

JUST EAT.CO.UK LTD

Annual Report and Financial Statements

For the year ended 31 December 2010



JUST EAT.CO.UK LTD

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JUST EAT.CO.UK LTD

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Butress
K Nyengaard
M Wroe

SECRETARY

M Wroe

REGISTERED OFFICE

90 Fetter Lane
London
EC4A 1EQ

BANKERS

Lloyds TSB
296-302 High Holborn
Holborn
London
WC1V 7JH

SOLICITORS

Bird & Bird LLP
15 Fetter Lane
London
EC4A 1JP

AUDITORS

Deloitte LLP
Reading, United Kingdom

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

PRINCIPAL ACTIVITIES

The principal activity of the Company is the provision of online takeaway ordering for restaurants and consumers across the UK

BUSINESS REVIEW

The Company's profit and loss account is set out on page 7 The Company's turnover has increased by 227% from £2,922,537 to £9,551,557 The directors are delighted with the continued growth in both the number of partnership restaurants and the number of orders received during the year As a result turnover has more than trebled when compared to 2009

The profit after tax for the year was £39,756 (2009 loss of £2,155,839)

The directors expect turnover to continue to grow during 2011

GOING CONCERN

The Company is in a net current liabilities and net liabilities position Just Eat Holding Limited, the immediate parent company, has indicated that it will continue to provide ongoing financial support to the Company and will not seek payment of intercompany loans if it would be detrimental to the business Just Eat Holding Limited is backed by the ultimate parent company, Just-Eat Group Holdings Limited

Just-Eat Group Holdings Limited completed a funding round in March 2011 of £29.8 million £15 million of which was new equity issued by the company This additional funding, combined with debt facilities available to the wider Just-Eat Group and the profitability of this Company, means that the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Thus, they continue to adopt the going concern basis in preparing the annual financial statements

DIRECTORS

The directors, who served throughout the year except as noted, were as follows

D Butress
K Nyengaard
M Wroe

DIVIDENDS

The directors do not recommend a final dividend (2009 £nil)

DIRECTORS' REPORT (CONTINUED)

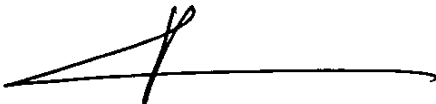
AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting

A handwritten signature in black ink, appearing to read 'Mike Wroe', is written over a horizontal line.

Mike Wroe

Director

30 September 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUST EAT.CO.UK LTD

We have audited the financial statements of Just Eat co uk Ltd for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUST EAT.CO.UK LTD (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



John Clennett FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountant and Statutory Auditor
Reading, United Kingdom
30 September 2011

JUST EAT.CO.UK LTD

PROFIT AND LOSS ACCOUNT Year ended 31 December 2010

	Note	2010 £	2009 £
TURNOVER	2	9,551,557	2,922,537
Cost of sales	4	(3,011,014)	(541,695)
GROSS PROFIT		6,540,543	2,380,842
Other income	4	550,000	-
Administration costs		(6,878,877)	(4,423,132)
OPERATING PROFIT / (LOSS)	5	211,666	(2,042,290)
Finance charges (net)	6	(171,910)	(113,549)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		39,756	(2,155,839)
Tax on profit / (loss) on ordinary activities	7	-	-
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	14	39,756	(2,155,839)

All results derive from continuing operations

There have been no gains or losses in either the current year or prior year other than the profit for the financial period and consequently a separate statement of total recognised gains and losses has not been presented

The accompanying notes are an integral part of this profit and loss account

JUST EAT.CO.UK LTD

BALANCE SHEET 31 December 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible assets	8	1,349,289	766,034
Investments	9	20,000	-
		<u>1,369,289</u>	<u>766,034</u>
CURRENT ASSETS			
Stock	10	3,500	-
Debtors	11	1,387,881	411,619
Cash at bank and in hand		2,172,523	763,842
		<u>3,563,904</u>	<u>1,175,461</u>
CREDITORS amounts falling due within one year	12	<u>(5,890,583)</u>	<u>(2,458,640)</u>
NET CURRENT LIABILITIES		<u>(2,326,679)</u>	<u>(1,283,179)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(957,390)</u>	<u>(517,145)</u>
CREDITORS amounts falling due after more than one year	12	<u>(2,316,177)</u>	<u>(2,796,178)</u>
NET LIABILITIES		<u>(3,273,567)</u>	<u>(3,313,323)</u>
CAPITAL AND RESERVES			
Called up share capital	13	100	100
Profit and loss account	14	<u>(3,273,667)</u>	<u>(3,313,423)</u>
SHAREHOLDER'S DEFICIT	14	<u>(3,273,567)</u>	<u>(3,313,323)</u>

The accompanying notes are an integral part of this balance sheet

The financial statements of Just Eat co uk Ltd (Registration number 04656315) were approved by the Board of Directors and authorised for issue on 30 September 2011 They were signed on its behalf by



Mike Wroe
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2010

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have been applied consistently throughout the current year and preceding year.

