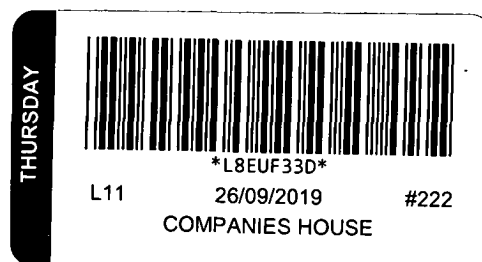


Kelkoo.com (UK) Limited

Director's report and unaudited abridged financial statements

For the period ended 31 December 2018

Registered number 03844739



Kelkoo.com (UK) Limited

Company information

Company name: Kelkoo.com (UK) Limited

Company number: 03844739

Registered office: 6th Floor
Portland House
Bressenden Place
London
SW1E 5BH

Directors: Richard Stables
Michael Trommsdorff

Solicitors: CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
76 Cannon Street
London
EC4N 6AF

Kelkoo.com (UK) Limited

Directors' report

The directors present their report and financial statements for the period ended 31 December 2018.

Principal activities, review of the business and future developments

The principal activity of the company is the provision of online price comparison to consumers and online lead generation of advertisers. Price comparison is at the confluence of the three fastest growing online markets being e-commerce, online search and online advertising. The company's overriding objective is to achieve attractive and sustainable rates of growth and return.

Results and dividends

The company's loss for the period, after taxation, amounted to £185,375 (2017: Loss £558,944).

No dividends were paid in respect of the period ended 31 December 2018 (2017: nil).

Director and secretary, and their interests

The present membership of the Board is set out on page 1. Neither director held any shares in the company at 31 December 2018 or 31 December 2017.

Events after the end of the reporting period

No significant events have taken place after the end of the reporting period.

Small company provisions

This report has been prepared in accordance with the special provision of Statutory Instrument 2008/409 under the Companies Act 2006 relating to small companies.

Signed on behalf of the board

Richard Stables
Director



Date

26th 2019

Statement of comprehensive income
For the period ended 31 December 2018

	Notes	2018 £	2017 £
Turnover	2	3,482,111	2,582,898
Cost of sales		<u>(3,766,376)</u>	<u>(1,525,443)</u>
Gross profit		(284,265)	1,057,455
Administrative income	3	3,314,386	790,352
Administrative expenses		<u>(3,215,497)</u>	<u>(2,406,751)</u>
Operating (loss)/ profit	4	(185,376)	(558,944)
Interest payable		<u>-</u>	<u>-</u>
(Loss)/ profit before taxation		(185,376)	(558,944)
Tax on (loss)/ profit on ordinary activities		-	-
(Loss)/ profit for the financial year		<u>(185,376)</u>	<u>(558,944)</u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing.

There was no other comprehensive income for 2018 or 2017 other than those included in the income statement account.

The accounting policies and notes on pages 5 to 12 form part of these financial statements.

Kelkoo.com (UK) Limited

Company number: 03844739

Balance sheet As at 31 December 2018

	Notes	2018 £	2017 £
Fixed assets			
Investments	6	2,397	2,397
Intangible assets	7	20,198	29,221
Tangible fixed assets	8	290,087	260,558
		<u>312,682</u>	<u>292,176</u>
Current assets			
Debtors: amounts falling due within one year	9	14,214,312	11,032,534
Cash at bank and in hand		154,935	128,728
		<u>14,369,247</u>	<u>11,161,262</u>
Creditors: amounts falling due within one year	10	<u>(17,932,582)</u>	<u>(14,518,717)</u>
Net current liabilities		<u>(3,563,335)</u>	<u>(3,357,455)</u>
Net liabilities		<u>(3,250,653)</u>	<u>(3,065,279)</u>
Capital and reserves			
Called up share capital	11	182	182
Share premium account		49,918	49,918
Profit and loss account		<u>(3,300,753)</u>	<u>(3,115,379)</u>
Shareholders' deficit		<u>(3,250,653)</u>	<u>(3,065,279)</u>

For the period ending 31 December 2018, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the director and authorised for issue on *September 26th 2019* and are signed by:

Richard Stables
Director



The accounting policies and notes on pages 5 to 12 form part of these financial statements.

Notes forming part of the financial statements for the period ended 31 December 2018**1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company financial statements.

Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention, and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 ('FRS 102') issued by the Financial Reporting Council, and with the Companies Act 2006.

The principal accounting policies of the company are set out below. The director has reviewed the accounting policies and considers that they are appropriate for the company.

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.

Qualifying entity

Kelkoo.com (UK) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it.

Kelkoo.com (UK) Limited's financial statements are consolidated into the consolidated financial statements of Kelkoo Group Limited. Copies of the Kelkoo Group Limited financial statements are publicly available and may be obtained from Kelkoo Group Limited, Portland House, Bressenden Place, London.

Exemptions have been taken in relation to reconciliation of the number of shares outstanding, financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

Abridged accounts

All of the members have consented to the preparation of abridged accounts in accordance with Section 444(2A) of the Companies Act 2006.

Going concern

The company's approved forecasts and projections, taking into account of reasonably possibly changes in trading performance show that the company should be able to operate within the level of current funding and available bank balances. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover primarily consists of fees which are recognised and invoiced to third parties on a cost-per-click basis for the usage of links to their websites³ from the company's online price comparison service. Turnover is stated net of value added tax and discounts.

Intangible assets

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful.

The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Notes forming part of the financial statements for the period ended 31 December 2018 (continued)**1. ACCOUNTING POLICIES (continued)****Intangible assets (continued)**

The useful economic lives of intangible assets are as follows:
Computer software – 3 years

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ, the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

Computer software

The cost of computer software comprises its purchase cost, together with any incidental costs at acquisition. Computer software assets are stated at cost less accumulated depreciation and provision for any impairment. The cost is written off in equal instalments based on the estimated useful life.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs at acquisition. Tangible fixed assets are stated at cost less accumulated depreciation and provision for any impairment. The cost is written off in equal instalments based on the estimated useful lives, which are:

Leasehold improvements	-	Lease period
Office equipment	-	5 to 8 years
Computer hardware	-	3 years

Impairment of non-financial assets

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Any impairment loss recognised for all assets, including goodwill, shall be reversed in a subsequent period if, and only if, the reasons for the impairment have ceased to exist.

Investments

Investments are stated at cost less provisions for any impairment.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at a contracted rate.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or the contracted rate. All differences are taken to the profit and loss account.

Taxation and deferred taxation

The charge for taxation is based on the results for the period and is calculated with reference to the tax rates applying at the reporting date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the

Notes forming part of the financial statements for the period ended 31 December 2018 (continued)**1. ACCOUNTING POLICIES (continued)****Taxation and deferred taxation (continued)**

balance sheet date, where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement.

Provisions for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation.

The company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Pensions

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs represents the contributions payable by for the year. Any differences between contributions payable in the year and contributions actually paid are included within accruals. These contributions are invested separately from the company's assets.

Called up share capital

The called up share capital account represents the nominal value of the shares that have been issued.

Notes forming part of the financial statements for the period ended 31 December 2018 (continued)

1. ACCOUNTING POLICIES (continued)

Share premium account

The share premium account is a reserve which records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss reserve

The profit and loss reserve represents cumulative profits or losses.

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Trade debtors, net of allowances for doubtful accounts

Trade debtors are carried at net realisable value. On a periodic basis, management evaluates the trade debtor accounts and determines whether to provide an allowance or if any accounts should be written down and charged to expense as a bad debt. The evaluation is based on a past history of collections, current credit conditions, the length of time the trade debtor is past due and a past history of write downs.

Valuation of investments

The Company accounts for investments at cost less any provision for impairment. Where there are indicators of impairment of individual investments, the Company performs impairment tests based on a value in use calculation. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Notes forming part of the financial statements for the period ended 31 December 2018 (continued)

2. TURNOVER

Turnover primarily consists of fees which are recognised and invoiced to third parties for the provision of online price comparison to consumers and online lead generation of advertisers.

Turnover by geographical segment is not disclosed, as in the opinion of the directors, it would be seriously prejudicial to the interests of the Company to do so.

3. ADMINISTRATIVE INCOME

Administrative income relates to management fees recharged to group companies under the current transfer pricing arrangement.

