Company registration no. 04656315

# Just Eat.co.uk Ltd
# Report and Financial Statements
# Year ended 31 December 2019

# Just Eat.co.uk Ltd

## Contents

# Just Eat.co.uk Ltd

## Corporate information

**Directors**
G. Corfield
P. Harrison
J. Sporle
A. Kenny (appointed 13th August 2019)

**Registered Office**
Fleet Place House
2 Fleet Place
London
EC4M 7RF

**Auditor**
Deloitte LLP
London
United Kingdom

# Strategic report

The Directors present their strategic report for the year ended 31 December 2019.

**Business model**

Just Eat.co.uk Ltd ("the Company", "we", "our") operates the UK's largest online marketplace for takeaway delivery and is part of the wider Just Eat Limited Group (the "Group"). By enabling an easy and secure way to order takeaway food (food for delivery or collection) from local Restaurant Partners, the Company seeks to fulfil its vision, which is to create the world's greatest food community. Our websites and mobile apps enable consumers to find an extensive array of local Restaurant Partners and place orders directly through the Just Eat.co.uk platform.

We encourage consumers to shift from telephone based takeaway ordering to our online platform by offering breadth of choice, ratings and reviews, ease of use and a more efficient consumer experience when ordering from local Restaurant Partners.

We provide Restaurant Partners with a cost effective channel for consumer acquisition as well as a robust technology platform that can enhance both restaurant productivity during peak ordering hours and kitchen utilisation during off-peak ordering hours.

**Business review**

Our key performance indicators during the year were as follows:

| | | 2019 | 2018 | Change % |
|---|---|---|---|---|
| Revenue | £m | 441.1 | 377.3 | 17% |
| Operating profit | £m | 157.8 | 163.6 | -4% |
| Profit for the year | £m | 155.9 | 144.0 | 8% |
| Orders | Million | 132.9 | 122.8 | 8% |

We continued to grow our UK business during the year. The continued shift in consumer behaviour presented a number of opportunities and challenges in 2019 in a competitive market. The marketplace business retained its leading position, while the core geographic expansion of our UK delivery offering continued in 2019.

Revenue increased by 17% to £441.1 million driven by strong marketplace order growth and accelerating growth of delivery orders.

Operating profit decreased by 4% to £157.8 million with a margin of 35.8% (2018: 43.5%) due to the accelerated growth of the delivery side of the business

Profit for the year, after taxation, is £155.9 million (2018: £144.0 million). No dividend was paid out during the year ending 31 December 2019 (2018: nil).

**Future developments**

The offer by Takeaway.com N.V. for Just Eat plc became unconditional in all respects on 31 January 2020. It is anticipated that we will continue to generate even greater revenues in 2020 by continuing to grow our active customer base through a huge rebranding project, key service improvements, including the targeted roll-out of delivery in key zones and the onboarding of large multinational chains such as McDonald's, which will allow us to increase our overall customer base and serve even more brilliant food moments. Refer to page 10 for the COVID-19 impact disclosure.

# Strategic report *continued*

### Principal risks and uncertainties

Principal risks and uncertainties are discussed in detail in the Annual Report and Accounts of Just Eat Limited, the ultimate parent of the Company as at 31 December 2019, which are available from Fleet Place House, 2 Fleet Place, London, EC4M 7RF. The principal risks and uncertainties that apply to the UK operations are: competition; changing service experience; social, regulatory and legislative change; brand; cyber security and data protection; technology resilience; growth, people and culture; and supplier resilience.

Our activities expose us to a number of financial risks including market risk, credit risk and liquidity risk. We do not use derivative financial instruments to manage these risks, as they are managed by Just Eat Takeaway.com N.V.. The Just Eat Group monitors risks of the Company on a case by case basis to ensure effective action is taken to mitigate risk where necessary.

### Significant economic/political events

Economic and political factors have the potential to represent both risk and opportunities. For example, Brexit may have adverse implications on immigration, access to talent and food price inflation, impacting the Company and Restaurant Partners. The opportunity of customers' "trade down" behaviours, which could adversely impact revenue and underlying profitability. When events such as the Brexit occur, we conduct analysis to understand possible impacts and to mobilise action plans as necessary. We conduct rigorous financial planning to manage and monitor cost versus revenue performance.

### Section 172 Statement

### Promoting the success of the Company

The Board sets the priorities for the business and creates and reviews the control and decision-making framework under which the business operates. A number of decisions are reserved for the Board with others devolved to management. The varied experience and extensive knowledge of the various Board members assist with the consideration and balancing of the needs and wants of the various stakeholder groups, indeed, this diversity is taken into consideration when new appointments are made to the Board.

Through meetings, reports and on-going support, the Board receives guidance and reminders to the Board on stakeholder engagement and consideration. The Board sets the long term priorities to ensure the long-term sustainable success of the company, and the decisions taken by the Board, while often long-term strategic decisions, do encompass shorter term decisions that bring value to one or more stakeholder groups. The Board has guided Just Eat through a period of increasing competition by focusing on key player positioning in the market and being a partner to our stakeholders. As further detailed below this has ranged from supporting Restaurant Partners through educational courses to enable our shareholders, employees, Restaurant Partners, couriers and suppliers to continue investing and working with a premium listed company.

### People

*How do we engage?*

Members of the Board have attended several of Just Eat's monthly 'all-hands', to provide colleagues with regular updates on what the Board is working on. During this year, much of the discussion related to the progress of the merger with Takeaway.com N.V.

The Just Eat Forum was set up in conjunction with the Board, who worked with the People and Internal Communications teams to define the parameters and rules of engagement and choose members via a democratic process. The Forum meets with Roisin Donnelly, the designated Just Eat Limited director for employee engagement, on a monthly basis to discuss staff-raised issues and share insight.

Two employee engagement surveys were run across the business over the course of 2019. Top line results were shared with the Board, the Executive team and the Forum. Actions arising included bringing forward end of year reviews to enable salary payments to be paid from the start of 2020, rather than end of March.

# Strategic report *continued*

**Section 172 Statement** *continued*

As part of our diversity and inclusion initiatives 'Bring your best self to work' and 'Belonging' at Just Eat, Board members reviewed the strategy to address diversity and inclusion within Just Eat. Board members also met with the LGBT+ (lesbian, gay, bisexual and transgender*) employee network leader to discuss and provide support for the 2019/2020 inclusion strategy.

*Effect of engagement?*

The Board continues to focus on incorporating the views of our people into the way we do business. We continue to encourage our people to demonstrate our values in the conversations we are having and the way we approach things.

**Consumers**

*How do we engage?*

We have highly knowledgeable user experience and customer facing teams who regularly engage a wide variety of customers in a variety of ways, both proactively and reactively. In 2019 we launched a dedicated project that focused on the end to end customer experience, engaging on a one-to-one basis with customers, Restaurant Partners, and our people.

*How is engagement feedback brought into the boardroom and what was its effect?*

Results of engagement are presented to the Board throughout the year, ranging from eNPS (the employee net promoter score) feedback in the CEO's report for February to the Tech roadmap presented to the Board in July 2019. The Board takes decisions to invest in and otherwise support continual improvement of our platform and operations to enhance customer experience. For example in 2019, we increased personalisation, displayed restaurant hygiene ratings directly on our app and website in the UK and further increased platform security e.g. launched fraud detection tool to make our platforms in the UK.

**Restaurant Partners**

*How do we engage?*

Board directors, as part of their induction and throughout their tenure, are encouraged to go on sales and after-sales visits to Restaurant Partners.

