Fredhopper Limited

Report and Financial Statements

Year Ended 31 December 2018

Company Number 04591358

Fredhopper Limited

Report and financial statements
for the year ended 31 December 2018

Contents

Page:

Fredhopper Limited

Company information
for the year ended 31 December 2018

Country of incorporation

United Kingdom

Legal form

Private Limited Company

Director

Eric Dodd

Registered office

7th Floor
222-236 Gray's Inn Road
London
WC1X 8HB

Company number

04591358

Auditors

BDO LLP
55 Baker Street
London, W1U 7EU.

Bankers

ING Direct
8-10 Moorgate
London
EC2R 6DA

Fredhopper Limited

Director's report
for the year ended 31 December 2018

The director presents his report with the financial statements of the Company for the year ended 31 December 2018.

Principal Activity

The Company is an innovative provider of visual merchandising, site search and product recommendation technology to online retailers, to help drive online sales growth.

Results

The Company made a profit after tax in 2018 of £3,000 (2017 – profit £2,000) on turnover of £93,000 (2017 – £97,000).

Dividends

The board do not propose the payment of a dividend for the year (2017 – nil).

Directors

The directors shown below held office during the reporting period:

André Brown (resigned 12 January 2018)

Eric Dodd was appointed as Director of the company on 12 January 2018.

Indemnity of officers

The Company purchases director's and officer's insurance against their cost in defending themselves in legal proceedings taken against them in that capacity, and in respect of damages resulting from the unsuccessful defence of any proceedings.

Going concern

After making appropriate enquiries, the director considers that the Company has adequate resources to continue in operational existence for the foreseeable future.

The directors of the parent company have undertaken to continue to give such financial support as the Company requires to enable it to continue to meet its liabilities as they become due and to trade in the foreseeable future. For this reason, the director has adopted the going concern basis in preparing the financial statements.

Statement of Director's responsibilities

The Director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 101 - *Reduced Disclosure Framework* ("FRS 101") and applicable law. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements the Director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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 Director is 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. The Director is 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.

Auditors

BDO LLP, who were appointed auditors of the company by the director during the year, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

The director, as at the date of this report, has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information. The director is not aware of any relevant audit information of which the Company's auditor is unaware.

Small Company Provision

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime.

Approval

The Director's report was approved by order of the board on 24 April 2019

Eric Dodd

Eric Dodd
Director

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF FREDHOPPER LIMITED

Opinion

We have audited the financial statements of Fredhopper Limited ("the Company") for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of the profit 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.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under these standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained during the course of the audit, we have not identified material misstatements in the Directors' report.

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.
- the directors were not entitled to prepare the financial statements and the Directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit for the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

BDO LLP

Andrew Viner (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
25 April 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Fredhopper Limited

Statement of comprehensive income
for the year ended 31 December 2018

	Notes	2018 £'000	2017 £'000
Turnover	3	**93**	97
Cost of sales		**(280)**	(464)
Gross loss		**(187)**	(367)
Administrative expenses		**(824)**	(1,579)
Other operating income	4	**1,014**	1,948
Profit from operations and profit on ordinary activities before taxation		**3**	2
Taxation	7	**-**	-
Profit on ordinary activities after taxation and profit for the financial year		**3**	2
Total comprehensive income for the year		**3**	2

All amounts relate to continuing activities.

The notes on 10 to 19 form an integral part of these financial statements.

Fredhopper Limited

Statement of financial position
as at 31 December 2018

Company Number 04591358	Notes	2018 £'000	2017 £'000
Assets			
Non-current assets			
Property, plant and equipment	8	**5**	10
Current assets			
Trade and other receivables	9	**1,411**	643
Cash and cash equivalents		**17**	26
		1,428	669
Total assets		**1,433**	679
Liabilities			
Current liabilities			
Trade and other payables	10	**1,417**	664
Total liabilities		**1,417**	664
NET ASSETS		**16**	13
Capital and reserves			
Share capital	12	**-**	-
Retained earnings		**16**	13
Shareholders' funds		**16**	13

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

The financial statements were authorised for issue by the Director on 24 April 2019 and signed on:

Eric Dodd

Eric Dodd
Director

The notes on pages 10 to 19 form an integral part of these financial statements.

Fredhopper Limited

Statement of changes in equity
for the year ended 31 December 2018

	Share Capital	Retained earnings	Total equity
	£'000	£'000	£'000
1 January 2017	-	11	11
Profit for the year	-	2	2
Total comprehensive Loss for the year	-	13	13
31 December 2017	-	13	13
Profit for the year	-	3	3
Total comprehensive Profit for the year	-	3	3
31 December 2018	-	16	16

The notes on pages 10 to 19 form an integral part of these financial statements.