	2018 £	2017 £
Intercompany recharges	<u>3,314,386</u>	<u>790,352</u>

4. OPERATING PROFIT

	2018 £	2017 £
Operating profit is stated after charging:		
Audit fees	7,617	7,314
Taxation services	19	3,195
Operating lease rentals – property	286,143	286,143
Exchange (gain)/loss	29,433	25,160
Depreciation of tangible fixed assets	155,811	130,519
Amortisation of intangible assets	<u>10,913</u>	<u>4,945</u>

5. STAFF COSTS

Staff costs, including director's remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	1,144,773	738,421
Social security costs	103,231	83,578
Pension costs	<u>13,529</u>	<u>22,107</u>
	<u>1,261,533</u>	<u>844,106</u>

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

	2018 Number	2017 Number
Administration	11	10
Sales and marketing	12	8
Production	1	2
	<u>24</u>	<u>20</u>

Notes forming part of the financial statements for the period ended 31 December 2018 (continued)

6. INVESTMENTS

Investments in subsidiary companies

£

Cost

At 1 January and 31 December 2018

2,397

Impairment

At 1 January and 31 December 2018

-

Net book value

At 1 January and 31 December 2018

2,397

Subsidiary undertakings

On 4 July 2014, the Company incorporated Kelkoo Lithuania UAB, holding 100% of the voting shares.

Kelkoo Lithuania UAB

Registered number:

303343516

Registered office:

Vilniaus m. sav. Vilniaus m. Jogailos g. 4, Lithuania

Date and place of incorporation:

04 July 2014, Vilnius

7. INTANGIBLE FIXED ASSETS

	Computer software £	Total £
Cost		
At 1 January 2018	34,166	34,166
Additions in the year	-	-
Disposals in the year	-	-
At 31 December 2018	<u>34,166</u>	<u>34,166</u>
Depreciation		
At 1 January 2018	(4,945)	(4,945)
Charge for the year	(9,023)	(9,023)
Disposals in the year	-	-
At 31 December 2018	<u>(13,968)</u>	<u>(13,968)</u>
Net book value		
At 31 December 2018	<u><u>20,198</u></u>	<u><u>20,198</u></u>
At 31 December 2017	<u><u>29,221</u></u>	<u><u>29,221</u></u>

Notes forming part of the financial statements for the period ended 31 December 2018 (continued)

8. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 January 2018	202,611	105,280	1,588,811	1,896,702
Additions in the year	-	-	185,340	185,340
Disposals in the year	-	-	-	-
At 31 December 2018	202,611	105,280	1,774,151	2,082,042
Depreciation				
At 1 January 2018	(169,023)	(102,432)	(1,364,689)	(1,636,144)
Charge for the year	(18,605)	(818)	(136,388)	(155,811)
Disposals in the year	-	-	-	-
At 31 December 2018	(187,628)	(103,250)	(1,501,077)	(1,791,955)
Net book value				
At 31 December 2018	14,983	2,030	273,074	290,087
At 31 December 2017	33,588	2,848	224,122	260,558

9. DEBTORS

Amounts falling due within one year

	2018 £	2017 £
Trade debtors	1,299,877	809,580
Amounts owed by group undertakings	12,351,178	9,434,864
Other debtors	133,026	288,253
Prepayments and accrued income	430,232	499,837
	14,214,313	11,032,534

10. CREDITORS

Amounts falling due within one year

	2018 £	2017 £
Trade creditors	818,252	609,353
Amounts owed to group undertakings	16,322,262	13,323,922
Social security and other taxes	119,825	35,753
Other creditors	-	-
Accruals and deferred income	672,243	549,689
	17,932,582	14,518,717

Kelkoo.com (UK) Limited

Company number: 03844739

Notes forming part of the financial statements for the period ended 31 December 2018 (continued)

11. CALLED UP SHARE CAPITAL

	2018	2017
	£	£
Called up, issued and fully paid		
182 ordinary shares of £1 each	<u>182</u>	<u>182</u>

12. RELATED PARTY TRANSACTIONS

As opposed to prior years, during the 2018 year, there were no costs and support services provided to Kelisto (a company incorporated in Spain). As such, there were no invoices raised for Kelisto in 2018 (2017: €41k). There were however, transfers made from Kelisto during the 2018 year, and the amount outstanding at the year-end was €10k (2017: €19k).

13. ULTIMATE PARENT UNDERTAKING CONTROLLING PARTY

The company is a subsidiary undertaking of Kelkoo SAS incorporated in France.

The ultimate parent undertaking and controlling party and the largest and smallest undertaking to consolidate these financial statements is Kelkoo Group Limited, a company incorporated in England and Wales.