

Just Eat.co.uk Limited

**Annual report and financial statements
for the year ended 31 December 2021**



Just Eat.co.uk Limited

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Just Eat.co.uk Limited

Company information

Director	A Kenny
Registered number	04656315
Registered office	Fleet Place House 2 Fleet Place London United Kingdom EC4M 7RF
Independent auditor	Deloitte LLP 2 New Street Square London United Kingdom EC4A 3BZ

Just Eat.co.uk Limited

Strategic report for the year ended 31 December 2021

The Director presents his strategic report for the year ended 31 December 2021.

Business model

The core business model of Just Eat.co.uk Limited (the “Company”, “we”, “our”) connects consumers with restaurants, enabling the consumer to order and pay for a meal through our websites or apps, which is then delivered to the consumer or collected by them in person. While the majority of participating restaurants deliver the food themselves, we have significantly expanded our own logistics offering, giving restaurants access to new sales opportunities where we use our courier network to deliver their food.

For consumers, our marketplace provides a simple way to order and pay for food, and the Company aims to offer the best user experience by providing a large and varied selection of cuisines, broad restaurant choice, an easy-to-use and engaging product interface, seamless payment processes, and transparent order-tracking features.

For restaurants, the Company offers access to a wider consumer base and provides publicity at a relatively low cost, allowing partners to broaden their reach beyond local marketing and generate incremental orders. In addition, we provide restaurant delivery services, primarily through third party delivery solutions but also through our in-house delivery service, Scoober.

Marketplace continued to be a profitable business in 2021. However, with the continual shift in market trends, 2021 has been a year of investment as we continue to improve logistical efficiency and expand our Delivery footprint to build an even broader restaurant and convenience food selection and accelerate order growth through positive network effects.

Business review

Our key performance indicators during the year were as follows:

		2021	2020	Change %
Revenue	£m	1,012.8	640.0	58%
Operating (loss)/profit	£m	(33.8)	156.0	(122)%
Delivery %	%	40%	14%	26%
Orders	Million	273.7	179.3	53%
Gross Monetary Value	£m	5,286.9	3,716.3	42%

The continued shift in consumer behaviour in a competitive market presented a number of opportunities and challenges in 2021. In response, the Company invested predominately i) supply expansion and the roll-out of Delivery, (ii) brand awareness and share of voice and (iii) customer experience and value proposition, including price leadership. These investments have led to superior growth, and increased online share gains, especially in London. The marketplace business retained its leading position, while the expansion of our delivery offering continued in 2021.

2021 has been a significant year for delivery and we have made excellent progress in our delivery roll out. Delivery orders for 2021 grew more than 26% compared with 2020. Following the successful launch of our employed courier model in London last year, the operation expanded into a further five UK cities in 2021 – Birmingham, Brighton, Cambridge, Liverpool, and Nottingham. The expansion has created thousands of new jobs and will further enhance our last-mile brand visibility across these cities. Our delivery growth was driven by aggressive price leadership as scale is very important to ensure Delivery becomes profitable in the future. 2021 was all about growing out our Delivery service and in 2022 we are focused on improving the cost-per-order by enhancing the courier experience, driving delivery efficiencies and enabling a quick, smooth and hassle-free delivery experience for our consumer. During the back end of 2021 we have already started to reduce the price gap in consumer delivery fees versus our competitors while maintaining our market share.

Just Eat.co.uk Limited

Strategic report (continued) for the year ended 31 December 2021

Business review (continued)

The Company processed 273.7 million orders in 2021, representing a growth rate of 53% compared with 2020. The Just Eat brand gained online share, including a significant inflection in London with a 30% market share at the end of 2021.

Further growth was achieved by the expansion of restaurant supply, including our partnership with household brands such as McDonald's, Greggs, Pret A Manger, Itsu and Chipotle. We added further choice to our platform in 2021, where we were proud to welcome more than 132 new brands including Leon and Le Pain Quotidien, as well as successful roll-out and activation of national coffee brands Costa Coffee and Starbucks®. This has allowed us to be part of every food movement, whether it is breakfast, lunch, or dinner. At the end of 2021, the number of restaurants in the UK increased to more than 61,000 from 50,000 at the beginning of the year.

Expanding on our existing delivery network we see a big opportunity in convenience grocery. By leveraging our now established delivery network, we can quickly scale convenience grocery operations and capitalise on the convenience opportunity quicker than new entrants without established delivery networks. During the year we teamed up with grocery stores such as Asda and Morrisons to help kick start this new market.

Gross Monetary Value (GMV) consists of the value that the consumers have paid on all orders. GMV's largest components are food value, delivery fees and tips. In 2021, GTV increased by 42% year-on-year. Revenue grew by 58% to £1,012.8 million in 2021 from £640 million in 2020. The revenue growth rate was higher than both the order and GTV growth rates, following the rapid increase in Delivery orders.

We increased our investments in marketing during the year to £108.3 million compared to £95.3 million in 2020 led by the successful Snoop Dogg and Love Island campaign and our partnership with UEFA enabling the Just Eat brand to maintain the number one share of voice in the online food ordering sector and reinforcing its leading top-of-mind brand awareness. We further increased brand coverage by continuing to adopt Just Eat Takeaway.com global brand identity online as well as on merchandise, such as clothing for couriers, enhancing the international leverage of the brand.

Adjusted EBITDA consists of the Company's operating income/loss for the period adjusted for depreciation, amortisation, impairments, share-based payments, acquisition and integration related costs and other items not directly related to underlying operating performance. Other items not directly related to underlying operating performance include, amongst others, restructuring costs, certain legal, tax, and regulatory costs and certain insurance income and costs. Adjusted EBITDA was minus £31.1 million in 2021 compared with positive £164.2 million in 2020. The lower adjusted EBITDA reflected our continued investments to win online share, including increased restaurant selection, marketing, and our price leadership strategy. Given the widening of the price gap in consumer delivery fees versus our competitors, the Company has more flexibility to improve its adjusted EBITDA going forward. While the benefits from this development will already be visible in 2022.

Our investment programme, together with Covid-19 related tailwinds, led to a significant increase in the rate of year-on-year Active Consumer growth, resulting in 18.2 million Active Consumers by the end of 2021 compared to 16 million in 2020. The increase in Active Consumers therefore delivered early returns on the investments, with 33% of the addressable population using Just Eat in 2021, placing us in a strong position for future growth, which will lead to improved profitability going forward.

