Company Registration No. 06947854

Just-Eat Group Holdings Limited

Report and Financial Statements

31 December 2012

Just-Eat Group Holdings Limited

Report and financial statements 2012

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Just-Eat Group Holdings Limited

Report and financial statements 2012

Officers and professional advisers

Directors

J Hughes CBE (Chairman)	
L Bowden	
D Buttress	(appointed 9 July 2013)
F Coorevits	
B Holmes	
K Nyengaard	(resigned 31 January 2013)
Vitruvian Directors I Limited	(appointed 27 April 2012)

Secretary

M Wroe

Registered office

90 Fetter Lane
London
EC4A 1EQ

Bankers

Barclays Bank plc
180 Oxford Street
London
W1D 1EA

Solicitors

Bird & Bird LLP
15 Fetter Lane
London
EC4A 1JP

Auditor

Deloitte LLP
Reading
United Kingdom

Just-Eat Group Holdings Limited

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2012 The consolidated financial statements are prepared under International Financial Reporting Standards (IFRS) The Company financial statements continue to be prepared under United Kingdom Generally Accepted Accounting Practice (UK GAAP) as permitted by IFRS 1 and the Companies Act 2006

Principal activities

The Company's principal activity continues to be the ultimate holding company for the JUST EAT Group ("the Group") The Group focuses on the provision of on-line takeaway ordering for restaurants and consumers around the world

Business review

The JUST EAT Group achieved turnover of £59 8 million for the year (2011 £33 8m), up 77% on 2011 The increase in Group turnover was driven by a 75% growth in order numbers to over 26 5 million in 2012 from 15 1 million in 2011 The number of delivery restaurants in the JUST EAT network increased from 21,000 to over 32,000 by the end of 2012

Underlying EBITDA is the main measure of operating result for the Group It is based on EBITDA but excludes the effects of acquisition related costs, the long term employee incentive plan, foreign exchange movements, loss on disposal of fixed assets and impairments Underlying EBITDA for the Group was £2 3 million (2011 £0 1 million), as the Group continued its policy of reinvesting all profits back into the business

During 2012, the Group made a number of acquisitions to further solidify its leading position in the markets in which it operates In April 2012 the Group successfully acquired FillMyBelly Limited, the UK's third largest provider of online takeaway thus consolidating the Group's number 1 position in the UK market In September 2012, the Group completed the acquisition of SinDelantal com, strengthening its market leading position in the Spanish market The Group also bought out minority interests in three of its businesses in Belgium and the Netherlands in January 2012 and Canada in January 2013 In each case the Group increased its ownership to 100%

The financial statements include a £7 2 million impairment charge in respect of the Group's Dutch business This is the one market in which the Group operates where it is not the largest online takeaway portal As such, the Group's strategic plans and route to profitability for this business do not follow the same profile as the other businesses in the Group As a result of this, the Group does not expect the Dutch business to be profitable in the foreseeable future

In March 2012 the Group agreed to sell its 19% minority stake in OnlinePizza Norden AB for £6 7 million, representing a significant return on the initial investment

In April 2012 the Group successfully completed its £40 0 million Series C fund raising round which raised 'new money' of £35 1 million from a group of investors led by Vitruvian Partners LLP, with Index Ventures, Greylock Partners and Redpoint Ventures also participating The investment will be used to continue the Group's growth, entries into new countries and product innovation, further cementing its global leadership in the online takeaway category

Klaus Nyengaard resigned as Director and CEO on 31 January 2013 After conducting a comprehensive search the Board appointed David Buttress, the Chief Commercial Officer and former UK Managing Director as CEO

Just-Eat Group Holdings Limited

Directors' Report (continued)

Principal risks and uncertainties

The business operates in a fast moving and technical environment To protect against technology becoming obsolete and to preserve and build market share, management has embarked on a recruitment drive to attract talented staff in key business areas such as online marketing, technology, product and business development The Group is in a strong position to preserve and build market share through a diverse and pro-active marketing effort and through access to significant equity finance

The Group has substantial operations outside the UK and as such is exposed to movements in exchange rates The Group has two established geographies (UK and Denmark) which are profitable and cash generative The Head Office and the majority of the technology expenditure is incurred in Pound Sterling The Group has a number of countries that operate in the Eurozone, which gives rise to foreign exchange risk The Group is able to benefit from a natural hedge against some of the currency exposure within the Eurozone as the Danish Kroner is pegged to the Euro The Group does not currently enter into forward exchange contracts to hedge foreign exchange exposure