*How is engagement feedback brought into the boardroom and what was its effect?*

Through the work of our territory teams, we work with our Restaurant Partners to build their business. Over 2019 we extended the scope of our restaurant support program by offering discounted restaurant related services and products, and by providing educational courses on food hygiene and safety. We also improved our Orderpad functionality to help improve the restaurant partner experience. The Board oversaw these activities through regular reports received from departments across the business, including Operations, Legal and Corporate Communications, and made periodic decisions on significant partnerships and investment.

**Couriers**

Food ordered via Just Eat is delivered in one of the following ways:

• Restaurant self-delivery
• Third party delivery companies
• Self-employed delivery contractors

**Restaurant self delivery**

*How do we engage?*

We work with our Restaurant Partners who arrange the delivery of their orders. Our Restaurant Partners are contractually required to comply with applicable legislation.

# Strategic report *continued*

## Section 172 Statement *continued*

### Third party delivery companies

*How do we engage?*

We partner with delivery companies and ensure they uphold the high standards we expect when dealing with service providers. We contractually agree with our delivery partners that they have the necessary processes, agreements and/or guidelines in place to ensure couriers comply with the relevant legislation.

### Self-employed delivery contractors

*How do we engage?*

We have highly-detailed processes for couriers, which must be complied with before any courier is onboarded on our network. These are reviewed by the management on a regular basis.

### Suppliers

*How do we engage?*

The Board has oversight of significant business cases and spend on key supplier relationships. This is managed through updates and decision making for deals that fall within Board reserved matters. We recognise the importance of monitoring these key relationships, at the onboarding stage and throughout the course of the relationship, to ensure we get the right skills and fit. We encourage our suppliers to consider social and ethical compliance in both their dealings with us and within their own business and keep them informed of our expectations regarding ethical business conduct. We ensure that our suppliers have easy and effective means of contacting us, during normal business and should any issues arise. We have put in place a commercial owner for each supplier relationship across the business, with clear escalation pathways to surface potential issues, concerns, or feedback.

*Effect of engagement?*

In 2019 we created a Group Procurement team and rolled out a revised Delegation of Authority and Group Purchasing Policy to streamline the procurement process and improve transparency. As part of our continued commitment to combat modern slavery, we communicated our Social & Ethical Compliance Policy to certain suppliers, to make them aware of their responsibilities regarding modern slavery. This policy was also incorporated into the new Group Purchasing Policy which was published in

August 2019. Our payment practices are under review throughout the year with a push for continuing improvement.

### Shareholders

Just Eat.co.uk Ltd's only shareholder is Just Eat Holdings Limited.

### Communities and environment

We aspire to be a driving force for positive change within the takeaway sector, and in 2019 we introduced several initiatives to help with this objective. Consumers are paying increasing attention to their carbon footprint and, in particular, alternatives to single use plastics. In 2019, the Board oversaw increased investment in the research and development of biodegradable sachets and food containers made from seaweed. The Board also approved significant charitable contributions in 2019. We continued to work in partnership with FoodCycle throughout the year. On Black Friday, we donated £0.50 from each order placed in the UK to FoodCycle, totalling £250,000.

As part of our responsible business strategy, we also have an ongoing programme of engagement with other stakeholders who have both an interest in our business and influence over other stakeholder groups. This helps to inform the Board's decision-making process.

# Strategic report *continued*

**Section 172 Statement** *continued*

**Political stakeholders**
We engage regularly with Members of Parliament and their advisers on topics of relevance to our operations. For example, during 2019 we gave evidence to the DEFRA Select Committee on the topic of plastic packaging and held meetings with parliamentarians to discuss proposals around the introduction of a Digital Services Tax. We have also invited our constituency MPs to visit our offices so that they gain a better understanding of Just Eat and how our business operates.

**Regulatory Authorities**

We have a positive relationship with the Food Standards Agency in the UK. We contribute to the FSA's decision-making process as it seeks to evolve food industry regulation and have worked closely with the FSA to make some significant changes to the information we provide to our customers about restaurants' food hygiene ratings. We also made changes to our technology, redirecting customers with allergies to the restaurants.

**Business Groups**
Just Eat is a member of the Confederation of British Industry (CBI) and a number of other industry bodies such as ISBA and the Advertising Association.

## Principal decisions taken over 2019

| Decision | Key stakeholders considered | Maintaining high standards of business conduct | Short term | Long term |
|---|---|---|---|---|
| Delco Investment | •Couriers<br>•Customers<br>•Restaurant Partners | ✓ | ✓ | ✓ |
| Approval of GREAT values | •People<br>*and indirectly our other Restaurant Partners* | ✓ | ✓ | ✓ |
| McDonald's and Greggs | •Couriers<br>•Customers<br>*and indirectly Restaurant Partners* | ✓ | ✓ | ✓ |

By order of the Board,

Paul

**Paul Harrison**
Director
30 June 2020

# Directors' report

The Directors present their Report and the Financial Statements for the year ended 31 December 2019. The accounting standards applied were FRS 101: "Reduced Disclosure Framework".

### Directors of the Company

The names of the persons who were Directors during the year are set out below. Except where indicated, they served as Directors for the entire year:

Mr Graham Corfield
Mr Paul Harrison
Mr James Sporle
Mr Andrew Kenny (appointed 13th August 2019)

Qualifying third-party indemnity provisions have been made for the benefit of Directors in relation to certain losses and liabilities that they may incur in the course as acting as Directors of the Company, or subsidiaries, which remain in force at the date of this report. No Director had a material interest in any contract of significance with the Company or any subsidiary at any time during the year. Interests were held in shares and in share awards of Just Eat Limited.

### Research and development

We do not undertake any research or development activities.

### Dividends

No dividends were paid during the year ended 31 December 2019 (2018: nil).

### Going concern

The Directors have a reasonable expectation that the Company will be able to operate within the level of available facilities and cash for the foreseeable future and accordingly believe that it is appropriate to prepare the financial statements on a going concern basis. The Company is in a net current liability position as at 31 December 2019 and as such the Directors have obtained a letter of support from Just Eat Holding Limited, which states that they will provide such financial support to the Company as required to meet its liabilities as they fall due. The Directors have made appropriate enquiries and considered the business plans which provide financial projections for the foreseeable future. For the purposes of this review, the period considered is to 31 December 2021. The Directors have also reviewed the principal risks referenced the strategic report set out on the previous pages. Based on the Group's forecasts and the ability of Just Eat Holding Limited to provide the necessary support, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis.

### Financial risk management policies and objectives

*Market risk*

Our activities do not significantly expose us to the financial risks of changes in foreign currency exchange rates as most transactions are denominated in Pounds Sterling, the Company's functional currency.

*Credit risk*

Our principal financial assets are bank balances and receivables. Exposures with major counterparties and their credit ratings are continuously monitored.

Trade receivables consist of amounts due from Restaurant Partners. Ongoing evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

## Directors' report *continued*

*Liquidity risk*

Ultimate responsibility for liquidity risk management rests with the Directors, who have established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. We manage liquidity risk by maintaining adequate cash reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Sustainability**

Our approach to sustainability and social responsibility is driven by the recognition of, and the obligations that come with, the important role we play in the sector. This includes the business livelihood of our neighbourhood Restaurant Partners, our customers' food choices and our people's working lives. We are committed to ensuring Just Eat has a positive impact on these stakeholders, the communities in which we operate and the societal issues which affect our sector and the wider world. At all times we aim to do "the right thing".

Our involvement in social matters is discussed in detail in the Annual Report and Accounts of Just Eat Limited on pages 25 to 28.