Principal risks and uncertainties

Principal risks and uncertainties are discussed in detail in the Annual Report of Just Eat Takeaway.com N.V., the ultimate parent of the Company as at 31 December 2021, which is available on <https://www.justeattakeaway.com/investors/results-and-reports/>. The principal risks and uncertainties that apply to the UK operations are: Competition; Innovation; Brand & reputation; People; Technology, reliability and availability; Social change, legislation & regulation; Data security & privacy; Operational complexity of hybrid model; Acquisitions; financial reporting; Integration & transformation and Global strategic projects.

Just Eat.co.uk Limited

Strategic report (continued) for the year ended 31 December 2021

Significant economic/political events

Economic and political factors have the potential to represent both risk and opportunities. For example, easing of lockdown has a potential for adverse implications on orders as more people return to the office, impacting the Company and Restaurant Partners. When events such events 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 duty under Section 172 of the Companies Act 2006 is owed by the Director to the Company. In the context of a group of companies, being the group of companies owned by Just Eat Takeaway N.V., the Company's Director owe their primary duty to the Company and not the parent company, although the parent company is considered as part of stakeholder engagement. The Board recognises that the overall framework which Section 172 promotes is to drive the long-term success and sustainability of the Company for the benefit of its sole shareholder and other key stakeholders.

The management Board of Just Eat Takeaway.com N.V. sets the priorities for the group and is responsible for the controls and decision-making framework under which the whole group operates. A number of overall strategic decisions are reserved to the Just Eat Takeaway.com management Board with others devolved to the Board and/or senior management of the Company. The Board and the Company strive to create value for the Company's sole shareholder in the medium and long-term and to take into account the interests of the Company's wider stakeholder base and the impact of their decisions on these stakeholders and their interests. In order to achieve this objective, the Company implements and makes decisions which are aligned with the strategy, purpose and values of the Just Eat Takeaway.com N.V. group.

Throughout the reporting year the Company has made a number of strategic decisions as part of implementation of its business strategy. The principal strategic decisions made by the Board included:

- Investment in supply expansion and roll-out of Delivery, including price leadership
- Investment in brand awareness and share of voice
- Expand into groceries offering
- Introduction of stamp card programs
- Migration from an outsourced to an in-house customer service model
- Introduction of account management services to all restaurant partners

Further details of these decisions are set out in the sections below.

The Board of Director of the Company consider short, medium and long-term consequences of their decisions during their decision-making process. Detailed financial information and risks are all considered through informal discussions with various internal departments and with stakeholders, enabling the Board and senior management to make informed decisions.

**Strategic report (continued)
for the year ended 31 December 2021**

Section 172 Statement (continued)

People

As we entered the second year of the pandemic, we knew it is our responsibility as a Company to take a proactive approach to our working set-up and environment. While governmental health advice and measures changed day-to-day, we focused on developing an impactful, long-term strategy for the future of work at the Company. We understand that good communication is crucial to inform, engage, inspire and take our people's view into account during decision making. This is why we aspire to ensure employees are engaged and informed about issues that are relevant to them. We do this through a variety of channels and a broad combination of online and face-to-face conversations. Talking to our people and conducting regular surveys helped confirm that we are still as effective as before the pandemic, but that remote working can take a toll on each of us differently. The Company considers face-to-face interaction and collaboration across our teams an important part of building a strong organisation. And we acknowledge the value of providing flexibility in choosing where to work. This is why we have continued to invest in creating the right work environment and providing the suitable technology.

Since the start of the integration between the Company and Takeaway.com organisations in 2020, we have been working to establish one culture which supports a clear vision for the future. This vision is designed to inspire and unite our people, while fuelling business growth. In 2021 we took this a step further by making our vision integral to every step of our employees' journey at the Company. To underpin our culture, we have redefined a set of core values: Lead, Deliver, Care.

These values have been rolled out across the Company through a company-wide awareness program and via our global onboarding platform. One of the most successful ways we established our core values was by making them a key element of our new performance management approach. We recognise the impact leaders have on building our culture, therefore we have designed a set of leadership competencies specifically for employees in management positions. These competencies stem from our vision and values. They lay out the kind of behaviour and attitude we expect from leaders within the Company. And they provide a practical, measurable way for our leaders to help drive and develop our culture within their teams.

A main focus in 2021 has been building a foundation to support our Inclusivity, Diversity & Belonging (IDB) commitment. We are delighted to have formed an IDB team in 2021, focusing on defining a strategy that supports realising our commitment to foster inclusion and diversity. We are aiming to add diversity ambitions and targets in 2022 to diversify our talent pipelines and foster talent growth across job levels, also adding cultural diversity as a metric.

This year brought the creation of a career framework that provides our people with the tools they need to shape their career paths. The Company career framework is made up of guidelines for jobs, pay and competencies. It helps employees understand their role, the reward framework they fit into and what is expected from them. It also lays out opportunities for personal growth and development. This supports our people and contributes to the Company's growth.

2021 was also the year when we introduced a new Speak-Up Policy. This policy encourages everyone in the Company to speak-up when they think someone has violated the Code of Conduct. We are committed to operating with integrity and fairness, with respect for the law and our values.

Just Eat.co.uk Limited

Strategic report (continued) for the year ended 31 December 2021

Section 172 Statement (continued)

Consumers

The Company has highly knowledgeable user experience and customer facing teams who regularly engage a wide variety of customers in a wide range of ways, both proactively and reactively. Top line results of these engagements are provided to the Board and senior management throughout the year, ranging from top of mind awareness to NPS (net promoter score) and trends of customer interaction. In 2021, consumers benefited from the increased range of restaurants available on the platform, and across many new occasions, such as breakfast, lunch and everyday convenience goods. A key part of ensuring this user experience is not overwhelming is to use personalised recommendations to help consumers browse the most suitable restaurants. As a result of the increased volume, in 2021 we continued focused on the scalability and reliability of our platform, enabling us to keep pace with growth. We also improved the general experience with a more accessible visual language, fonts. We have invested in our after-order experience and in our algorithms to improve our courier estimated time of arrival (ETA).

We have invested heavily into various promotion, loyalty and retention strategies. We introduced the stamp card programme, which positively impacts the Average monthly order frequency and retention. This also helped boost promotion of our online loyalty programme, massively increasing new users and usage of the programme.