Consolidated financial statements have not been prepared as the Company is a wholly owned subsidiary of Just-Eat Group Holdings Limited, a Company incorporated in the United Kingdom.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report on page 2.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Fixtures and fittings	33% per annum
Equipment	33% per annum
Motor vehicles	33% per annum

Residual value is calculated at prices prevailing at the date of acquisition.

Investments in subsidiary undertakings

Investments in other companies are stated at cost less provision for impairment.

Stock

Stock is stated at cost based on weighted average prices. If the net realisable value is lower than cost, write-down is provided to the lower value.

Trade debtors

Debtors are valued individually and there are provisions made according to this valuation.

Trade creditors

Creditors are carried at payment or settlement amounts. Where the time value of money is material, creditors are carried at amortised cost.

Taxation

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2010

1. ACCOUNTING POLICIES (continued)

Taxation (continued)

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax. Turnover is recognised at the point the service is provided, and is represented by invoiced sales excluding Value Added Tax.

The Company has several income streams. For the vast majority of these, the point of service is immediate (for example, connection fee income, transfer fee income, menu typing income). However, the turnover from two income streams (Top Placement and JCT box installation fees) are recognised over a period of time. Top Placement is recognised straight line over the corresponding period to which the service is provided. JCT Box installation fees are recognised in a straight-line period over three years, considered to be the useful life of the JCT box.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Foreign currencies

Assets and liabilities in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Gains or losses on translation are included in the profit and loss account.

Cash flow statement

The ultimate parent company Just-Eat Group Holdings Limited, which is incorporated in the United Kingdom prepares consolidated financial statements in which the company is included. The company has therefore taken advantage of an exemption from preparing a Cash Flow Statement as provided for in the Financial Reporting Standard 1 (revised 1996).

2. SEGMENT INFORMATION

Class of business

The company only has one class of business, which is the facilitation of online ordering of food and soft drinks for delivery restaurants and associated activities.

Geographical segments

The company only operates within the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 31 December 2010

3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' remuneration

The total amounts for directors' remuneration and other benefits were as follows

	2010 £	2009 £
Remuneration	104,202	85,477
	<u>104,202</u>	<u>85,477</u>

Highest-paid director

The above amounts for remuneration include the following in respect of the highest paid director

	2010 £	2009 £
Remuneration	104,202	85,477
	<u>104,202</u>	<u>85,477</u>

The other directors of the company are remunerated separately by other companies within the group and the amount recharged to the company was nil (2009 nil)

The average monthly number of employees (including executive directors) was

	2010 Number	2009 Number
Average full time equivalent persons employed during the year was	80	44
	<u>80</u>	<u>44</u>

Their aggregate remuneration (including directors) comprised

	2010 £	2009 £
Wages and salaries	2,055,552	1,213,444
Social security costs	197,815	118,983
	<u>2,253,367</u>	<u>1,332,427</u>

4. OTHER INCOME

Other income includes £550,000 (2009 £nil) for marketing support receivable from Just Eat Host A/S, a Group company, in accordance with the Group's Franchise Agreement. Cost of Sales includes £1,301,135 (2009 £nil) for license fees payable to Just Eat Host A/S in accordance with the Group's Franchise Agreement. Just Eat Host A/S is a 100% owned subsidiary of Just-Eat Holding Limited, the immediate parent of Just Eat co uk Ltd and Just Eat Host A/S

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 31 December 2010

5. OPERATING PROFIT / (LOSS)

	2010	2009
	£	£
Operating profit / (loss) is after charging / (crediting):		
Depreciation of tangible fixed assets	488,088	300,608
Rentals under operating leases for land and buildings	47,941	45,055
Rentals under operating leases for other leases	114,460	43,282
Auditor's remuneration		
- audit	24,060	22,000
Exchange gains		
- intercompany	(3,152)	-
	<u>(3,152)</u>	<u>-</u>

6. FINANCE CHARGES (NET)

	2010	2009
	£	£
Interest payable and similar charges		
Intercompany interest payable	(169,581)	(113,799)
Other interest expense	(2,582)	(548)
	<u>(172,163)</u>	<u>(114,347)</u>
Interest receivable and similar income		
Other interest income	253	798
	<u>253</u>	<u>798</u>
Finance charges (net)	<u>(171 910)</u>	<u>(113,549)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2010

7. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

	2010 £	2009 £
Profit / (loss) on ordinary activities before tax	39,756	(2,155,839)
UK corporation tax at a rate of 28%	11,132	(603,635)
Effects of		
Expense not deductible for tax purposes	5,952	999
Depreciation in excess of capital allowances	33,698	84,170
Short term timing differences	10,820	17,014
Utilisation of tax losses / increase in unutilised tax losses	(61,602)	501,452
Current tax charge for the period	-	-

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses and short term timing differences as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £874,167 (2009 £923,627). The asset would be recognised if sufficient suitable taxable profits are made in the future.