1. Accounting policies

Basis of preparation

These financial statements were prepared in accordance with the Financial Reporting Standard 100 *Application of Financial Reporting Requirements* and Financial Reporting Standard 101 *Reduced Disclosure Framework*. The principle accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on a historical cost basis. The presentation currency is sterling and amounts have been presented in round thousands ("£'000").

Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- Certain comparative information as otherwise required by EU endorsed IFRS;
- The effect of future accounting standards not yet adopted; and
- Disclosure of related party transactions with other wholly owned members of Attraqt Group PLC
- A statement of cash flows.

The financial statements of the new parent company owner Attraqt Group PLC can be obtained as described in note 13.

Going concern

The financial statements show a profit after tax for the year of £3,000 and the company had net assets at the balance sheet date of £16,000. The financial statements have been prepared under the going concern basis as the directors have undertaken a review of the future financing requirements of the ongoing operation of the group and are satisfied that sufficient cash together with bank and other facilities is available to meet its working capital requirements for at least 12 months from the date of signing these financial statements. The directors accordingly consider it appropriate for the financial statements to be prepared on a going concern basis as disclosed the Directors' Report.

The company directors of the parent company have undertaken to continue to give such financial support as the Company requires to enable it to continue to meet its liabilities as they become due and to trade in the foreseeable future. For this reason, the director has adopted the going concern basis in preparing the financial statements.

1. **Accounting policies** *(continued)*

Income and expense recognition

Fredhopper Limited's accounting policy for revenue is in line with IFRS 15, information regarding the considerations upon adoption are disclosed in the new standards applied in the period section.

Revenue represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Where work is completed at the year-end but not invoiced, the Fredhopper Limited accrues for this income. Fredhopper Limited derives the majority of its revenue from the provision of e-commerce services via a license fee to online retailers which includes site search, merchandising and product recommendation technology. As a result of IFRS 15 the following revenue streams have been determined:

SaaS license fee: In the case of SaaS Licence Fee only contracts, revenue would be recognised over time as the customer has access to the vendor's intellectual property as it exists at any given time throughout the licence period.

On-going services: Revenue in relation to Technical Consulting/Business consulting contracts that have distinct performance obligations i.e. the number of consulting days defined in the contract, will be recognised at a point in time according to time and materials used – therefore, once the customer consumes the benefits from the service provided, the revenue is recognised.

Interest income and expenditure are reported on an accruals basis. Operating expenses are recognised in the income statement upon utilisation of the service or at the date of their origin.

Foreign currency

Transactions entered into by the Company in a currency other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately within administrative expenses in profit or loss.

Financial instruments

Fredhopper Limited has implemented IFRS 9, which has resulted in the following accounting policy changes, there has been no impact on the classification of Financial Instruments it is purely a change in terminology.

Recognition, derecognition and measurement of financial instruments
Financial assets and financial liabilities are recognised when Fredhopper Limited becomes party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when the related contractual obligation is extinguished, discharged or cancelled, or when it expires. Financial instruments are recognised and derecognised using settlement date accounting. On initial recognition, financial instruments are measured at fair value. Fair value on initial recognition includes transaction costs directly attributable to the acquisition or issue of financial instruments, except for financial instruments carried at fair value through profit or loss, for which transaction costs are recognised in the Consolidated statement of Comprehensive income in the period when they are incurred.

Classification of financial instruments

Financial assets
On initial recognition, a financial asset is classified and subsequently measured at:
- Amortised cost
- Fair value through profit or loss (FVTPL); or
- Fair value through other comprehensive income (FVOCI)

Business model assessment
The classification depends on Fredhopper Limited's business model for managing these financial assets and the contractual terms of the financial asset's cash flows. The business models objectives are broken down into three categories:
- Financial assets held solely to collect contractual cash flows
- Financial assets held both to collect contractual cash flows and selling the assets
- Financial assets that are managed on a fair value basis

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:
- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL:
- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

All other financial assets are classified as measured at FVTPL.

Impairment of financial assets measured at amortised cost
Fredhopper Limited assesses on a forward looking basis expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied for trade receivables is the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Write-off policy
Financial assets are written-off after Fredhopper Limited has exhausted all possible avenues of recovery from the customer and there is no realistic prospect of recovering the amounts owed.

Financial liabilities
Fredhopper Limited classifies its financial liabilities at amortised cost unless it has designated liabilities at FVTPL or is required to measure liabilities at FVTPL, these include short-term monetary liabilities. The Fredhopper Limited designates a financial liability as measured at FVTPL on initial recognition when it eliminates an accounting mismatch that would otherwise arise from measuring assets or liabilities on a different basis. A description of the basis for each designation is set out in the major types of financial instruments section of this note.