In the very small percentage of cases there are issues with orders placed through our platform and there is need for a consumer to reach out for help. In 2021 we have leased a new building and started to insource our customer service offering which has traditionally been provided by third party companies. We have employed 1,050 new colleagues in 2021 with more expected to follow in 2022. By having employees who care and understand the business we hope that if an issue does arise it is dealt with in a fast and hassle-free way. JET Pay (previously known as Takeaway Pay) has been introduced which enables corporate customers to use their meal allowances at any physical restaurant accepting Mastercard and Maestro. Making it even easier for our customers to pay for the food that they love.

The Company continues to explore new and exciting opportunities to improve our customer experience ensuring we are the platform of choice.

Restaurant partners

The Company takes the partnerships it has with restaurants seriously, both with the small independent restaurants and larger national and international chain restaurants. As of 2021 we have assigned an account manager to every restaurant partner to ensure all our restaurant partners, big and small, have a point of contact that can assist them with their long-term success as we provided a vital role in supporting them through another extremely challenging year, with enforced restrictions on dining-in. By continuously improving our end-to-end partner experience we aim to build loyal partnerships.

To help address the difficulties faced by restaurants across the country the Company stepped up our delivery offering to new restaurants that did not previously have a food delivery focus and kept in place the Covid-19 support package which offered a discount on commission, waiving sign-up fees and increasing the frequency of payments from Just Eat to its partners. We maintained these measures across the first, second and third waves of the pandemic. The investment in delivery supported restaurant partners whose businesses tended to be focused on dine-in trade and did not have delivery capabilities, whether big chains or independent restaurants.

We have continued to restructure and expand our sales organisation to accelerate our restaurant acquisition, we have added 132 new partners to our platforms. We have also built a dedicated team to accelerate our convenience grocery partner acquisition strategy in the year 2021.

The Company invested heavily in its marketing to bring new consumers to the platform, making them aware of the breadth of offering, this included the successful Snoop Dog and Love Island campaign. Our sponsorship of both the UEFA Euro 2020 football tournament in the summer of 2021, and of the UEFA Champions League have helped to further establish us as a major household brand.

Just Eat.co.uk Limited

Strategic report (continued) for the year ended 31 December 2021

Section 172 Statement (continued)

Couriers

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

- Restaurant self-delivery
- Third party delivery companies
- Independent self-employed delivery contractors
- Scoober

Restaurant self-delivery

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

Third party delivery companies

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.

Independent self-employed delivery contractors

This model is easily scalable and highly flexible, as well as provides independent contractors with flexibility over how they want to work. Couriers have to complete background checks and agree to a Service contract before they are onboarded on our network. We have highly detailed processes for couriers, which must be complied with before any courier is onboarded on our network. These onboarding processes are reviewed by the management on a regular basis.

Scoober

We have continued to work with our group company Takeaway.com Express UK Limited in regard to our agency worker model for couriers in the UK. Through this, couriers are entitled to hourly pay, national minimum/living wage and certain statutory benefits including holiday pay and sick pay. They are also provided with branded e-bikes going forward, helping to reduce takeaway delivery contribution to UK emission levels. Couriers also receive branded clothing and equipment in line with our single global brand identity and to boost brand visibility, whilst also helping Just Eat to further improve the service it offers to restaurants and consumers. Our employed couriers are provided with training to be able to perform their tasks in a safe way and we offer them equipment that protects them against fall and weather conditions, such as a helmet, winter jacket and rain gear.

Product innovations, such as Fast Cash, offers our couriers immediate earnings pay-outs and also launched a white-label service for restaurants to leverage our courier network for their deliveries, opening up new revenue streams.

Our ability to choose between operating models across our markets allows us to select the optimal delivery model for each market, ensuring we provide the best logistical solution for the specific city requirements. We will continue to review the optimum courier model mix and continue to invest significant amounts in providing the best and most affordable services to our customers.

Just Eat.co.uk Limited

Strategic report (continued) for the year ended 31 December 2021

Section 172 Statement (continued)

Suppliers

The Director has oversight of significant business cases and spend on key supplier relationships, which are managed through updates and senior management meetings. The Group Procurement function sets the purchasing policy and governs supplier selection and sourcing strategies, to ensure an appropriate mix of commercials, innovation reliability and risk. They and senior management in the Company monitor the key relationships, from the negotiation stage, onboarding and throughout the course of the relationship to ensure the right skills and fit with the Company's values and culture. Suppliers are encouraged to consider social and ethical compliance and ethical business conduct in both their dealings with the Company and within their own business and supply chain. The Company provides simple communication channels and a commercial owner is assigned to each supplier relationship across the business to surface potential issues or simply to provide feedback.

Shareholders

Just Eat.co.uk Limited's only shareholder is Just Eat Holding Limited.

Communities and environment

With our shareholder, Just Eat Holding Limited, we continue in our aspiration to be a driving force for change within the takeaway sector. We continued to develop our partnership with sustainable packaging startup Notpla to reduce the impact of single-use plastics in the takeaway sector, successfully completing a government-backed trial of seaweed sauce sachets in 2019. Since then, we have worked with Notpla to develop a recyclable and home compostable seaweed lined takeaway container to further minimise the level of plastic usage by restaurants. We are committed to reducing the carbon footprint of our direct operations, as well as collaborating to reduce emissions, single-use packaging and waste across our broader marketplace.

At Just Eat we are aware of the importance of our people and the impact we have both on them and on society in a broader sense. We strive to make our contribution and have a positive impact on various employee and social-related issues.

In the UK the Just Eat Christmas Meal Appeal, raised enough funds to provide at least 330,000 meals to feed the most vulnerable. The campaign encouraged customers, employees, partners and delivery couriers to either donate, volunteer, or deliver free meals and Christmas essentials to those in need. Just Eat also matched donations up to the sum of £200,000 and we joined forces with Coca-Cola, who donated 20p for every Coca-Cola drink sold by an independent partner on Just Eat, up to a maximum of £150,000. All funds raised were donated to charities Social Bite – a movement to end homelessness – and FoodCycle who support low-income families, the homeless and those experiencing loneliness by providing community meals, made from food that would have otherwise gone to waste.

Political stakeholders

We engage regularly with Members of Parliament and their advisers on topics of relevance to our operations.

Regulatory authorities

The Company has a positive relationship with the Food Standards Agency in the UK and contributes to the decision making process as food industry regulation evolves.

