

Kelkoo.com (UK) Limited

Director's report and unaudited abridged financial statements

For the period ended 31 December 2016

Registered number 03844739

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Kelkoo.com (UK) Limited

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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

Solicitors: Olswang LLP
90 High Holborn
London
WC1V 6XX

Kelkoo.com (UK) Limited

Director's report

The director presents his report and financial statements for the period ended 31 December 2016.

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 £23,503 (2015: profit £1,134,729).

No dividends were paid in respect of the period ended 31 December 2016 (2015: nil).

Director and secretary, and their interests

The present membership of the Board is set out on page 1. Neither the director nor company secretary held any shares in the company at 31 December 2016 or 31 December 2015.

Events after the end of the reporting period

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

Provision of information to auditor


The company has taken advantage of the Companies Act 2006 479C – audit exemption for a subsidiary company and therefore these statements are not subject to audit and contain no independent audit letter. The accounts have been reviewed by the group auditor solely for the purpose of consolidating into the Kelkoo Group Limited group accounts.

Signed on behalf of the board

Richard Stables
Director

Date

26/09/17



Statement of comprehensive income
For the period ended 31 December 2016

	Notes	2016 £	2015 £
Turnover	2	2,507,180	3,330,089
Cost of sales		(1,528,376)	(2,349,990)
Gross profit		978,803	980,099
Administrative income	3	1,148,186	1,976,209
Administrative expenses		(2,150,476)	(1,821,580)
Operating (loss)/ profit	4	(23,487)	1,134,728
Interest receivable		-	1
Interest payable		(17)	-
(Loss)/ profit before taxation		(23,504)	1,134,729
Tax on (loss)/ profit on ordinary activities		-	-
(Loss)/ profit for the financial year		(23,504)	1,134,729

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

There was no other comprehensive income for 2016 or 2015 other than those included in the income statement account.

The accounting policies and notes on pages 5 to 11 form part of these financial statements.

Balance sheet
As at 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Investments	6	2,397	2,397
Tangible fixed assets	7	130,333	96,386
		132,730	98,783
Current assets			
Debtors: amounts falling due within one year	8	8,206,170	7,165,076
Cash at bank and in hand		132,497	539,596
		8,338,667	7,704,672
Creditors: amounts falling due within one year	9	(10,977,732)	(10,286,286)
Net current liabilities		(2,639,065)	(2,581,614)
Net liabilities		(2,506,335)	(2,482,831)
Capital and reserves			
Called up share capital	10	182	182
Share premium account		49,918	49,918
Profit and loss account		(2,556,435)	(2,532,931)
Shareholders' deficit		(2,506,335)	(2,482,831)

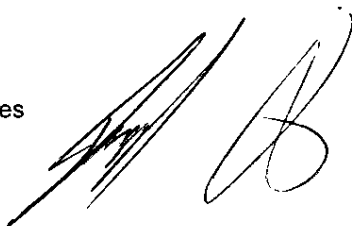
For the period ending 31 December 2016 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 ("the Act") relating to subsidiary companies.

Director's responsibilities:

- the members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Act.
- the director acknowledges his responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- all of the members have consented to the preparation of abridged accounts in accordance with Section 444(2A) of the Companies Act 2006.

These financial statements were approved by the director and authorised for issue on 26/09/17 and are signed by:

Richard Stables
Director



The accounting policies and notes on pages 5 to 11 form part of these financial statements.

Notes forming part of the financial statements for the period ended 31 December 2016**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 websites 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.

The useful economic lives of intangible assets are as follows:

Computer software – 3 years

Notes forming part of the financial statements for the period ended 31 December 2016 (continued)**1. ACCOUNTING POLICIES (continued)****Intangible assets (continued)**

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 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.

Notes forming part of the financial statements for the period ended 31 December 2016 (continued)**1. ACCOUNTING POLICIES (continued)****Taxation and deferred taxation (continued)**

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.

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.

Notes forming part of the financial statements for the period ended 31 December 2016 (continued)

1. ACCOUNTING POLICIES (continued)

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 2016 (continued)**2. TURNOVER**

Turnover principally relates to a single activity, which is that of providing an online price comparison service via the internet.

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.

	2016	2015
	£	£
Intercompany recharges	1,148,186	1,976,209

4. OPERATING PROFIT

	2016	2015
	£	£
Operating profit is stated after charging:		
Operating lease rentals – property	196,896	119,112
Exchange (gain)/loss	(4,614)	54,865
Depreciation of tangible fixed assets	101,030	98,466
Amortisation of intangible assets	-	1,924

5. STAFF COSTS

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

	2016	2015
	£	£
Wages and salaries	863,132	1,040,415
Social security costs	88,524	114,376
Pension costs	20,760	54,462
	972,416	1,209,253

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

	2016	2015
	Number	Number
Administration	11	16
Sales and marketing	12	12
Production	3	7
	26	35

Notes forming part of the financial statements for the period ended 31 December 2016 (continued)

6. INVESTMENTS
Investments in subsidiary companies

	£
Cost	
At 1 January and 31 December 2016	<u>2,397</u>
Impairment	
At 1 January and 31 December 2016	<u>-</u>
Net book value	
At 1 January and 31 December 2016	<u><u>2,397</u></u>

Subsidiary undertakings

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

During 2015, Kelkoo Lithuania incorporated Kelkoo LLC (Russia), a Company operating in Russia 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

Kelkoo LLC (Russia)

Registered number: 1157746263850
 Registered office: Bed. 5, Kasaskini Street, Moscow, 129301, Russia
 Date and place of incorporation: 25 March 2015, Moscow

7. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 January 2016	161,739	101,194	1,238,048	1,500,981
Additions in the year	-	1,400	133,577	134,977
Disposals in the year	-	-	-	-
At 31 December 2016	<u>161,739</u>	<u>102,594</u>	<u>1,371,625</u>	<u>1,635,958</u>
Depreciation				
At 1 January 2016	(135,832)	(100,632)	(1,168,131)	(1,404,595)
Charge for the year	(11,083)	(1,028)	(88,919)	(101,030)
Disposals in the year	-	-	-	-
At 31 December 2016	<u>(146,915)</u>	<u>(101,660)</u>	<u>(1,257,050)</u>	<u>(1,505,625)</u>
Net book value				
At 31 December 2016	<u>14,824</u>	<u>934</u>	<u>114,575</u>	<u>130,333</u>
At 31 December 2015	<u>25,907</u>	<u>562</u>	<u>69,917</u>	<u>96,386</u>

Notes forming part of the financial statements for the period ended 31 December 2016 (continued)

8. DEBTORS

Amounts falling due within one year

	2016	2015
	£	£
Trade debtors	553,194	793,542
Amounts owed by group undertakings	7,217,877	5,817,714
Other debtors	171,870	275,589
Prepayments and accrued income	263,229	278,231
	8,206,170	7,165,076

9. CREDITORS

Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	115,146	299,970
Amounts owed to group undertakings	10,391,315	9,382,168
Social security and other taxes	41,217	105,167
Other creditors	50	50
Accruals and deferred income	430,004	498,931
	10,977,732	10,286,286

10. CALLED UP SHARE CAPITAL

	2016	2015
	£	£
Called up, issued and fully paid		
182 ordinary shares of £1 each	182	182

11. RELATED PARTY TRANSACTIONS

There is no transaction for 2016 (none 2015).

12. 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. The company had been a subsidiary undertaking of Tamsa Limited, a company incorporated in Ireland, until 27th May 2016 when the shares were transferred to Kelkoo Group Limited.