	2010 £	2009 £
Deferred tax assets not recognised		
Accelerated capital allowances	5,165	70,924
Short term timing differences	38,990	24,014
Unrelieved trading losses	830,012	828,689
	874,167	923,627

The Finance Act 2010, which was substantively enacted on 21 July 2010 provided for a reduction in the main rate of corporation tax from 28% to 27% effective from 1 April 2011. The deferred tax which has not been recognised is therefore shown at the reduced rate of 27%.

Subsequent to the balance sheet date, on 29 March 2011 under the Provisional Collection of Taxes Act, the corporation tax rate was reduced to 26% with effect from 1 April 2011.

The Government has also indicated that it intends to enact future reductions in the main tax rate of 1% each year down to 23% by 1 April 2014. The future 1% main tax rate reductions are expected to have a similar impact on the Company's financial statements as outlined above, subject to the impact of other developments in the company's tax position. As the further reductions in UK corporate tax rates have not been substantially enacted at the balance sheet date, this is considered a non-adjusting event in accordance with FRS 21 and no adjustments have been made. The impact of any further reduction will be taken into account at subsequent reporting dates, once the change has been substantively enacted.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 31 December 2010

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Equipment £	Motor vehicles £	Total £
Cost at 1 January 2010	84,809	1,161,595	53,529	1,299,933
Additions	44,862	1,098,563	-	1,143,425
Disposals	(588)	(156,825)	-	(157,413)
Cost at 31 December 2010	129,083	2,103,333	53,529	2,285,945
Depreciation at 1 January 2010	(23,579)	(464,965)	(45,355)	(533,899)
Charge for the year	(29,838)	(450,076)	(8,174)	(488,088)
Disposals	-	85,331	-	85,331
Depreciation at 31 December 2010	(53,417)	(829,710)	(53,529)	(936,656)
Net book value at 31 December 2009	61,230	696,630	8,174	766,034
Net book value at 31 December 2010	75,666	1,273,623	-	1,349,289

9. INVESTMENTS

	£
Cost at 1 January 2010	-
Additions	20,000
Cost at 31 December 2010	20,000

Representing:	Incorporated in	Proportion of voting rights held	Nature of business
Eatstudent Limited	United Kingdom	100%	Food and catering

On 26 October 2010, Just Eat co uk Ltd acquired 100% of the issued share capital of Eatstudent Limited for a cash consideration of £20,000 and a deferred consideration based on the performance of the business in the year ended 31 December 2013. The fair value of the consideration is considered to be £20,000.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Year ended 31 December 2010

10. STOCK

	2010	2009
	£	£
Raw materials and consumables	3 500	-
	<u>3,500</u>	<u>-</u>

Stock is comprised of packaging materials and consumable items provided to restaurants There is no material difference between the balance sheet value of stock and its replacement cost

11 DEBTORS

	2010	2009
	£	£
Trade debtors	73,293	140,644
Other debtors	36 192	26,060
Prepayments and accrued income	623,788	189,705
Amounts owed by group undertakings	654,608	47,400
VAT receivable	-	7,810
	<u>1,387,881</u>	<u>411,619</u>

12. CREDITORS

Amounts falling due within one year	2010	2009
	£	£
Trade creditors	2,396,539	462,268
Other creditors	13,692	1,082,967
Accruals	992,238	255,034
Other taxation and social security	63,956	51,882
Amounts due under hire purchase contracts	-	847
Amounts owed to groups undertakings	2,085 101	605,642
VAT payable	339,057	-
	<u>5,890,583</u>	<u>2,458,640</u>

The amount due under hire purchase contracts of £nil (2009 £847) are secured on the individual fixed assets concerned

Amounts falling due after more than one year	2010£	2009
		£
Amount owed to parent company	2,316,177	2,796,178
	<u>2,316,177</u>	<u>2,796,178</u>

13. CALLED UP SHARE CAPITAL

	Authorised	Allotted, issued and paid
Ordinary shares of £1 each at 31 December 2009 and 31 December 2010	<u>1,000</u>	<u>100</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2010

14. RECONCILIATIONS OF MOVEMENTS ON SHAREHOLDER'S FUNDS

	Share capital £	Profit and loss account £	Total £
At 31 December 2009	100	(3,313,423)	(3,313,323)
Retained profit for the period	-	39,756	39,756
At 31 December 2010	100	(3,273,667)	(3,273,567)

15. FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows

	2010		2009	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiry date				
- within one year	90,444	24,184	38,034	53,461
- between two and five years	-	86,304	-	57,008
	90,444	110,488	38,034	110,469

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessor to pay all insurance, maintenance and repair costs

16. OWNERSHIP

Just-Eat Holding Limited (incorporated in England and Wales) is the immediate parent company, Just-Eat Group Holdings Limited is the largest and smallest group of which the company is a member and for which group accounts are drawn up. Copies of the financial statements for Just-Eat Group Holdings Limited are available from Companies House, United Kingdom.

The ultimate parent company is Just-Eat Group Holdings Limited, a company incorporated in England and Wales. Just-Eat Group Holdings Limited is controlled by its majority shareholder, STM Fidecs Trust Company Limited.

17. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with entities that are included in the consolidated financial statements of Just-Eat Group Holdings Limited.