Just Eat.co.uk Limited

Strategic report (continued) for the year ended 31 December 2021

Section 172 Statement (continued)

Business groups

The Company is a member of the Confederation of British Industry (CBI) and a number of other industry bodies such as ISBA and the Advertising Association.

By order of the Board,

Andrew Kenny

**A Kenny
Director**

Date: 26 September 2022

Just Eat.co.uk Limited

Director's report for the year ended 31 December 2021

The Director presents his report and the financial statements for the year ended 31 December 2021.

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:

E Jamieson (appointed 5 July 2022, resigned 13 July 2022)
A Kenny
T Pereira (appointed 28 February 2021, resigned 30 June 2022)
J Sporle (resigned 28 February 2021)

Qualifying third-party indemnity provisions have been made for the benefit of Director in relation to certain losses and liabilities that they may incur in the course of acting as Director 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 Takeaway.com N.V.

Dividends

No dividends were paid during the year ended 31 December 2021 (2020: £nil).

Going concern

The Director has 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 2021 and as such the Director has obtained a letter of support from Just Eat Holding Limited, which states that it will provide such financial support to the Company as required to meet its liabilities as they fall due. The Director has also considered that a letter of support has been provided by Just Eat Takeaway.com N.V., the ultimate parent company, to Just Eat Holding Limited to enable it to provide the required financial support to the Company, if required.

The Director has 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 2022. The Director has 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 Director is 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.

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 vibrant takeaway sector. This includes the business livelihood of our subsidiaries' neighbourhood restaurant partners, their 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 of Just Eat Takeaway.com N.V. in the Strategic report.

Research and development

We do not undertake any research or development activities which qualifies for R&D relief.

Just Eat.co.uk Limited

Director's report (continued) for the year ended 31 December 2021

Financial risk management policies and objectives

Foreign exchange 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 and from Payment service providers (PSPs). 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.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Director, who has 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.

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. We also provide continued employment and training of employees who become disabled while in the Company's employment.

To support our commitment to open communication with employees, discussions are held with employees, through briefings and an internal 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.

Just Eat.co.uk Limited

Director's report (continued) for the year ended 31 December 2021

Covid-19

The onset of the Covid-19 pandemic during 2020 and the ensuing measures introduced by governments over the course of 2020 and 2021 across our markets has had an impact on our business. The overall impact of Covid-19 on Just Eat Takeaway.com group's financial condition and results of operations has been accelerated order growth rates with more consumers joining the platforms and ordering online. The economic uncertainty caused by the Covid-19 pandemic and the extent to which the Covid-19 pandemic will continue to impact Just Eat Takeaway.com's businesses, operations and financial results, including the duration and magnitude of such effects, will depend on numerous unpredictable factors. The Management Board will continue to monitor these factors and the impact thereof on its business and results of operations.

Climate change

The Management Board plays a central role in governing the Company's approach to climate-related issues. The Management Board guides and prioritises risks and opportunities, including those related to climate change. Furthermore, the Management Board has the responsibility to review and approve climate related targets and initiatives including measuring our carbon footprint and setting emission reduction targets, and reviews progress on plans on a regular basis.

Further consideration and the Just Eat Takeaway.com group's involvement in climate change is discussed in detail in the Annual Report of Just Eat Takeaway.com N.V. in the Strategic Report.

Streamlined energy and carbon reporting statement ("SECR")

The below statement contains Just Eat.co.uk annual energy consumption, associated relevant, greenhouse gas emissions, and additional related information, as required under the Companies (Director's Report) Regulations 2018. This statement summarises the energy use and emissions required to report under this legislation.

Methodology

The methodology applied to the calculation of Greenhouse Gas emissions is the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. An 'operational control' boundary has been applied. Carbon conversion factors have been taken from the UK Government Greenhouse Gas Conversion factors for Company Reporting 2021.

The scope of reporting includes energy use associated with activities undertaken by Just Eat.co.uk Limited which include offices in Borehamwood and Sunderland.

Emissions are reported as CO₂e. Electricity emissions have been reported as both market and location based. 69% of the electricity procured in 2021 was from renewable resources.

External assurance statement

We have received an independent external assurance statement from SGS United Kingdom Ltd for our 2021 global footprint, which includes all UK entities.

Just Eat.co.uk Limited

Director's report (continued) for the year ended 31 December 2021

Streamlined energy and carbon reporting statement ("SECR") (continued)

Energy Use and Greenhouse Gas emissions Summary

Energy Consumption	2021	2020
Onsite combustion (MWh)	1,707	220
Electricity (MWh)	2,075	150
Transport (MWh)	1,393	571
Total Energy (MWh)	5,174	941

Location Based Emissions	2021	2020
Scope 1 Emissions (tCO ₂ e)	676	180
Scope 2 Emissions (tCO ₂ e)	394	28
Total Emissions (tCO₂e)	1069	208
Emissions Intensity (kgCO ₂ e/sqft)	4.29	9.07
Emissions Intensity (tCO ₂ e/£m)	1.06	0.33

Market Based Emissions	2021	2020
Scope 1 Emissions (tCO ₂ e)	676	180
Scope 2 Emissions (tCO ₂ e)	205	47
Total Emissions (tCO₂e)	881	227
Emissions Intensity (kgCO ₂ e/sqft)	3.54	9.88
Emissions Intensity (tCO ₂ e/£m)	0.87	0.35

Emissions Intensity

For the purposes of baselining and ongoing comparison, it is required to express the emissions using a carbon intensity metric. The comparison intensity metrics used are revenue tCO₂e/£m and floor area kgCO₂/sqft. We have chosen to report against two metrics to reflect the changing nature of the business and to allow comparison with others.

Energy Efficiency Action

We have undertaken a number of activities to reduce our energy consumption for the properties leased by Just Eat.co.uk Limited. 90% of the lights in our Borehamwood office and 100% of the lights in our Sunderland office are LED and in both facilities we have motion detector sensors to ensure lights turn off during non-occupancy. There are solar panels on one third of the facility partially supplying our electricity. Furthermore, the properties are double glazed to maximise insulation and have a Building Management System to ensure energy is used during operational times.

Overseas branches

There are no branches outside the UK.

Political donations

No political donations were made during the year ended 31 December 2021 (2020: £nil).

