 October 2015 there were 326,523 unexpired options held by employees of the Company over the shares of its former parent Living Social Inc. The average fair value of these options was £Nil. No options were issued between 1 October 2015 and the date of sale to Excalibur Bidco Ltd.

Under the terms of the scheme, on purchase of the Company by Excalibur Bidco Ltd all unvested options were cancelled and all vested options remained exercisable by their terms for three months after the sale, at which time they expired. No options were exercised, and hence all options expired on 26 February 2016.

The related charge to the Statement of Comprehensive Income was nil (2016: immaterial). The scheme is now ended.

6 Interest payable and similar expenses

	2017 £'000	2016 £'000
Interest payable and similar expenses includes the following:		
Interest payable to group undertakings	-	27

7 Taxation

The actual charge for the period can be reconciled to the expected (credit)/charge for the period based on the profit or loss and the standard rate of tax as follows:

	2017 £'000	2016 £'000
Profit before taxation	-	28,692
Expected tax charge based on the standard rate of corporation tax in the UK of 19.50% (2016: 20.00%)	-	5,738
Tax effect of expenses that are not deductible in determining taxable profit	-	10
Tax effect of income not taxable in determining taxable profit	-	(5,808)
Unutilised tax losses carried forward	-	(7,443)
Group relief	-	195
Losses transferred to Wowcher Limited	-	7,308
Taxation charge for the period	-	-

The Finance (No 2) Act 2015 reduced the main rate of UK corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. The effect of these rates was included in the financial statements in 2015/16. The Finance Act 2016 further reduced the main rate of UK corporation tax to 17% with effect from 1 April 2020.

LivingSocial Limited

Notes to the financial statements (continued)

For the period ended 1 October 2017

8 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Amounts due to group undertakings	7,979	7,979

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

9 Called up share capital

	2017 £	2016 £
Authorised		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Issued and fully paid		
100 Ordinary shares of 10p each	10	10
	<u>10</u>	<u>10</u>

There is a single class of ordinary shares. There are no restrictions on the distributions of dividends and repayment of capital.

10 Related party transactions

During the period to 26 November 2015, LivingSocial Limited was wholly owned within the LivingSocial, Inc. group. Thereafter, the Company was wholly owned within the Excalibur Holdco Limited group.

The Company has taken advantage of the exemption available under paragraph 33.1A of FRS 102 not to disclose related party transactions with other group companies.

11 Parent company

The ultimate controlling party is Exponent Private Equity LLP on behalf of funds under its management.

For the period ended 1 October 2017, the parent undertaking of the smallest group to consolidate these financial statements was Excalibur Midco Limited and the parent undertaking of the largest group to consolidate these financial statements was Excalibur Holdco Limited. The registered address of both Excalibur Midco Limited and Excalibur Holdco Limited is 12-27 Swan Yard, London N1 1SD.