**Employees**

Our employment policies are designed to ensure that we are able to attract the highest calibre of employees from all sectors of the communities in which we operate. This helps ensure that we compete at the highest level with comparable companies. We value diversity in the workplace and are committed to providing equality of opportunity to all employees and potential employees. We actively encourage continuous training and skill development in all departments.

Our personnel practices ensure that every employee, wherever they work, whatever their role, are treated equally, fairly and respectfully at all times. Adherence to health and safety standards ensures that our people are properly protected and cared for, wherever they operate. We maintain consistent and transparent diversity policies. We firmly believe that career opportunity, recognition and reward should be determined by a person's capabilities and achievement, not their age, sex, race, religion or nationality.

Our policy for the employment of disabled persons is to provide equal opportunities with other employees to train for and attain any position, having regard to the maintenance of a safe working environment and the constraints of their disabilities.

To support our commitment to open communication with employees, discussions are held with employees, through briefings and an international portal, matters likely to affect employees' interests. Information on matters of concern to employees is given through notices, meetings and reports, including information to help employees achieve a common awareness of the factors affecting our performance.

**Overseas branches**

There are no branches outside the UK.

**Political donations**

No political donations were made during the year ended 31 December 2019 (2018: £nil).

# Directors' report *continued*

### Events after the balance sheet date

*Merger with Takeaway.com*

The offer by Takeaway.com N.V. for Just Eat plc became unconditional in all respects on 31 January 2020. On 2 March 2020, the premium listing of Just Eat shares was cancelled and the company ceased to be listed. Existing options vested in proportion to the vesting period to date, resulting in no additional charge to the income statement in 2020. The unvested portions transferred to the new parent company's schemes.

*COVID-19*

The onset of the COVID-19 pandemic during the first half of 2020 and the ensuing quarantine introduced by the governments across our markets has had an impact on our business. After a slight dip in March, the UK business rebounded and we have since seen a significant increase in daily orders. The directors feel that Just Eat.co.uk is resilient to the effect of the pandemic and foresee no problems as lockdown measures ease. During this period of disruption and uncertainty, Just Eat has committed to supporting its customers, Restaurant Partners, couriers and its people as the spread of the virus continued to impact communities across the world. We introduced contact-free delivery for all orders across our network, to ensure customers received their food deliveries safely, as well as a range of support packages, to help our partners during this difficult time.

### Auditor

Deloitte LLP, the Company's auditor has indicated its willingness to continue in office and, on recommendation of the Audit Committee and in accordance with s489 of the Companies Act 2006, a resolution to reappoint the auditor will be put to the 2020 Annual General Meeting.

### Directors' statement as to disclosure of information to auditors

Each of the Directors of the Company at the time when this report was approved confirm that:

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

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

### Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. UK 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), including FRS 101 "Reduced Disclosure Framework". 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.

# Directors' report *continued*

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.

By order of the Board,

**Paul Harrison**
Director

30 June 2020

# Independent auditor's report to the members of Just Eat.co.uk Limited

## Report on the audit of the financial statements

### Opinion
In our opinion the financial statements of Just Eat.co.uk Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 21.

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).

### Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's 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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

### 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 are 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 respect of these matters.

**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 of 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 on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Report on other legal and regulatory requirements**

**Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

# Independent auditor's report to the members of Just Eat.co.uk Ltd *continued*

**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.

Paul Barnett

**Paul Barnett FCA (Senior statutory auditor)**

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

30 June 2020

# Just Eat.co.uk Ltd

## Profit and loss account
## Year ended 31 December 2019

| | Notes | 2019 £m | 2018 £m |
|---|---|---|---|
| **Revenue** | 3 | 441.1 | 377.3 |
| Cost of sales | | (166.0) | (107.8) |
| **Gross profit** | | 275.1 | 269.5 |
| Operating costs | | (117.3) | (105.9) |
| **Operating profit** | 4 | 157.8 | 163.6 |
| Restructuring costs | 8 | (0.2) | - |
| Interest income | 7 | 15.7 | 3.4 |
| **Profit before tax** | | 173.3 | 167.0 |
| Taxation | 9 | (17.4) | (23.0) |
| **Profit for the year** | | 155.9 | 144.0 |

All operations are classed as continuing.

There are no items of other comprehensive income for the year. Accordingly, no separate statement of comprehensive income is presented for the current and prior year.

# Just Eat.co.uk Ltd

## Balance sheet
## As at 31 December 2019

| | Notes | 31 Dec 2019 £m | 31 Dec 2018 (restated*) £m | 1 Jan 2018 (restated*) £m |
|---|---|---|---|---|
| **Non-current assets** | | | | |
| Goodwill | **10** | 193.8 | 193.8 | - |
| Other Intangible assets | **11** | 0.1 | 0.1 | - |
| Property, plant and equipment | **12** | 7.7 | 5.5 | 3.7 |
| Right of use lease asset | **2** | 2.3 | - | - |
| Investments | **13** | 1.8 | 2.4 | - |
| Trade and other receivables | **14** | 267.1 | 186.2 | 116.7 |
| Deferred tax asset | **9** | 6.4 | 6.2 | 1.7 |
| | | 479.2 | 394.2 | 122.1 |
| **Current assets** | | | | |
| Cash and cash equivalents | | 12.4 | 23.8 | 15.6 |
| Inventories | | 0.1 | 0.3 | 0.2 |
| Trade and other receivables | **14** | 91.7 | 31.8 | 84.8 |
| | | 104.2 | 55.9 | 100.6 |
| **Current liabilities** | | | | |
| Trade and other payables | **15** | (191.3) | (216.6) | (95.2) |
| Provisions of liabilities | **16** | (0.4) | - | (0.5) |
| | | (191.7) | (216.6) | (95.7) |
| **Net current liabilities** | | (87.5) | (160.7) | 4.9 |
| **Non-current liabilities** | | | | |
| Trade and other payables | **15** | (4.1) | (3.8) | (0.6) |
| **Net assets** | | 387.6 | 229.7 | 126.4 |
| **Equity** | | | | |
| Share capital | **17** | - | - | - |
| Capital contribution | | 5.1 | 3.5 | 2.7 |
| Retained earnings | | 382.5 | 226.2 | 123.7 |
| **Total equity** | | 387.6 | 229.7 | 126.4 |

*The accounting policy for amounts held by Payment Service Providers was changed in the year, resulting in a reclassification from cash and cash equivalents to trade and other receivables (see Note 2).

The financial statements were approved by the Board of Directors of Just Eat.co.uk Ltd, registration number 04656315 and authorised for issue on 30 June 2020.

They were signed on its behalf by:

**Paul Harrison**
Director

## Just Eat.co.uk Ltd

# Statement of changes in equity
# Year ended 31 December 2019

| | Share capital | Capital contribution reserve | Retained earnings | Total |
|---|---|---|---|---|
| | £m | £m | £m | £m |
| At 1 January 2018 | - | 2.7 | 123.7 | 126.4 |
| Profit for the year | - | - | 144.0 | 144.0 |
| Share based payment expense | - | 0.8 | - | 0.8 |
| Tax on share options | - | - | (0.2) | (0.2) |
| HungryHouse merger accounting | - | - | (41.3) | (41.3) |
| **At 31 December 2018** | - | 3.5 | 226.2 | 229.7 |
| Profit for the year | - | - | 155.9 | 155.9 |
| Share based payment expense | - | 1.4 | - | 1.4 |
| Tax on share options | - | 0.2 | 0.4 | 0.6 |
| **At 31 December 2019** | - | 5.1 | 382.5 | 387.6 |

## Just Eat.co.uk Ltd

# Notes to the financial statements
# Year ended 31 December 2019

### 1. General information

We operate a leading global marketplace for online food. This is a private limited company incorporated and domiciled in England and Wales, with a registered address at Fleet Place House, 2 Fleet Place, London, EC4M 7RF.