Subsequent measurement of financial instruments
Financial instruments are measured in subsequent periods either at fair value or at amortised cost depending on the financial instrument classification.

Financial instruments classified as at amortised cost
Subsequent to initial recognition, financial assets and liabilities classified in this category are recognized at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to its carrying amount. When calculating the effective interest rate, Fredhopper Limited estimates future cash flows, considering all contractual terms of the financial instrument. Interest income, interest expense and the amortisation of loans fees are presented in the Consolidated Statement of Income.

Financial instruments classified as at fair value through profit or loss
Subsequent to initial recognition, gains and losses upon the sale, disposal or write-off of these financial instruments are included directly in the Consolidated Statement of Comprehensive Income and are reported within administrative expenses.

Equity Instruments
Fredhopper Limited measures equity instruments at FVTPL, changes in the fair value would be recognised in Statement of Comprehensive Income.

Changes in accounting policy
New standards, interpretations and amendments applied
The following amendments to existing standards were effective for Fredhopper Limited from 1 January 2018, but either they were not applicable to or did not have a material impact on the Fredhopper Limited:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from contracts with customers

Fredhopper Limited's assessment of the impact of applying IFRS 9 and IFRS 15 are discussed below.

IFRS 15 Revenue from Contracts with customers
IFRS 15 replaces IAS 18 Revenue effective 1 January 2018, the EU has approved the standard. IFRS 15 provides a five step revenue recognition model:

- Identify the contract
- Identify separate performance obligations
- Determine the transaction price
- Allocate the transaction price to separate performance obligations
- Recognise revenue when the performance obligation is satisfied

Fredhopper Limited has three contract types; SaaS licence revenue, Implementation fees and on-going services revenue, which form two revenue streams; SaaS revenue and Services revenue. The contract types can be on a standalone contract where a single performance obligation (step 2) can easily be identified, or a contract can have both SaaS license and services which would include more than one stream within the contract resulting in more than one distinct performance obligations.

Once the performance obligation(s) is established and the transaction price is allocated, revenue is recognised when (or as) goods or services are transferred to a customer, this being represented by transfer of control. Control in the context of IFRS 15 is the ability to direct the use of, and obtain substantially all of the remaining benefits from, an asset. Indicators of such include:

- A present obligation to pay
- Physical possession of the assets
- Legal title
- Risks and rewards ownership
- Acceptance of the asset(s)

A vendor satisfies a performance obligation and recognises revenue over time when one or more of the following three criteria is met:

- The customer simultaneously receives and consumes economy benefits provided by the vendor's performance
- The vendor creates or enhances an asset controlled by the customer
- The vendor's performance does not create an asset for which the vendor has an alternative use and the vendor has an enforceable right to payment for performance completed to date.

It is important to note that the recognition of revenue on an over time percentage of completion basis does not necessarily require that revenue be recognised evenly over the licence period. The principle is that revenue should be recognised to depict satisfaction of the performance obligation. This can however, lead to a mismatch between cost and revenue, as IFRS 15 requires that costs incurred in fulfilling a contract are expensed unless certain criteria are met or the treatment of them is mandated by another accounting standard (such as inventory or intangible assets). Costs to fulfil a contract are expensed, which are in relation to commissions which are prepaid that until after the start of the license agreement post development stage.

Fredhopper Limited has adopted IFRS 15 using the full retrospective method, there was no adjustment required to either period presented on transition. Practical expedients used were as follows:
Fredhopper Limited has not disclosed the allocation of the transaction price to the remaining performance obligations to either reporting period or disclosed when the revenue is expected to be recognised; and
Contracts that started and ended within the same reporting period have not been restated

IFRS 9 Financial Instruments
IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement bringing all three aspects of the accounting together for financial instruments: classification and measurements; impairment; and hedge accounting. The only change that impacts Fredhopper Limited is the change in calculation of the expected credit loss allowance and considerations are discussed below.

Impairment
The adoption of IFRS 9 Financial Instruments from 1 January 2018, resulted in a change of accounting policy however there were no adjustments required through opening retained earnings.

Fredhopper Limited applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on the days past due. Fredhopper Limited has concluded that the expected loss rates for trade receivables, are a reasonable approximation of the loss rates for each ageing category and customer based on historical debt trends for the last 2 years.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity instruments.