Just Eat.co.uk Limited

Director's report (continued) for the year ended 31 December 2021

Events after the balance sheet date

The invasion of Ukraine by Russia on 24 February 2022 has led to significant sanctions against Russia. The Company has no ongoing exposures to, or investments in, Russian-related interests. This invasion contributed to the annual inflation rate in the UK jumping to 8.8% in July 2022 as customers living standards continued to be squeezed. The government have recently issued a support package worth £100bn to help ease the burden on individuals from an increase in prices and Justeat.co.uk continues to work with restaurant partners to ensure fair and proportionate increases.

Director's responsibilities statement

The Director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the Director 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 Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 Director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Director's statement as to disclosure of information to auditor

Each of the Director's 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 has taken all the steps that he ought to have taken as a Director to make himself 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.

Just Eat.co.uk Limited

Director's report (continued) for the year ended 31 December 2021

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 2021 Annual General Meeting.

By order of the Board,

Andrew Kenny

**A Kenny
Director**

Date: 26 September 2022

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 2021 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;
- the statement of accounting policies; and
- the related notes 1 to 25.

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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of Just Eat.co.uk Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends 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.

Independent auditor's report to the members of Just Eat.co.uk Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006 and International Financial Reporting Standards; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included employment taxes; food safety laws and GDPR/Data Protection Act 2018.

We discussed among the audit engagement team including relevant internal specialists such as tax, fraud, IT and Analytics specialists, forensic and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, and reviewing internal audit reports.

Independent auditor's report to the members of Just Eat.co.uk Limited (continued)

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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's 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 director's 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 director's 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.

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.



Dean Cook MA FCA (Senior statutory auditor)
For on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

Date: 26 September 2022

Just Eat.co.uk Limited

Profit and loss account for the year ended 31 December 2021

	Note	2021 £m	2020 £m
Revenue	4	1,012.8	640.0
Cost of sales		(836.1)	(295.4)
Gross profit		176.7	344.6
Operating costs		(210.5)	(188.5)
Operating (loss)/profit	5	(33.8)	156.0
Finance income	9	39.7	29.3
Finance expense	10	(0.1)	(0.1)
Profit before taxation		5.8	185.3
Taxation	11	6.3	(12.4)
Profit for the financial year		12.1	172.9

All operations are classed as continuing.

The accompanying notes are an integral part of these financial statements.

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.

The notes on pages 24 to 45 form part of these financial statements.

**Balance sheet
as at 31 December 2021**

	Note	2021 £m	2021 £m	2020 £m	2020 £m
Non-current assets					
Intangible fixed assets	12		193.8		193.9
Property, plant and equipment	13		31.1		12.9
Investments	14		1.8		1.8
Trade and other receivables: amounts due after more than one year	15		577.8		573.1
			<u>804.5</u>		<u>781.7</u>
Current assets					
Inventories		0.6		0.6	
Trade and other receivables: amounts falling due within one year	15	189.3		139.9	
Cash and cash equivalents		58.5		36.8	
		<u>248.4</u>		<u>177.3</u>	
Trade and other payables: amounts falling due within one year	16	(461.9)		(393.1)	
Net current liabilities			<u>(213.5)</u>		<u>(215.8)</u>
Total assets less current liabilities			<u>591.0</u>		<u>565.9</u>
Trade and other payables: amounts falling due after more than one year	17		(10.4)		(2.7)
Provisions for liabilities					
Other provisions			(3.2)		-
Net assets			<u>577.4</u>		<u>563.2</u>
Equity					
Share capital	21		-		-
Capital contribution reserve			8.6		6.7
Retained earnings			568.7		556.5
Total equity			<u>577.3</u>		<u>563.2</u>

**Balance sheet (continued)
as at 31 December 2021**

The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 26 September 2022.

They were signed on its behalf by:

Andrew Kenny

**A Kenny
Director**

The notes on pages 24 to 45 form part of these financial statements.

Just Eat.co.uk Limited

Statement of changes in equity for the year ended 31 December 2021

	Share capital £m	Capital contribution reserves £m	Retained earnings £m	Total equity £m
At 1 January 2020	-	5.1	382.5	387.6
Comprehensive income for the year				
Profit for the year	-	-	172.9	172.9
Tax on share options	-	-	1.1	1.1
Share-based payment expense	-	1.6	-	1.6
At 1 January 2021	-	6.7	556.5	563.2
Comprehensive income for the year				
Profit for the year	-	-	12.1	12.1
Other tax movements	-	(0.4)	-	(0.4)
Share-based payment expense	-	2.3	-	2.3
Capitalisation/bonus issue	-	-	0.1	0.1
At 31 December 2021	-	8.6	568.7	577.3

The accompanying notes are an integral part of these financial statements.

The notes on pages 24 to 45 form part of these financial statements.

Just Eat.co.uk Limited

Notes to the financial statements for the year ended 31 December 2021

1. General information

The Company operate a leading marketplace for on line food ordering and delivery within the UK. This is a private limited company limited by shares incorporated and domiciled in England and Wales, with a registered address at Fleet Place House, 2 Fleet Place, London, EC4M 7RF, United Kingdom.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 Director's report on page 10.

The Company is in a net current liability position as at 31 December 2021 and as such the Director has obtained a letter of support from Just Eat Holding Limited, which states that it will provide such financial support to the Company as required to meet its liabilities as they fall due.

The Director has 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 12 months from the date of signing. The Director has 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 Director is 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.

We have taken advantage of the exemption under s401 of the Companies Act 2006 not to prepare consolidated accounts. The Company is a wholly owned subsidiary of Just Eat Takeaway.com N.V. and the results of the Company are included in the consolidated financial statements of Just Eat Takeaway.com N.V., which are publicly available from Companies House, United Kingdom and via the Just Eat Takeaway.com corporate website <https://www.justeatakeaway.com/investors/results-and-reports/>.

The accounting policies which follow set out those policies which have been applied in preparing the financial statements for the year ended 31 December 2021.

The policies have been consistently applied to all years presented.

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";
- 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".

**Notes to the financial statements
for the year ended 31 December 2021**

2. Accounting policies (continued)

2.1 Basis of preparation of financial statements (continued)

- 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 New and amended standards adopted

There were no new or amended standards that needed to be adopted for the year ended 31 December 2021.

2.3 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 2021 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 2021 have had a material impact on our financial position or performance, nor the disclosures in these financial statements.

2.4 Foreign currency translation

Our financial statements are presented in Pounds Sterling, which is also our functional currency. Assets and liabilities in foreign currencies are translated using the rate of exchange prevailing at the balance sheet date. Gains or losses on translation are included in the profit and loss account.