### 2. Accounting policies

### 2.1 Basis of preparation

Basis of preparation and prior year restatement

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards.

These financial statements have been prepared on the historical cost basis and are presented in Pounds Sterling. The financial statements are also prepared on a going concern basis, further detail of which is provided in the Directors' report on page 8.

The Company is in a net current liability position as at 31 December 2019 and as such the Directors have obtained a letter of support from Just Eat Holding Limited, which states that they will provide such financial support to the Company as required to meet its liabilities as they fall due. The Directors have made appropriate enquiries and considered the business plans which provide financial projections for the foreseeable future. For the purposes of this review, the period considered is to 31 December 2021. The Directors have also reviewed the principal risks referenced in the strategic report set out on the previous pages. Based on the Group's forecasts and the ability of Just Eat Holding Limited to provide the necessary support, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis.

The policies have been consistently applied to all years presented with the exception of the adoption of IFRS16 Leases ("IFRS16") (see Section 2.5) on 1 January 2019 and the treatment of amounts held by Payment Service Providers ("PSPs").

Historically, amounts held by PSPs have been included within cash and cash equivalents. During the year, this policy has been changed to reflect these amounts as receivables, in order to align with the policies of Takeaway.com. This had the impact on our balance sheet of reducing cash and cash equivalents as at 31 December 2018 by £24.1 million to £23.8 million and reducing cash and cash equivalents as at 31 December 2017 by £26.6 million to £15.6 million.

We have taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare consolidated accounts. The Company is a wholly owned subsidiary of Just Eat Holding Limited and the results of the Company are included in the consolidated financial statements of Just Eat Limited, which are publicly available from Companies House, United Kingdom.

The accounting policies which follow set out those policies which have been applied in preparing the financial statements for the year ended 31 December 2019.

We have taken advantage of the following disclosure exemptions under FRS 101:

(a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2: "Share based Payment", because the share-based payment arrangement concerns the instruments of another group entity;

(b) the requirements of paragraph B66 of IFRS 3 "Business Combinations";

(c) the requirements of IFRS 7: "Financial Instruments: Disclosures";

(d) the requirements of paragraphs 91-99 of IFRS 13: "Fair value measurements";

**2. Accounting policies** *continued*

**2.1 Basis of preparation and prior year restatement** *continued*

(e) the requirement in paragraph 38 of IAS 1: "Presentation of Financial Statements" to present comparative information in respect of:

(i) paragraph 79(a)(iv) of IAS 1: "Presentation of Financial Statements";

(ii) paragraph 118(e) of IAS 38 "Intangible Assets"; and

(iii) paragraph 73(e) of IAS 16: "Property, Plant and Equipment".

(f) the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1: "Presentation of Financial Statements";

(g) the requirements of IAS 7: "Statement of Cash Flows";

(h) the requirements of paragraphs 30 and 31 of IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors";

(i) the requirements of paragraph 17 and 18A of IAS 24: "Related Party Disclosures"; and

(j) the requirements in IAS 24: "Related Party Disclosures" to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

**2.2 Significant accounting policies**

*(a) Revenue recognition*

*General revenue recognition*

Revenue is earned through the contracts held with Restaurant Partners and through the arrangements entered into with customers via the Just Eat ordering platforms.

The majority of our revenue is recognised at the point in time when value and control is transferred to the customer and it is probable that the Company will collect the related consideration, being delivery of food to a customer. Revenue is measured net of discounts, VAT and other sales-related taxes.

*Commission*

Commission revenue generated from Restaurant Partners is earned and recognised when a customer's order is delivered, being the point at which we have no remaining transactional obligations. As fulfilment of the food order remains the responsibility of, and therefore remains within the control of, the Restaurant Partner, the gross order value placed by customers is not recognised as revenue, only the commission to which we are entitled.

*Delivery revenue*

Delivery revenue is earned when we arrange the food delivery, instead of the Restaurant Partner using its own delivery system.

Where we arrange delivery, all delivery fees are recognised as revenue at the point of order fulfilment to the customer. This is irrespective of whether the individual making the delivery is our employee, a contractor, or an employee of a third party service company, as we maintain primary responsibility for delivery under any of these arrangements. The obligation to fulfil the food order itself remains the responsibility of the Restaurant Partner, and therefore the gross order value placed by customers is not recognised as revenue, only the commission to which we are entitled.

*Administration fees*

Revenue from administration fees are recognised at the point of order fulfilment.

## 2. Accounting policies *continued*

### 2.2 Significant accounting policies *continued*

*Discounts*

Marketing discount vouchers usually have a unique reference number and have an expiry date. These are recognised as a deduction to revenue when the order takes place; as the discount is in respect of future orders no provision is made at the point the discount vouchers are granted.

Customer care vouchers are given where there is an unsatisfactory customer experience. These are recognised as a deduction to revenue when the voucher is awarded as they relate to orders previously recognised. A provision is therefore made at the end of each reporting period for any amounts not redeemed or credited to a customer's account.

*Top Placement fees*

Top Placement fees represent income for placing prioritisation on our website for specified periods. These arrangements cover specified periods of time and the associated revenues are recognised evenly over the same time period.

*Sign-up fees*

Restaurants pay one-off fees to join our network, which covers the cost of an order confirmation terminal used for communicating orders between customers and Restaurant Partners via our ordering infrastructure, plus the ongoing costs of supporting the Restaurant Partners.

Sign-up fees are deferred to the balance sheet and recognised evenly over 48 months, reflecting the delivery of the performance obligation to provide the equipment to the Restaurant Partners. This is considered to be an appropriate time period, as the fair value of the consideration received or receivable for the equipment. Where a restaurant has ended its relationship with us and they are no longer included on our technology platform, any remaining deferred income balances are recognised in revenue at the point there is evidence supporting the end of the relationship.

*Other revenue*

Other revenue includes the sale of branded merchandise to Restaurant Partners. Merchandise revenue is recognised when the goods are delivered and control has transferred to the Restaurant Partner. Such revenues are not significant to our results.

*(b) Operating profit or loss*

Operating profit or loss is profit for the year before other gains and losses, finance income, finance costs and income taxes.

*(c) Share-based payments*

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. All share-based payments relate to shares in the Group's parent company, Just Eat Limited.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on our estimate of equity instruments that will eventually vest.

At each balance sheet date, we revise our estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

**2. Accounting policies** *continued*

**2.2 Significant accounting policies** *continued*

*(d) Leasing*

IFRS 16 replaced IAS 17 Leases, with the key change being that lessee accounting now eliminates the IAS 17 distinction between operating leases and finance leases, treating all such leases in the same manner as finance leases under IAS 17.

IFRS16 was adopted on 1 January 2019 by applying the modified retrospective approach and therefore the comparative information has not been restated and is therefore presented in accordance with IAS17 Leases ("IAS17").

An arrangement is accounted for as a lease where a contract gives the right to control an asset for longer than 12 months, in exchange for consideration, where substantially all of the economic benefits are obtained from the asset.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the incremental borrowing rate. For all of the lease arrangements entered into, it was impracticable to calculate the interest rate implicit in the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset, less any lease incentives received.

The weighted average incremental borrowing rate applied to lease liabilities recognised on implementation was 5.4%.

Further details surrounding the implementation of IFRS16 are provided in Section 2.5.