Capital structure

Details of the issued share capital, together with details of the movement in the Company's issued share capital during the year are shown in note 26 The Company has two classes of ordinary share The Company also has three classes of preference share which carry no right to fixed income Additional details relating to the capital structure of the business are included in note 26

Details of employee share schemes are set out in notes 7, 32 and 36 No person has any special rights of control over the Company's share capital and all issued shares are fully paid

Going concern

At the date of signing, the Directors are not aware of any circumstances despite the current economic uncertainty that could lead to the Group being unable to pay commitments as they fall due during the twelve months from date of signing, therefore the accounts have been prepared under the going concern basis

At 31 December 2012, the Group had net current assets of £25 2 million and generated cash inflows from operating activities of £10 1 million

On 30 April 2012 the Group secured the closure of a financing round of £40 million ($65 million) led by funds managed by Vitruvian Partners, a European private equity firm, with Index Ventures, Greylock Partners and Redpoint Ventures also participating This investment marks the Company's third and largest funding round in less than three years The investment will be used to continue the Group's growth, entries into new countries and product innovation, further cementing its global leadership in the online takeaway category

Dividends

The directors do not recommend payment of a final dividend (2011 £nil)

Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk The Group on the whole does not currently use derivative financial instruments to manage these risks and instead monitors risks on a case by case basis to ensure effective action is taken to mitigate risk where necessary

Directors' Report (continued)

Financial risk management objectives and policies (continued)

Cash flow risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates The two established geographies (UK and Denmark) are profitable and cash generative The Head Office and the majority of the technology expenditure is incurred in Pound Sterling The Group has a number of countries that operate in the Eurozone, and the Group is therefore able to benefit from a natural hedge against some of the currency exposure within the Eurozone as the Danish Kroner is pegged to the Euro

Credit risk

The Group's principal financial assets are cash and trade & other receivables

The Group's credit risk is primarily attributable to trade receivables The amounts presented in the balance sheet are net of allowances for doubtful receivables but shown gross in the notes to the accounts An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows

The Group has no significant concentration of credit risk, with its minimal exposure spread over a large number of entities The credit risk on liquid funds 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 board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements The Group manages 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

Directors

The directors, who served throughout the year to date of signing except as noted, were as follows

J Hughes CBE (Chairman)	
L Bowden	
D Buttress	(appointed 9 July 2013)
F Coorevits	
B Holmes	
K Nyengaard	(resigned 31 January 2013)
Vitruvian Directors 1 Limited	(appointed 27 April 2012)

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report

Just-Eat Group Holdings Limited

Directors' Report (continued)

Directors' interests

The directors who held office at 31 December 2012 had the following interests in the Ordinary and Ordinary B shares and also the Preference shares of the Company (this has been calculated on a fully diluted basis)

Name of director		31 December 2012	As at date of signing
J Hughes CBE		0 33%	0 33%
L Bowden		0 04%	-
F Coorevits		-	-
B Holmes		-	-
K Nyengaard	(resigned 31 January 2013)	1 73%	1 73%
Vitruvian Directors 1 Limited		-	-

Supplier payment policy

The Group's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by those terms Trade creditors of the Group at 31 December 2012 were equivalent to 11 days' (2011 9 days') purchases, based on the average daily amount invoiced by suppliers during the year

Charitable and political contributions

During the year several companies within the Group made charitable donations of £3,905 (2011 £nil) As part of a marketing campaign, Just-Eat co uk Ltd made political donations of £75,000 (2011 £nil) to the Don't Cook Party, a political party who supported the candidate Mr Mozzarella on his campaign to become a Member of Parliament for Corby, campaigning for people's rights to have a night off from cooking

Employees

The Group's employment policies are designed to ensure that the Group is able to attract the highest calibre of employees from all sectors of the communities in which it operates This helps ensure that the Group competes at the highest level with comparable companies The Group values diversity in the work place and is committed to providing equality of opportunity to all employees and potential employees It actively encourages continuous training and skill development in all its businesses

In the Group, the focus on advanced technologies requires a high level of technical expertise and management works closely with vendors to ensure that employees are trained appropriately Management is committed to building an environment where each employee can fulfil their potential

The Group's personnel practices ensure that every employee, wherever they work, whatever their role, is 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 The Group maintains consistent and transparent diversity policies across all our markets 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

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

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

Just-Eat Group Holdings Limited

Directors' Report (continued)