2.5 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 fulfillment 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.

**Notes to the financial statements
for the year ended 31 December 2021**

2. Accounting policies (continued)

2.5 Revenue recognition (continued)

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 fulfillment 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 fulfillment.

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.

Promoted Placement fees

Promoted Placement fees replaced Top Placement fees during the year and represent income for placing restaurant partners at the top positions within the search engine results page. Restaurants are charged a fee when a customer clicks on a promoted restaurant from the results page up to a budget set by the restaurant owner. The associated revenues are invoiced weekly and recognised in 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.

**Notes to the financial statements
for the year ended 31 December 2021**

2. Accounting policies (continued)

2.5 Revenue recognition (continued)

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.

2.6 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.

2.7 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 Takeaway.com N.V.

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. These grants are settled in shares of the Group's parent company but as the costs are not recharged to the Company it is recorded as a credit to the capital contribution account.

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.

2.8 Leasing

IFRS16 was adopted on 1 January 2019 replacing 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.

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%.

**Notes to the financial statements
for the year ended 31 December 2021**

2. Accounting policies (continued)

2.9 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.

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.

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.

**Notes to the financial statements
for the year ended 31 December 2021**

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 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 installments 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.

**Notes to the financial statements
for the year ended 31 December 2021**

2. Accounting policies (continued)

2.13 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.

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 2021 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 by Takeaway.com.

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.

2.14 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

Just Eat.co.uk Limited

Notes to the financial statements for the year ended 31 December 2021

2. Accounting policies (continued)

2.15 Cash and 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. All cash and cash equivalents which is expected from Payment service Providers (PSPs) at year-end is recognised within Trade receivables.

3. Critical judgements in the application of accounting policies and estimation of uncertainty

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 Just Eat.co.uk in the current year.

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.

4. Revenue

An analysis of turnover by class of business is as follows:

	2021 £m	2020 £m
Order driven revenues (commission, administration and delivery fees, offset by discounts)	954.1	601.5
Sign-up fees	1.2	2.2
Top-placement fees	51.5	33.0
Other revenues	6.0	3.3
Total revenue	1,012.8	640.0

All turnover arose within the United Kingdom.

Just Eat.co.uk Limited

Notes to the financial statements for the year ended 31 December 2021

5. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting):

	2021 £m	2020 £m
Depreciation of property, plant & equipment	10.2	8.2
Amortisation of intangible assets	0.1	-
Net foreign currency exchange (gains)/losses	(0.3)	0.5
Integration costs	-	0.7
Loss on disposal of property, plant & equipment	0.5	0.1
	<u> </u>	<u> </u>

6. 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.

	2021 £m	2020 £m
Audit of the financial statements	1.2	0.8
	<u> </u>	<u> </u>

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 Takeaway.com as at 31 December 2021.

Just Eat.co.uk Limited

Notes to the financial statements for the year ended 31 December 2021

7. Staff costs

(a) Staff costs were as follows:

	2021 £m	2020 £m
Wages and salaries	35.4	19.6
Social security costs	3.1	2.6
Other benefits & equity settled shared based payments	6.7	2.1
Pensions	1.6	0.9
	<u>46.8</u>	<u>25.2</u>

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

	2021 No.	2020 No.
Operations	364	100
Sales	365	252
Marketing	41	36
Management and administration	59	26
	<u>829</u>	<u>414</u>

Just Eat.co.uk Limited

Notes to the financial statements for the year ended 31 December 2021

7. Staff costs (continued)

(b) Share-based payments

Several share-based payment plans were in place at Just Eat.co.uk prior to the business combination. Some of the shares issued in the business combination relate to employee share options under these former Just Eat plc share-based payment plans, for which Just Eat plc shares were issued and immediately converted to shares in Just Eat Takeaway N.V.

Following the business combination, several schemes were rolled-over or eligible employees were transitioned to newly adopted schemes. The following share-based payment arrangements are in place as per 31 December 2021. All of these arrangements qualify as equity-settled share-based payment plans.

Performance Share Plan ("PSP") and Restricted Share Plan ("RSP")

The legacy PSP and the RSP were equity-settled share-based payment plans that were transitioned into new schemes following the business combination. PSP and RSP awards were granted to eligible employees to help incentivise sustained performance over the long term and to promote alignment with the shareholders' interests.

Awards under the PSP and RSP were granted as nil-cost options that vested to the extent performance conditions were satisfied, predominantly over a timespan of three years. Following the business combination, a new transition scheme was offered, whereby the number of nil-cost options granted equal the number of unvested options lapsed under the old scheme. The vesting profile mirrored the legacy scheme and is subject to performance conditions. RSP awards granted are not subject to any performance conditions, the only vesting condition applicable is a three-year service condition. Participants employed at the grant date were automatically enrolled into the relevant new scheme. In addition, a grant under the PSP was made to legacy Just Eat employees in following the combination in a manner consistent with past practice.

As per 31 December 2021, the performance conditions for the awards granted under the PSP are still to be defined. Just Eat Takeaway.com has therefore estimated the fair value of the equity instruments at the end of the reporting period for the purposes of recognising the services received during the period between service commencement date and the measurement date. Once the performance targets have been established, the estimate will be revised so that the amounts recognised for services received in respect of the grant are ultimately based on the measurement date fair value of the equity instruments.

Sharesave Plans and Deferred Share Bonus Plan ("DSBP")

The Sharesave Plans were equity-settled share-based payment plans that were rolled over and continued under substantially the same terms as the original schemes following the business combination. Eligible employees were offered the option to buy shares in Just Eat after a timespan of three years, based on a discounted share price set at grant date. 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. Due to the roll-over, the scheme now refers to Just Eat Takeaway.com N.V. and not Just Eat Limited. The only vesting condition applicable to the Sharesave options is a three-year service condition.

The Just Eat Deferred Share Bonus Plan was an equity-settled share-based payment plan that was rolled over and continued substantially under the same terms as the original scheme following the business combination, with the exception that the awards now relate to the Just Eat Takeaway.com N.V. and not Just Eat Limited. DSBP awards were granted to eligible participants based on a portion of the annual bonus for the preceding financial year. The award under this scheme vest in equal tranches over a three-year period.