*(e) Taxation*

The income tax expense comprises both current and deferred tax. Income tax is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in other comprehensive income, in which case the income tax is recognised in other comprehensive income.

*Current tax*

Current tax is the expected tax payable on the taxable profit for the year, using tax rates prevailing and any adjustment to tax payable in respect of previous years.

*Deferred tax*

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates that are expected to apply when the temporary differences reverse, based on rates enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities are generally recognised for all temporary differences. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related deferred tax benefit will be realised.

**2. Accounting policies** *continued*

**2.2 Significant accounting policies** *continued*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

*(f) Taxation continued*

*Tax deductions on the exercise of share options*

Under IAS 12 "Income Taxes", to the extent that the tax deduction available on the exercise of share options is equal to, or is less than, the cumulative share-based payment charge calculated under IFRS 2 "Share-based payment", current and deferred tax is recognised through the income statement. However, when the tax deduction is greater than the cumulative expense, the incremental current tax deduction and deferred tax recognition are recognised in equity.

*(g) Financial instruments*

Financial assets and financial liabilities are recognised in our balance sheet when we become a party to the contractual provisions of the instrument.

We derecognise a financial asset or liability only when the contractual right that gives rise to it is settled, sold, cancelled or expires.

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair values.

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

*(h) Goodwill*

Goodwill arises in situations of hive ups when a business is acquired for an amount higher than the fair value of its net assets, representing primarily the synergies and growth potential expected to materialise, or the value of the assembled workforce. Goodwill is not amortised but is subject to annual impairment reviews.

*(i) Asset impairment*

The carrying amounts of tangible and intangible assets (including goodwill) are reviewed for each reporting period, together with any other assets under the scope of IAS 36 Impairment of Assets, in order to assess whether there is any indication that those assets have suffered an impairment loss.

If any indication of impairment exists, the recoverable amount of the asset is estimated in order to determine if there is any impairment loss. Goodwill is assessed for impairment annually, irrespective of whether there are any indicators of impairment. Where the asset does not generate cash flows that are independent from other assets, the asset is assigned to a Cash Generating Unit ("CGU").

Recoverable amount is defined as the higher of fair value less cost of disposal (FVCD) and value in use (VIU). Estimated future cash flows are discounted to their present value with reference to discount rates that reflect the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Our calculation of discount rates are performed based on a risk free rate of interest appropriate to the geographic location of the cash flows related to the asset being tested, which is subsequently adjusted to factor in local market risks and risks specific to us and the asset itself. Discount rates used for internal purposes are post tax rates, however for the purpose of impairment testing in accordance with IAS 36 Impairment of Assets we calculate a pre-tax rate based on post tax targets.

### 2. Accounting policies *continued*

### 2.2 Significant accounting policies *continued*

If the recoverable amount is estimated to be less than the carrying amount of the asset, the carrying amount is impaired to its recoverable amount. Impairment losses recognised in respect of CGUs are

allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other assets in the CGU on a pro-rata basis.

Impairment assessments for the year ended 31 December 2019 are based on the plans in place for the business at that date and do not reflect any decisions made by management of the new parent company following the acquisition of the Just Eat Group.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for indications that the loss has decreased or no longer exists. Where an impairment loss subsequently reverses, the carrying amount is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised in prior years.

Impairment losses and reversals are recognised immediately in the income statement within administrative expenses.


An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for indications that the loss has decreased or no longer exists. Where an impairment loss subsequently reverses, the carrying amount is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised in prior years.

Impairment losses and reversals are recognised immediately in the income statement within administrative expenses.


*(j) Intangible assets*

*Patents, licences and intellectual property ("IP")*

Patents, licences and IP generally relate to separately acquired software licences. Patents, licences and IP are included at cost and amortised in equal annual instalments over their useful economic life, which is typically two to three years depending on the period over which benefits are expected to be realised from the asset. Provision is made for any impairment.

*(k) Property, plant and equipment*

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment, 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 | 50% per annum |
| Leasehold improvements | 20% per annum or period of the lease if shorter |

*(l) Cash and cash equivalents*

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits. Included within the amounts held at bank is cash received from customers through our platform which will be subsequently remitted to Restaurant Partners. All cash and cash equivalents, including the cash to be paid to Restaurant Partners, is available for use at the balance sheet date.

## 2. Accounting policies *continued*

### 2.3 Critical judgements in the application of accounting policies

For some companies, critical judgements can be made when applying accounting policies that could have a significant impact on the amounts recognised in the financial statements. No such judgements were made by us in the current year.

### 2.4 Key sources of estimation uncertainty

At the balance sheet date, key assumptions regarding the future and other key sources of estimation uncertainty may be made. A significant risk may exist where changes to these assumptions causes a material adjustment to the carrying value of assets and liabilities within the next financial year. No such matters existed in the current year.

### 2.5 New and amended standards adopted

*Implementation of IFRS 16*

The new leasing standard was adopted with effect from 1 January 2019.

IFRS 16 replaces IAS 17 Leases, with the key change being that lessee accounting has eliminated the IAS 17 distinction between operating leases and finance leases, treating all such leases in the same manner as finance leases under IAS 17.

We have applied the modified retrospective basis when adopting the standard, choosing the option to measure initial right-of-use assets as equal to the respective lease liabilities for all leases entered into before 1 January 2019.

Practical expedients taken were as follows:

- Just Eat.co.uk has one parking lease, for the Borehamwood office. The lease in this category is highly insignificant, with total annual charges of less than £0.1 million, hence no right-of-use lease asset or lease liability is recognised.
- Initial direct costs have been excluded from the measurement of the right-of-use asset at the date of initial application.
- Assets with a useful economic life of less than 12 months were also excluded from the measurement of the right-of-use asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities recognised on implementation was 5.4%.

A reconciliation between the operating lease commitments previously disclosed at 31 December 2018, discounted using the incremental borrowing rate at the date of initial application, and the liability recognised on initial adoption as at 1 January 2019 is set out below:

| | Property £m | Motor Vehicles £m | Total £m |
|---|---|---|---|
| Operating lease total commitments under IAS17 as at 31 December 2018 | 0.1 | 0.4 | 0.5 |
| Impact of discounting lease commitment at the relevant incremental borrowing rate | - | - | - |
| | 0.1 | 0.4 | 0.5 |
| Difference between initial lease end dates and expected lease term end | 1.9 | - | 1.9 |
| **Lease liability at implementation of IFRS16** | 2.0 | 0.4 | 2.4 |

## 2. Accounting policies *continued*

### 2.5 New and amended standards adopted *continued*

*Implementation of IFRS 16 (continued)*

The impact of the change for the current year is provided below.

**Income statement**

Operating costs are broadly consistent, as a result of the lease expense of £0.7 million being replaced by depreciation of £0.6 million and finance costs on leased assets of £0.1 million in 2019.

**Balance sheet**

As at 1 January 2019, a right-of-use asset of £2.4 million was recognised as a non-current asset, along with a lease liability of the same amount.