Restatement of 2011 balances

Until 2012, the Group accounted for its joint ventures using the proportional consolidation method, as permitted under IAS 31 Interests in Joint Ventures In 2012, the Group elected to change its accounting policy to equity accounting in preparation for the adoption of IFRS 11 *Joint Arrangements* which requires the equity accounting method of consolidation of jointly controlled entities This has resulted in Eat ch GmbH and FBA Invest SaS being shown as single lines on the income statement and statement of financial position, rather than the Group's proportion of their results being added to every line on the primary statements Please see note 41 for more detail

Revenue is derived from commission, Just Connect Technology (JCT) box equipment fees as well as connection and installation fees charged to restaurants JCT boxes are order confirmation terminals situated at restaurant sites for the purposes of communicating between end user customers and restaurants via the central Just-Eat ordering infrastructure

The JCT connection and installation fee revenue is deferred to the balance sheet and recognised on a straight line basis over 12 months The connection and installation fees are non-refundable and 12 months is considered to be the required period of service Revenue from the connection and installation of JCTs was previously recognised immediately on installation

As a result of these changes in accounting policies, the 2011 comparatives are required to be restated Please see note 41 for the impact of these restatements

Post balance sheet events

Through the acquisition of Power & Power Investments Inc in January 2013 the Group acquired the 18% minority stake in Just-Eat Canada Inc not previously held The Group now has an effective 100% shareholding in Just-Eat Canada Inc The total consideration payable is dependent on the performance of the Canadian business, but will be no more than Canadian \$3 0m (£1 9 million)

The loan to Eat ch GmbH was converted to equity in February 2013, taking the Group's interest in this entity to 64%

Directors' Report (continued)

Auditor

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

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

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

By order of the Board,

David Buttress
Chief Executive
26 September 2013

Just-Eat Group Holdings Limited

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period

In preparing the parent Company financial statements, the directors are 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

In preparing the Group financial statements, International Accounting Standard 1 requires that directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the Company's ability to continue as a going concern

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

David Buttress
Chief Executive

26 September 2013

Independent auditor's report to the members of Just-Eat Group Holdings Limited

We have audited the financial statements of Just-Eat Group Holdings Limited for the year ended 31 December 2012 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and the related notes 1 to 47 The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union The financial reporting framework that has been applied in the preparation of the parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2012 and of the Group's loss for the year then ended,
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union,
- the parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Matters on which we are required to report by exception

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

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

John Clennett

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

26 September 2013

Just-Eat Group Holdings Limited

Consolidated Income Statement
Year ended 31 December 2012

	Note	Year ended 2012 £'000	Year ended 2011 Restated* £'000
Continuing operations			
Revenue	4	59,770	33,765
Cost of sales		(5,062)	(3,156)
Gross profit		54,708	30,609
Impairment charges	14	(7,320)	(18)
Long term employee incentive provision	7	(1,624)	(231)
Acquisition related costs	26,33	(227)	(432)
Other administrative expenses		(54,679)	(31,428)
Total administrative expenses		(63,850)	(32,109)
Share of results of joint ventures	18	(521)	(257)
Operating loss	6	(9,663)	(1,757)
Other gains	8	6,946	-
Finance income	4,11	206	99
Finance costs	12	(117)	(74)
Loss before tax		(2,628)	(1,732)
Tax	13	(1,877)	497
Loss for the year		(4,505)	(1,235)
Attributable to			
Owners of the Company		(3,871)	(607)
Non-controlling interests	31	(634)	(628)
		(4,505)	(1,235)

* See note 41

Just-Eat Group Holdings Limited

Consolidated Statement of Comprehensive Income
Year ended 31 December 2012

		Year ended 2012 £'000	Year ended 2011 £'000 Restated*
Loss for the year		(4,505)	(1,235)
Exchange differences on translation of foreign operations	29	(311)	(152)
Fair value adjustment on available for sale financial asset	29	(233)	4,624
Exchange differences on available for sale financial asset	29	5	98
Tax relating to components of other comprehensive income	29	71	(983)
Reclassified to income statement on sale of available for sale financial asset		(3,450)	-
Other comprehensive (loss)/income for the year		(3,918)	3,587
Total comprehensive (loss)/income for the year		(8,423)	2,352
Attributable to			
Owners of the Company		(7,794)	2,985
Non-controlling interests	31	(629)	(633)
		(8,423)	2,352