Just Eat.co.uk Limited

Notes to the financial statements for the year ended 31 December 2021

8. Director's remuneration

	2021 £m	2020 £m
Director's remuneration	0.5	0.6

	2021	2020
Number of directors accruing benefits in defined contribution schemes	1.0	1.0

	2021 £m	2020 £m
In respect of the highest paid director		

Aggregate remuneration	0.5	0.6
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During the year, one director was remunerated by Just Eat.co.uk and the remainder were remunerated by a fellow group company.

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

The number of Director who exercised share options during the year was nil (2020: five).

No compensation was paid to the resigning Director for loss of office.

9. Finance income

	2021 £m	2020 £m
Bank interest receivable	-	0.1
Interest receivable from group undertakings	39.7	29.2
Total finance income	39.7	29.3

10. Finance expense

	2021 £m	2020 £m
Finance lease interest and external interest costs	0.1	0.1

Just Eat.co.uk Limited

Notes to the financial statements for the year ended 31 December 2021

11. Taxation

The tax credit for the year was £6.3 million (2020: charge of £12.4 million). The tax (credit)/charge comprises:

	2021 £m	2020 £m
Current tax		
UK corporation tax	-	12.0
Adjustments in respect of previous periods	(6.0)	(0.1)
Total current tax	(6.0)	11.9
Deferred tax		
Origination and reversal of timing differences	(1.4)	1.1
Prior year adjustment	2.6	0.1
Tax rate change	(1.5)	(0.7)
Total deferred tax	(0.3)	0.5
Total tax (credit)/charge on profit on ordinary activities	(6.3)	12.4

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £m	2020 £m
Profit before taxation	5.8	185.3
Tax calculated at UK standard corporation tax rate of 19% (2020 19%)	1.1	35.2
Effects of:		
Share-based payments	0.3	(1.3)
Group relief received for nil consideration	(3.3)	(20.7)
Tax rate change impact	(1.5)	(0.7)
Effect of current tax rate on deferred rate recognised	-	(0.1)
Prior year adjustment	(2.9)	-
Total tax (credit)/charge for the year	(6.3)	12.4

Just Eat.co.uk Limited

Notes to the financial statements for the year ended 31 December 2021

11. Taxation (continued)

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

The Finance Act published in February 2022 will have no impact to our taxation figures.

12. Intangible fixed assets

	Patents, Licences and IP £m	Goodwill £m	Total £m
Cost			
At 1 January 2021	5.6	193.8	199.4
Disposals	(0.6)	-	(0.6)
At 31 December 2021	5.0	193.8	198.8
Amortisation			
At 1 January 2021	5.5	-	5.5
Charge for the year	0.1	-	0.1
Disposals	(0.6)	-	(0.6)
At 31 December 2021	5.0	-	5.0
Net book value			
At 31 December 2021	-	193.8	193.8
At 31 December 2020	0.1	193.8	193.9

At 31 December 2021, the Company had not entered into any significant contractual commitments for the acquisition of Intangible assets (2020: £nil).

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.

Just Eat.co.uk Limited

**Notes to the financial statements
for the year ended 31 December 2021**

13. Property, plant and equipment

	Fixtures and fittings £m	Leasehold improve- ments £m	Right of use Assets £m	Equipment £m	Assets under constr- uction £m	Total £m
Cost						
At 1 January 2021	1.1	1.5	3.5	31.2	-	37.3
Additions	-	-	14.7	8.8	7.1	30.6
Disposals	-	-	-	(16.6)	-	(16.6)
At 31 December 2021	1.1	1.5	18.2	23.4	7.1	51.3
Depreciation						
At 1 January 2021	1.1	0.5	1.2	21.6	-	24.4
Charge for the year	-	0.3	-	7.6	-	7.9
Charge for the year on right-of-use assets	-	-	2.3	-	-	2.3
Charge for the year on disposals	-	-	-	(14.4)	-	(14.4)
At 31 December 2021	1.1	0.8	3.5	14.8	-	20.2
Net book value						
At 31 December 2021	-	0.7	14.7	8.6	7.1	31.1
At 31 December 2020	-	1.0	2.3	9.6	-	12.9

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Notes to the financial statements for the year ended 31 December 2021

13. Property, plant and equipment (continued)

At 31 December 2021, the Company had not entered into any significant contractual commitments for the acquisition of Property, plant and equipment (2020: £nil).

As at 31 December 2021, the short-term portion of the lease liabilities amounted to £3.9 million (2020: £1.0 million).

The Right-of-use tangible assets below are made up of office properties at Borehamwood and Sunderland.

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance sheet is as follows:

	2021 £m	2020 £m
Tangible fixed assets owned	16.4	10.6
Right-of-use tangible fixed assets	14.7	2.3
	<u>31.1</u>	<u>12.9</u>

Information about right-of-use assets is summarised below:

Net book value

	2021 £m	2020 £m
Property	13.7	1.3
Motor vehicles	1.0	1.0
	<u>14.7</u>	<u>2.3</u>

Depreciation charge for the year ended

	2021 £m	2020 £m
Property	1.7	0.4
Motor vehicles	0.5	0.2
Other tangible fixed assets	0.1	-
	<u>2.3</u>	<u>0.6</u>

Additions to right-of-use assets

	2021 £m	2020 £m
Additions to right-of-use assets	14.7	0.6

**Notes to the financial statements
for the year ended 31 December 2021**

14. Investments

**Investments
in subsidiary
companies
£m**

Cost

At 1 January 2021 and 31 December 2021

1.8

The investment balance of £1.8 million relates to the net assets of HungryHouse Holdings Limited as at 31 December 2021.

When assessing our situation with Hungryhouse, in determining the fair value, we note that there is not a quoted price in an active market available on CGU-level. It is not always necessary to determine both an asset's fair value less costs of disposal and its value in use. If either of these amounts exceeds the asset's carrying amount, the asset is not impaired and it is not necessary to estimate the other amount [IAS 36.19]. Therefore, in line with IAS 36.20, we have used the value in use as the recoverable amount.

Detailed, explicit and reliable financial budgets/forecasts of future cash flows for periods longer than five years are generally not available. For this reason, management's estimates of future cash flows are based on the most recent budgets/forecasts for a maximum of five years. Management may use cash flow projections based on financial budgets/forecasts over a period longer than five years if it is confident that these projections are reliable and it can demonstrate its ability, based on past experience, to forecast cash flows accurately over that longer period IAS 36.35.