**Carrying value of right-of-use-assets**

| | Property £m | Motor Vehicles £m | Total £m |
|---|---|---|---|
| Cost | | | |
| At 31 December 2018 | - | - | - |
| Adoption of IFRS16 @ 1.1.19 | 2.0 | 0.4 | 2.4 |
| Additions | - | 0.7 | 0.7 |
| Disposals | (0.1) | (0.1) | (0.2) |
| **At 31 December 2019** | 1.9 | 1.0 | 2.9 |
| Depreciation | | | |
| At 31 December 2018 | - | - | - |
| Charged during the year | (0.4) | (0.4) | (0.8) |
| Disposals | 0.1 | 0.1 | 0.2 |
| **At 31 December 2019** | (0.3) | (0.3) | (0.6) |
| Carrying amount **at 31 December 2019** | 1.6 | 0.7 | 2.3 |
| at 31 December 2018 | - | - | - |

**Carrying value of lease liabilities**

| | Property £m | Motor Vehicles £m | Total £m |
|---|---|---|---|
| At 31 December 2018 | - | - | - |
| Adoption of IFRS16 @ 1.1.19 | 2.0 | 0.4 | 2.4 |
| Additions | - | 0.7 | 0.7 |
| Cash payments | (0.5) | (0.4) | (0.9) |
| Interest charge | 0.1 | | 0.1 |
| **At 31 December 2019** | 1.6 | 0.7 | 2.3 |

**2. Accounting policies** *continued*

**2.5 New and amended standards adopted**

*Implementation of IFRS 16 (continued)*

**Undiscounted lease liabilities**

| | Property £m | Motor Vehicles £m | Total £m |
|---|---|---|---|
| Within one year | 0.4 | 0.3 | 0.7 |
| In the second to fifth years inclusive | 0.4 | 0.3 | 0.7 |
| Over five years | 1.0 | 0.1 | 1.1 |
| At 31 December 2019 | 1.8 | 0.7 | 2.5 |

**2.6 New and amended standards not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for the year ended 31 December 2019 and that have not been early adopted.

No other new standards, amendments or interpretations to standards effective for the first time for the financial year beginning on 1 January 2019 have had a material impact on our financial position or performance, nor the disclosures in these financial statements.

**3. Revenue**

| | 2019 £m | 2018 £m |
|---|---|---|
| Order driven revenue (commission, administration and delivery fees, offset by discounts) | 406.6 | 351.6 |
| Sign-up fees | 2.9 | 1.5 |
| Top Placement fees | 27.0 | 22.4 |
| Other revenue | 4.6 | 1.8 |
| **Total revenue** | 441.1 | 377.3 |

**4. Operating profit**

| | 2019 £m | 2018 £m |
|---|---|---|
| **Operating profit is stated after charging/(crediting):** | | |
| Depreciation of property, plant & equipment | 8.2 | 3.3 |
| Operating lease charge | - | 0.7 |
| Net foreign currency exchange gains | - | (0.5) |
| Loss on disposal of property, plant & equipment | 0.1 | 0.7 |
| Impairment of intangible assets | - | 5.0 |

An amortisation charge against intangible assets was made in the current and prior year, which was less than £0.1 million (FY2018:£10,320).

# Notes to the financial statements
# Year ended 31 December 2019

## 5. Auditor's remuneration

The Company paid the following amounts to its auditor in respect of the audit of the financial statements and for other services provided to the Company.

| | 2019 £m | 2018 £m |
|---|---|---|
| Audit of the financial statements | 0.1 | 0.1 |

In accordance with regulation 6 (2) of the Companies (Disclosure of Auditor Remuneration and Liability Limitations Agreements) Regulations 2008 (Statutory Instrument 2008/489) as amended, the Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the Group accounts of its ultimate parent, Just Eat Limited as at 31 December 2019.

## 6. Staff and directors' remuneration

(a) Staff costs

| | 2019 £m | 2018 £m |
|---|---|---|
| Wages and salaries | 16.5 | 16.0 |
| Social security costs | 2.4 | 1.9 |
| Other benefits | 1.5 | 0.4 |
| Pensions | 0.7 | 0.4 |
| Equity-settled share-based payments | 1.4 | 0.8 |
| | 22.5 | 19.5 |

The average monthly number of employees during the year (including Directors) was made up as follows:

| | 2019 Number | 2018 Number |
|---|---|---|
| Operations | 137 | 202 |
| Sales | 184 | 126 |
| Marketing | 50 | 42 |
| Management and administration | 27 | 32 |
| | 398 | 402 |

*(b) Share based payments*

Certain employees of the Company participate in a number of Just Eat Limited group share option schemes. Options are forfeited if the employee leaves the Group before the options vest. A description of the various schemes is set out below:

**Just Eat Limited Performance Share Plan ("PSP")**

PSP awards are granted to eligible employees meeting criteria determined by the Board to help incentivise sustained performance over the long-term and to promote alignment with the shareholders'

**6. Staff and directors' remuneration** *continued*

*(b) Share based payments (continued)*

interests. Awards under the PSP are granted as nil-cost options which vest to the extent performance conditions are satisfied, predominantly over a period of three years.

The vesting of interests granted to employees is subject to the option holder continuing to be an employee. For members of the Executive Team, 50% of the awards granted have Total Shareholder Return ("TSR") performance criteria and 50% are based on Earnings per Share ("EPS") targets. The fair value of interests awarded under the PSP was determined using the Black-Scholes option pricing model, with the TSR performance criteria being calculated using the stochastic simulation model.

**Sharesave Plan**

Employees that are determined eligible by the Board are offered the option to buy shares in the Company after a period of three years, based on a discounted share price set at the start of the award period. Employees taking part in the scheme contribute to a savings pool from their salaries on a monthly basis, the full amount of which is repaid if the options lapse.

**Just Eat Share Incentive Plan ("SIP")**

Under the terms of the SIP, the Board may award Ordinary shares in Just Eat Limited at no cost to employees whom they deem eligible.

The SIP is an equity-settled share option scheme approved by Her Majesty's Revenue & Customs ("HMRC").

SIP awards do not expire.

**Just Eat Limited Enterprise Management Incentive Scheme ("EMI Scheme")**

Options are no longer being granted under this scheme.

Under the terms of the EMI Scheme, the Board granted options to employees whom they deem as eligible to purchase shares in Just Eat Limited.

Options are exercisable at a price equal to the estimated fair value of Just Eat Limited's shares on the date of grant. Options vest in stages over a three-year period commencing on a specified date which is typically one year after the date of grant. Options are forfeited if an employee leaves before the options vest and expire if they remain unexercised ten years after the date of grant.

**Just Eat Limited Company Share Option Plan ("CSOP")**

Options are no longer being granted under this scheme.

Under the terms of the CSOP, the Board granted options to purchase Ordinary shares in Just Eat Limited to eligible employees. The eligible employees to whom options are granted and the terms of such options are determined by the Board. All employees were eligible to participate in the CSOP, including employees of Just Eat Limited's subsidiaries, but not all grants are approved by HMRC. Options are not transferable.

Options are exercisable at a price equal to the estimated fair value of Just Eat Limited's shares on the date of grant. Options vest in stages over a three-year period commencing on a specified date which is typically one year after the date of grant. Options are forfeited if an employee leaves before the options vest and expire if they remain unexercised ten years after the date of grant.

**6. Staff and directors' remuneration** *continued*

*(b) Share based payments (continued)*

The CSOP is an equity-settled share option scheme approved by HMRC.

The exercise price of options may not be less than the market value of Just Eat Limited's shares on the date of grant in order for the scheme to qualify as an approved HMRC scheme.

Vested options in the CSOP became exercisable on Just Eat Limited's IPO in April 2014.

**Just Eat Joint Share Ownership Plan ("JSOP")**

Awards are no longer being granted under this scheme.

The JSOP is a share ownership scheme under which the employee and Estera Trust (Jersey) Limited, the EBT Trustee, hold a joint interest in Ordinary shares.

Interests under the JSOP take the form of restricted interests in Ordinary shares in Just Eat Limited. An interest permits a participant to benefit from the increase (if any) in the value of a number of Ordinary shares in the Company over specified threshold amounts. In order to acquire an interest, a participant must enter into a joint share ownership agreement with the EBT Trustee, under which the participant and the EBT Trustee jointly acquire the shares and agree that when the shares are sold, the participant has a right to receive the proportion of the sale proceeds that exceed the threshold amount.