Income taxes

Current income tax assets and liabilities comprise those obligations to fiscal authorities in the countries in which the Company carries out its operations. They are calculated according to the tax rates and tax laws applicable to the fiscal period and the country to which they relate. All changes to current tax liabilities are recognised as a component of tax expense in the income statement unless the tax relates to an item taken directly to equity in which case the tax is also taken directly to equity. Tax relating to items recognised in other comprehensive income is recognised in other comprehensive income.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on the same taxable Company.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Property, plant and equipment is depreciated over its estimated economic life taking into account their residual values. The estimated useful economic life of these assets is:

Fixtures and fittings	-	4 years
Computer equipment	-	4 years

2. Significant accounting judgements and estimates

In preparing these financial statements, the director does not consider that they have made any accounting estimates or judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the financial year. There were no material judgements or estimates used on application of IFRS 9 Financial Instruments or IFRS 15 Revenue from contracts with customers, there were no contracts that straddled year end which required any judgement.

3. Turnover

	2018 £'000	2017 £'000
Revenue arises from the rendering of services	93	97

The turnover and the loss before taxation were attributable to the principal activity of the Company and originated wholly in the United Kingdom. The turnover for 2018 was £93,000 (2017: £97,000). The turnover for the year excludes inter group recharges, which is disclosed in other operating income, note 4.

The Company has a single customer contract. There is only considered to be one business segment.

4. Other Operating Income

	2018 £'000	2017 £'000
Inter group recharges	1,014	1,948

The inter group recharge relates to charges made to group related companies.

5. Operating profit/(loss)

	2018 £'000	2017 £'000
Foreign exchange gains	-	(7)
Employee benefits (see note 6)	1,013	1,152
Depreciation of property, plant and equipment	6	6
Operating lease expense: Land & buildings	1	16
Audit and non-audit services:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	-	-

Audit fees were borne by a fellow group company.

6. Employee benefit expenses

	2018 £'000	2017 £'000
Staff costs comprise:		
Wages and salaries	814	945
Social security contributions and similar taxes	115	120
Other pension costs	84	87
	1,013	1,152

Wages and salaries includes bonus and commissions payments of £188,000 (2017: £296,000).

Key management personnel are considered to be the director only. Director's remuneration was borne by a fellow group company.

Staff Numbers

The average monthly number of employees, including Directors and individuals employed by the Company are as follows:

	2018 Number	2017 Number
Sales	9	10
Management (including directors)	-	-
	9	10

7. Income tax

	2018 £'000	2017 £'000
Current tax		
Current UK tax on profits for the year	-	-
Adjustment to tax in respect of previous periods	-	-
Total taxation	-	-

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2018 £'000	2017 £'000
Profit for the year	3	2
Expected tax charge based on the standard rate of United Kingdom corporation tax at the domestic rate of 19% (2017 – 19%)	-	-
Expenses not deductible for tax purposes	-	-
Unrecognised tax losses carried forward	-	-
Total tax expense	-	-

8. Property, plant and equipment

	Equipment £'000
Cost	
Balance at 31 December 2017	18
Additions	-
Disposals	(4)
Balance at 31 December 2018	**14**
Accumulated depreciation	
Balance at 31 December 2017	8
Charge for the year	6
Disposals	(5)
Balance at 31 December 2018	**9**
Net book value	
At 31 December 2018	**5**
At 31 December 2017	10

9. Trade and other receivables

	2018 £'000	2017 £'000
Trade receivables	-	124
Prepayments and accrued income	93	9
Other receivables	-	5
Amounts owed by group undertakings	1,318	505
Total trade and other receivables	1,411	643

As no trade receivables have been impaired, no allowance account has been created. All receivables are due in Sterling.

10. Trade and other payables

	2018 £'000	2017 £'000
Trade payables	-	24
Accrued expenses and deferred income	69	193
Tax and social security payable	7	8
Amounts owed to group undertakings	1,341	439
Total Trade and other payables	1,417	664

11. Deferred tax

No deferred tax assets have been recognised due to uncertainties over their ultimate recoverability.

12. Share capital

	2018 Number of shares	2018 £	2017 Number of shares	2017 £
Issued and fully paid				
At 1 January and 31 December	1	1	1	1

13. Ultimate parent company and control

The immediate parent of Fredhopper Limited is Fredhopper BV. Following the acquisition of Fredhopper BV by Attraqt Group PLC the ultimate parent Company of the group is Attraqt Group PLC. Attraqt Group PLC produced consolidated financial statements which included Fredhopper Limited for the financial year 31 December 2018.

The largest group in which the results of the Company are consolidated is that headed by Attraqt Group plc, incorporated in England. Copies of these accounts are available from the Company's registered office at 7th Floor, 222-236 Gray's Inn Road, London, WC1X 8HB.