* See note 41

Just-Eat Group Holdings Limited

Consolidated Balance Sheet
31 December 2012

	Note	2012 £'000	2011 £'000 Restated* £'000
Non-current assets			
Goodwill	14	6,957	4,587
Other intangible assets	15	3,342	1,334
Property, plant and equipment	16	5,013	2,861
Investments	19	-	6,918
Interests in joint ventures	18	7,167	7,247
Deferred tax asset	24	772	1,026
		23,251	23,973
Current assets			
Inventories	20	435	42
Trade and other receivables	21	4,492	2,432
Cash and cash equivalents		50,026	7,858
		54,953	10,332
Total assets		78,204	34,305
Current liabilities			
Trade and other payables	22	(25,020)	(11,024)
Current tax liabilities		(1,564)	(91)
Borrowings	23	-	(63)
Deferred revenue	37	(2,442)	(1,715)
Provisions for liabilities and charges	25	(718)	(485)
		(29,744)	(13,378)
Net current assets/(liabilities)		25,209	(3,046)
Non-current liabilities			
Deferred tax liabilities	24	(703)	(1,360)
Deferred revenue	37	(1,287)	(751)
Provisions for liabilities and charges	25	-	(645)
		(1,990)	(2,756)
Total liabilities		(31,734)	(16,134)
Net assets		46,470	18,171

* See note 41

Just-Eat Group Holdings Limited

Consolidated Balance Sheet (continued)
31 December 2012

	Note	2012 £'000	2011 Restated* £'000
Equity			
Share capital	26	92	91
Share premium account	27	55,674	19,408
Shares to be issued	26	56	-
Merger reserve	28	1,921	1,921
Other reserves	29	(444)	3,493
Share based payment reserve	32	776	306
Retained earnings	30	(11,252)	(7,205)
Equity attributable to owners of the Company		46,823	18,014
Non-controlling interests	31	(353)	157
Total equity		46,470	18,171

* See note 41

The financial statements of Just-Eat Group Holdings Limited, registered number 06947854 were approved by the Board of Directors on 26 September 2013

Signed on behalf of the Board of Directors

D. Buttress

David Buttress
Chief Executive

26 September 2013

Consolidated Statement of Changes in Equity
31 December 2012

	Share capital £'000	Share premium account £'000	Shares to be issued £'000	Merger reserve £'000	Foreign exchange reserve £'000	Available for sale reserve £'000	Share based payment reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interest (NCI) £'000	Total equity £'000
1 January 2011	1	4,680	-	1,921	19	54	75	(5,880)	870	(136)	734
Loss for the year	-	-	-	-	-	-	-	(607)	(607)	(628)	(1 235)
Other comprehensive income	-	-	-	-	(54)	4 624	-	-	4,570	-	4 570
Deferred tax liability on components of OCI	-	-	-	-	-	(1,155)	172	-	(983)	-	(983)
Issue of capital (net of costs)	90	14,728	-	-	-	-	(38)	-	14 780	-	14,780
Share based payment charge	-	-	-	-	-	-	97	-	97	-	97
Acquisition of Achindra Online Marketing Private Limited	-	-	-	-	-	-	-	-	-	113	113
NCI foreign currency movements	-	-	-	-	5	-	-	-	5	(5)	-
Adjustments arising from changes in NCI	-	-	-	-	-	-	-	(718)	(718)	813	95
31 December 2011	91	19,408	-	1,921	(30)	3,523	306	(7,205)	18,014	157	18,171
Loss for the year	-	-	-	-	-	-	-	(3,871)	(3,871)	(634)	(4,505)
Other comprehensive income	-	-	-	-	(306)	(233)	-	-	(539)	-	(539)
Deferred tax liability on components of OCI	-	-	-	-	-	57	7	-	64		64
Issue of capital (net of costs)	1	36 266		-	-	-	(17)	-	36,250	-	36 250
Share based payment charge	-	-	-	-	-	-	480	-	480	-	480
Adjustments arising from changes in NCI	-	-	-	-	-	-	-	(176)	(176)	119	(57)
NCI foreign currency movements	-	-	-	-	(5)	-	-	-	(5)	5	-
Contingently issuable shares (note 26)	-	-	56	-	-	-	-		56	-	56
Sale of AFS asset	-	-	-	-	(103)	(3 347)	-	-	(3,450)	-	(3,450)
31 December 2012	92	55,674	56	1,921	(444)	-	776	(11,252)	46,823	(353)	46,470