The vesting of interests granted to employees is subject to the option holder continuing to be an employee. Interests vest in stages over a three-year period commencing on a specified date, typically one year after the date of grant. The fair value of interests awarded under the JSOP was determined using the Black-Scholes option pricing model.

The range of exercise prices for both current and prior year options outstanding was 4.6 to 76.3 pence. During the year ended 31 December 2019, the weighted average share price at the date of exercise was 765.9 pence (2018: 798.9 pence). The weighted average remaining contractual life of the JSOP awards was 4.0 years (2018: 5.0 years).

*(c) Directors' remuneration*

| | 2019<br>£m | 2018<br>£m |
|---|---|---|
| Directors' remuneration | 0.6 | 0.6 |
| Amounts receivable under long term incentive plans | 0.4 | 0.2 |
| Number of Directors accruing benefits under defined contribution schemes | 1 | 1 |

### 6. Staff and directors' remuneration *continued*

*(c) Director's remuneration (continued)*

| | 2019 £m | 2018 £m |
|---|---|---|
| In respect of the highest paid Director: | | |
| Aggregate remuneration | 0.6 | 0.6 |
| Pension costs | - | - |

The highest paid Director received shares under the Company's long-term incentive scheme.

Two of the Directors (2018: two) are also executives of the Parent company, Just Eat Limited and the Holding Company, Just Eat Holdings, which paid them remuneration of £2.5 million in total (2018: £1.8 million).

The number of Directors who exercised share options during the year was two (2018 Restated*: two).

### 7. Finance income

| | 2019 £m | 2018 £m |
|---|---|---|
| Interest income | 15.7 | 3.4 |
| **Total finance income** | 15.7 | 3.4 |

### 8. Restructuring Costs

| | 2019 £m | 2018 £m |
|---|---|---|
| Hungry House.com waived payable | (0.8) | - |
| Redundancy costs | 1.0 | - |
| **Total restructuring costs** | 0.2 | - |

The redundancy costs relate to the redundancy payments made as a result of the outsourcing of the UK call centre. Redundancy costs include payments in lieu of notice, retention bonuses and outplacement. The amount owing to Hungry House.com from JustEat.co.uk was waived during the current year.

# Notes to the financial statements
# Year ended 31 December 2019

## 9. Taxation

The tax charge for the year was £17.4 million (2018: £23.0 million). There was no tax expense in relation to other comprehensive income (2018: £nil). The tax charge comprises:

| | 2019 £m | 2018 £m |
|---|---|---|
| **Current tax** | | |
| UK corporation tax | 16.4 | 21.2 |
| Prior year adjustment | 1.0 | - |
| **Total current tax** | 17.5 | 21.2 |
| **Deferred tax** | | |
| Origination and reversal of timing differences | 0.6 | 1.7 |
| Adjustments in respect of prior years | (0.7) | 0.1 |
| Rate change | - | - |
| **Total deferred tax** | (0.1) | 1.8 |
| **Total tax on profit on ordinary activities** | 17.4 | 23.0 |

The tax charge for the year was lower than the standard rate of corporation tax in the UK of 19.00%. The differences are reconciled below:

| | 2019 £m | 2018 £m |
|---|---|---|
| Accounting profit before income tax | 173.3 | 167.0 |
| Tax calculated at UK standard rate of corporation tax of 19.00% (2018: 19%) | 32.9 | 31.7 |
| Effects of: | | |
| Expense not deductible for tax purposes | 0.1 | 0.4 |
| Share based payments | - | - |
| Group relief received for nil consideration | (15.9) | (9.0) |
| Prior year adjustment | 0.4 | 0.1 |
| Effect of current tax rate on deferred tax recognised | (0.1) | (0.2) |
| Total tax charge for the period | 17.4 | 23.0 |

UK corporation tax was calculated at 19% (2018: 19%) of the taxable profit for the year. The UK government announced, in the summer 2015 budget, a reduction in the standard rate of corporation tax from 20% to 19% effective from 1 April 2017. The Finance Bill 2016 subsequently reduced the main rate of corporation tax to 17%, effective from 1 April 2020, which was subsequently reversed and therefore at the time of signing these financial statements, the substantively enacted tax rate continues to be 19%.

**9. Taxation** *continued*

| | 2019 £m | 2018 £m |
|---|---|---|
| **Movement on deferred taxation balance in the year:** | | |
| Opening asset as at 1 January | 6.2 | 1.7 |
| Credit to the profit and loss account | (0.6) | (1.7) |
| Credited to equity | 0.1 | (0.2) |
| Credited to goodwill | - | 6.6 |
| Prior year adjustment | 0.7 | (0.2) |
| **Closing asset as at 31 December** | 6.4 | 6.2 |

| | 2019 £m | 2018 £m |
|---|---|---|
| **Deferred tax analysis** | | |
| Accelerated capital allowances | 1.5 | 0.8 |
| Short term timing differences | 0.2 | 0.2 |
| Unrelieved trading losses | 3.9 | 4.6 |
| Share based payment | 0.8 | 0.6 |
| **Total deferred tax** | 6.4 | 6.2 |

A deferred tax asset has been recognised in the current and prior year due to suitable taxable profits being earned this year and envisaged to be earned in future years.

**10. Goodwill**

**Carrying value of goodwill**

| | 2019 £m | 2018 £m |
|---|---|---|
| At 1 January | 193.8 | - |
| Arising on acquisition | - | 193.8 |
| **At 31 December** | 193.8 | 193.8 |

Following the acquisition of the HungryHouse business by the Company on 31 January 2018, the trade and assets were purchased from the acquired trading company (HungryHouse.com Limited) through a hive-up transaction on 30 April 2018.

As the hive-up is a common control transaction, the hybrid methodology of merger accounting group reconstructions was applied. This resulted in the recognition of goodwill in the 2018 financial statements, rather than the creation of an investment balance on the purchase of the business.

### 11. Intangible assets

| | Patents, licences and IP £m |
|---|---|
| Cost | |
| At 1 January 2018 | 0.5 |
| Additions | 5.1 |
| **At 31 December 2018 and at 31 December 2019** | 5.6 |
| | |
| Amortisation | |
| At 1 January 2018 | 0.5 |
| Impairment | 5.0 |
| At 31 December 2018 | 5.5 |
| **At 31 December 2018 and at 31 December 2019** | 5.5 |
| | |
| Carrying amount | |
| **At 31 December 2019** | 0.1 |
| | |
| At 31 December 2018 | 0.1 |

An amortisation charge against intangible assets was made in the current and prior year, which was less than £0.1 million.

At 31 December 2019, the Company had not entered into any significant contractual commitments for the acquisition of Intangible assets (2018: £nil).