Reliability of forecast

JET's forecasts are generally reliable due to the recurring nature of the business – the majority of orders are generated from existing consumers. In previous years, growth has consistently exceeded forecast, with the adjusted EBITDA margin outperforming forecast as well. Based on historic data on consumer cohorts (i.e. consumers grouped by the calendar year in which they each first placed an order) we concluded that consumer behavior over time tends to be predictable in all of our markets. Management deems it can make reliable predictions of the order growth rate over a longer period of time, based on this historical consumer cohort data

In terms of the cash outflows, the reliability of the forecast is mainly driven by the expected impact of delivery expenses going forward (i.e. the delivery vs non-delivery mix in a particular market). As delivery is being rolled-out in most of the countries and the margins on delivery are significantly lower than for our other revenue streams, this is taken into account in our forecast.

Based on the highly competitive environment in the UK, CGU UK is considered to be leading and not dominant. The UK has a market share of around 60%, but experience high competition from Deliveroo (UK ~17% market share), and UberEats (UK ~17%). Significant investments in marketing, sales and our delivery model are made in 2021 and are still needed in the coming two to three years to gain back market share and therefore a 5 year forecast period is considered to be unreliable and too aggressive in the remaining term of 2 years to reach the terminal value.

In line with IAS 36.33(b), the cash flow projections are based on the most recent financial forecasts approved by management on 15 December 2021. These cash flow projections are included in the 3-year plan ('3YP'). The cashflows for the years beyond the forecast are extrapolated using a growth rate based on our knowledge of the markets and other developments. The 3YP has been reviewed by Financial Control and discussed with FP&A, Corporate Finance, and Group Finance Director. The 3YP has been approved by the management board. The cashflows beyond the forecast have been extrapolated by FP&A and have been discussed with and reviewed by Financial Control, Corporate Finance and the Group Finance Director.

Just Eat.co.uk Limited

Notes to the financial statements for the year ended 31 December 2021

14. Investments (continued) Reliability

of forecast (continued)

The group applies the Weighted Average Cost of Capital ('WACC') to the future cash flows to estimate the value in use of the CGUs. The WACCs per CGU are calculated by KPMG Corporate Finance. The WACCs per CGU and the calculations are reviewed by Corporate Finance, Tax and Group Control and are feasible. For the UK we have applied a WACC of 8% to our Goodwill assessment.

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 2020 and 2021 are as follows:

*Investments in subsidiaries	Nature of business	2021	2020
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, Germany.

15. Trade and other receivables

	2021 £m	2020 £m
Amounts falling due after more than one year		
Amounts owed by parent company	571.9	567.5
Deferred taxation	5.9	5.6
	577.8	573.1
	2021 £m	2020 £m
Amounts falling due within one year		
Trade receivables	4.1	4.7
Prepayments and accrued income	1.1	0.4
Amounts owed by group undertakings	4.7	2.4
Amounts owed by parent company	133.4	94.1
Other debtors	39.1	37.5
Tax recoverable	6.9	0.8
	189.3	139.9

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% (2020: 7%) and are not repayable for the foreseeable future.

Just Eat.co.uk Limited

Notes to the financial statements for the year ended 31 December 2021

16. Trade and other payables: Amounts falling due within one year

	2021 £m	2020 £m
Trade payables	84.3	63.3
Accruals and deferred income	59.6	67.2
Amounts owed to group undertakings	44.1	17.5
Amounts owed to parent company	225.0	196.5
Other taxation and social security	33.6	41.9
Other payables	11.6	5.7
Lease liability (current)	3.7	1.0
	461.9	393.1

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

17. Trade and other payables: Amounts falling due after more than one year

	2021 £m	2020 £m
Accruals and deferred income	0.2	0.9
Amounts owed to group undertakings	1.8	-
Lease liability (non current)	8.4	1.8
	10.4	2.7

18. Provisions

	Provisions £m
At 1 January 2021	-
Charged to profit or loss	3.2
At 31 December 2021	3.2

Just Eat.co.uk Limited

Notes to the financial statements for the year ended 31 December 2021

19. Lease liability

The profit and loss account shows the following amounts relating to lease:

	2021 £m	2020 £m
Depreciation charge	2.3	0.8
Interest expense	0.1	0.1
Expenses relating to short term and low value leases	-	-
	2.4	0.9

Future minimum undiscounted finance lease payments are as follows:

	2021 £m	2020 £m
Not later than 1 year	3.9	1.0
Later than 1 year not later than 5 year	8.4	1.8
Later than 5 year	-	-
	12.3	2.8

The total cash outflow for leases was £2.2m (2020: £0.8m).

20. Deferred taxation

	2021 £m	2020 £m
At beginning of year	5.6	6.4
Credited to profit or loss	0.3	(0.4)
Credited to equity	-	(0.3)
Prior year adjustment	-	(0.1)
At end of year	5.9	5.6

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Notes to the financial statements for the year ended 31 December 2021

20. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2021 £m	2020 £m
Accelerated capital allowances	2.5	2.2
Unrelieved trading losses	2.9	3.1
Share-based payments	0.5	0.3
	<u>5.9</u>	<u>5.6</u>

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.

21. Share capital

	2021 £	2020 £
Authorised		
1,000 (2020: 1,000) Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 (2020: 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

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.

22. Dividends

The Company did not pay dividends during the year (2020: £nil). No dividends remained unpaid at the balance sheet date, 31 December 2021.

23. 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 2021, the Company had not made any provision for doubtful debts relating to amounts owed by related parties.

24. Ultimate controlling party

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. is the largest and smallest group of which the Company is a member and for which group accounts are compiled. Copies of the financial statements for Just Eat Takeaway.com N.V. are publicly available from Companies House, United Kingdom and via the Just Eat Takeaway.com corporate website <https://www.iusteatakeaway.com/investors/results-and-reports/>. Just Eat Takeaway.com N.V. does not have a majority shareholder.

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Notes to the financial statements for the year ended 31 December 2021

25. Events after the balance sheet date

The invasion of Ukraine by Russia on 24 February 2022 has led to significant sanctions against Russia. The Company has no ongoing exposures to, or investments in, Russian-related interests. This invasion contributed to the annual inflation rate in the UK jumping to 8.8% in July 2022 as customers living standards continued to be squeezed. The government have recently issued a support package worth £100bn to help ease the burden on individuals from an increase in prices and Justeat.co.uk continues to work with restaurant partners to ensure fair and proportionate increases.