# Notes to the financial statements
# Year ended 31 December 2019

## 12. Property, plant and equipment

| | Fixtures and fittings £m | Equipment £m | Leasehold improvements £m | Total £m |
|---|---|---|---|---|
| Cost | | | | |
| At 1 January 2018 | 1.1 | 7.8 | 1.1 | 10.0 |
| Additions | - | 5.8 | - | 5.8 |
| Disposals | - | (3.1) | - | (3.1) |
| At 31 December 2018 | 1.1 | 10.5 | 1.1 | 12.7 |
| Additions | - | 10.2 | 1.5 | 11.7 |
| Disposals | - | (2.1) | (1.1) | (3.2) |
| **At 31 December 2019** | 1.1 | 18.6 | 1.5 | 21.2 |
| Depreciation | | | | |
| At 1 January 2018 | 1.0 | 4.4 | 0.9 | 6.3 |
| Charged during the year | - | 3.1 | 0.2 | 3.3 |
| Disposals | - | (2.4) | - | (2.4) |
| At 31 December 2018 | 1.0 | 5.1 | 1.1 | 7.2 |
| Charged during the year | 0.1 | 7.1 | 0.2 | 7.4 |
| Impairment | - | 2.0 | - | 2.0 |
| Disposals | - | (2.0) | (1.1) | (3.1) |
| **At 31 December 2019** | 1.1 | 12.2 | 0.2 | 13.5 |
| Carrying amount | | | | |
| **at 31 December 2019** | - | 6.4 | 1.3 | 7.7 |
| at 31 December 2018 | 0.1 | 5.4 | - | 5.5 |

At 31 December 2019, the Company had not entered into any significant contractual commitments for the acquisition of Property, plant and equipment (2018: £nil). The £2m equipment impairment relates to the impairment of faulty orderpads.

## 13. Investments

| | £m |
|---|---|
| Carrying value as at 31 December 2019 | 1.8 |

The investment balance of £1.8 million relates to the net assets of HungryHouse Holdings Limited as at 31 December 2019.

### 13. Investments *continued*

Other investments

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital at 31 December 2018 and 2019 are as follows:

| Investments in subsidiaries* | Nature of Business | 2019 | 2018 |
|---|---|---|---|
| Orogo Limited | Online takeaway portal | 100% | 100% |
| HungryHouse Limited | Holding Company | 100% | 100% |
| HungryHouse.com Ltd | Online takeaway portal | 100% | 100% |
| HungryHouse GmbH | Holding Company | 100% | 100% |

* The class of shares held in all subsidiaries are ordinary shares.

All subsidiaries have a registered office of: Fleet Place House, 2 Fleet Place, London, EC4M 7RF with exception of HungryHouse GmbH which is registered at c/o Leopoldstrasse Business Centre GmbH, Konrad-Zuse-Platz 8, 81829, Munich.

### 14. Trade and other receivables

| Amounts falling due within one year | 2019 £m | 2018 £m | 2017 £m |
|---|---|---|---|
| Trade receivables | 1.6 | 2.9 | 0.8 |
| Other receivables | - | 0.3 | - |
| Prepayments and accrued income | 2.6 | 0.9 | 1.6 |
| Amounts owed by Group undertakings | 64.5 | 3.6 | 42.3 |
| Amounts due from payment service providers | 23.0 | 24.1 | 26.6 |
| HungryHouse deposit | - | - | 6.0 |
| HungryHouse transaction costs | - | - | 7.5 |
| | 91.7 | 31.8 | 84.8 |
| **Amounts falling due after more than one year** | | | |
| Amounts owed by Group undertakings | 267.1 | 186.2 | 116.7 |

Amounts owed by Group undertakings falling due within one year are interest free and repayable on demand. Amounts owed by Group undertakings falling due after more than one year are interest bearing at 7% (2018: 7%) and are not repayable for the foreseeable future.

## 15. Trade and other payables

| | 2019 £m | 2018 £m |
|---|---|---|
| **Amounts falling due within one year** | | |
| Trade payables | 17.4 | 38.9 |
| Accruals and deferred income | 23.0 | 19.8 |
| Amounts owed to Group undertakings | 127.4 | 107.0 |
| Other taxation and social security | 0.5 | 0.2 |
| VAT payable | 17.2 | 19.7 |
| Corporation tax payable | 3.4 | 5.7 |
| Other payables | 1.7 | 25.3 |
| Lease liability (current) | 0.7 | - |
| | 191.3 | 216.6 |
| **Amounts falling due after more than one year** | | |
| Accruals and deferred income | 4.1 | 3.8 |

Amounts owed to Group undertakings falling due within one year are interest free and repayable on demand.

## 16. Provisions

| | 2019 £m | 2018 £m |
|---|---|---|
| As at 1 January | - | 0.5 |
| Additional provision during year | 0.4 | - |
| Released during year | - | (0.5) |
| **As at 31 December 2019** | 0.4 | - |
| Analysed as: | | |
| Current | 0.4 | - |
| Non-current | - | - |
| | 0.4 | - |

At 1 January 2018, other provisions included £0.5 million for transaction costs in respect of this HungryHouse acquisition. On 31 January 2018, the acquisition of HungryHouse completed and £0.5 million was released. The provision charge at 31 December 2019 is in relation to a provision for unredeemed customer care vouchers and gift cards that are expected to be utilised by 31 December 2020.

## 17. Share capital

| | 2019 Number | 2018 Number | 2019 £m | 2018 £m |
|---|---|---|---|---|
| **Authorised** | | | | |
| 1,000 ordinary shares of £1 each | 1,000 | 1,000 | - | - |
| **Allotted, called up and fully paid** | | | | |
| Ordinary shares of £1 each | 100 | 100 | - | - |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

## 18. Dividends

| | 2019 £m | 2018 £m |
|---|---|---|
| Dividends paid | - | - |

The Company did not pay dividends during the year (2018: nil). No dividends remained unpaid at the balance sheet date, 31 December 2019.

## 19. Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with its wholly owned subsidiaries and parent undertakings. No other transactions were entered into with other related parties. The Company has not provided or benefited from any guarantees for any related party receivables or payables. During the year ended 31 December 2019, the Company had not made any provision for doubtful debts relating to amounts owed by related parties.

## 20. Ultimate Controlling party

Until 31 January 2020, the ultimate parent company was Just Eat Limited, a company incorporated in England and Wales. The registered address of Just Eat Limited is Fleet Place House, 2 Fleet Place, London, EC4M 7RF. Just Eat Limited did not have a majority shareholder up to 31 January 2020 as it was a publicly traded company named Just Eat plc. Just Eat Limited was the largest and smallest group of which the Company was a member up to 31 January 2020 and for which group accounts are compiled. Copies of the financial statements for Just Eat Limited are publicly available from Companies House, United Kingdom.

Following the acquisition by Just Eat Limited on 31 January 2020 and subsequent approval by the UK Competition and Markets Authority on 15 April 2020, the ultimate parent company is Just Eat Takeaway.com N.V., a company incorporated in the Netherlands. The registered address of Just Eat Takeaway.com N.V. is Oosterdoksstraat 80, 1011 DK Amsterdam, the Netherlands. Just Eat Takeaway.com N.V. does not have a majority shareholder.

### 21. Events after the balance sheet date

**Merger with Takeaway.com**

The offer by Takeaway.com N.V. for Just Eat plc became unconditional in all respects on 31 January 2020. On 2 March 2020, the premium listing of Just Eat shares was cancelled and the company ceased to be listed. Existing options vested in proportion to the vesting period to date, resulting in no additional charge to the income statement in 2020. The unvested portions transferred to the new parent company's schemes.

**COVID-19**

The onset of the COVID-19 pandemic during the first half of 2020 and the ensuing quarantine introduced by the governments across our markets has had an impact on our business. After a slight dip in March, the UK business rebounded and we have since seen a significant increase in daily orders. The directors feel that Just Eat.co.uk is resilient to the effect of the pandemic and foresee no problems as lockdown measures ease. During this period of disruption and uncertainty, Just Eat has committed to supporting its customers, Restaurant Partners, couriers and its people as the spread of the virus continued to impact communities across the world. We introduced contact-free delivery for all orders across our network, to ensure customers received their food deliveries safely, as well as a range of support packages, to help our partners during this difficult time.