Just-Eat Group Holdings Limited

Consolidated Cash Flow Statement
Year ended 31 December 2012

	Note	Year ended 2012 £'000	Year ended 2011 £'000 Restated
Net cash inflow from operating activities	34	10,103	4,885
Investing activities			
Interest received		223	99
Funding provided to joint venture		(543)	(624)
Net cash outflow on investment in OnlinePizza Norden AB		-	(1,628)
Net cash inflow upon sale of OnlinePizza Norden AB	19	6,397	-
Net cash outflow on acquisition of subsidiaries	25,33	(5,080)	(3,144)
Net cash outflow on acquisition of interest in joint-ventures		(332)	(7,154)
Purchases of property, plant and equipment	16	(3,805)	(2,101)
Net cash used in investing activities		(3,140)	(14,552)
Financing activities			
Decrease in borrowings	23	(54)	(1,041)
Net proceeds arising on issue of shares	25, 26	35,230	14,780
Decrease in bank overdrafts	23	(9)	(1,096)
Net cash from financing activities		35,167	12,643
Net increase in cash and cash equivalents		42,130	2,976
Cash and cash equivalents at beginning of year		7,858	4,934
Effect of foreign exchange rate changes		38	(52)
Cash and cash equivalents at end of year		50,026	7,858

Just-Eat Group Holdings Limited

Notes to the consolidated financial statements
For the year ended 31 December 2012

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation The Company financial statements continue to be prepared under UK GAAP as permitted by IFRS 1 *First-time Adoption of International Financial Reporting Standards* and the Companies Act 2006

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments Historical cost is generally based on the fair value of the consideration given in exchange for the assets The principal accounting policies adopted are set out below These polices have been consistently applied to all years presented

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Just-Eat Group Holdings Limited (the 'Company') and entities controlled by the Company (its subsidiaries) made up to 31 December each year Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities The Company also has interests in Joint Ventures which are accounted for using equity accounting These were previously recognised under the proportional consolidation method, therefore the 2011 comparatives have been restated in preparation for IFRS 10 *Consolidated financial statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interest in Other Entities* becoming effective

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group All intra-group transactions, balances, income and expenses are eliminated on consolidation

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein The interests of non-controlling shareholders may be initially measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets The choice of measurement is made on an acquisition-by-acquisition basis Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i e reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities are disposed of The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 *Financial Instruments Recognition and Measurement* or, when applicable, the costs on initial recognition of an investment in an associate or jointly controlled entity

1 Accounting policies (continued)

Going concern

At the date of signing, the Directors are not aware of any circumstances despite the current economic uncertainty that could lead to the Group being unable to pay commitments as they fall due during the twelve months from date of signing, therefore the accounts have been prepared under the going concern basis

At 31 December 2012, the Group had net current assets of £25 2 million and generated cash inflows from operating activities of £10 1 million The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report on page 3 This also describes the financial position of the Group, its cash flows, liquidity position and borrowing facilities, the Group's objectives, policies and processes for managing its exposure to credit risk and liquidity risk

On 30 April 2012 the Group successfully completed its £40 0 million Series C fund raising round which raised 'new money' of £35 1 million from a group of investors led by funds managed by Vitruvian Partners, a European private equity firm, with Index Ventures, Greylock Partners and Redpoint Ventures also participating This investment marks the Company's third and largest funding round in less than two years The investment will be used to continue JUST EAT's growth, entries into new countries and product innovation, further cementing its global leadership in the online takeaway category

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree Acquisition-related costs are recognised in profit or loss as incurred

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below) All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs

Where a business combination is achieved in stages, the Group's previously-held interests in the acquired entity are remeasured to fair value at the acquisition date (i e the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3(2008) *Business Combinations* are recognised at their fair value at the acquisition date, except that

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively,
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with IFRS 2 *Share-based Payment*, and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year

1 Accounting policies (continued)

Joint ventures

The Group has investments in jointly controlled entities and recognises its interest using the equity method Aggregate amounts of current and long-term assets and liabilities, income and expenses are disclosed in note 18 Where applicable, the aggregate amount of capital commitments and contingent liabilities are also disclosed

Until 2012, the Group accounted for its joint ventures using the proportional consolidation method, as recommend by IAS 31 *Interests in Joint Ventures* However, in 2012 the Group elected to change its accounting policy to equity accounting in preparation for new accounting standards that require this method of presentation These new standards, which become effective for periods beginning on or after 1 January 2013, are IFRS 10 *Consolidated financial statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interest in Other Entities* As a consequence of this change in accounting policy, the net result of the joint ventures are shown in a single line on the Consolidated Income Statement and the Consolidated Balance Sheet, rather than the Group's proportion of their results being added to every line on the primary statements Please see note 41 for more detail

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date) Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain

Goodwill is not amortised but is reviewed for impairment at least annually For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit An impairment loss recognised for goodwill is not reversed in a subsequent period

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal The Group's policy for goodwill arising on the acquisition of an associate is described above

Revenue recognition

Revenue is derived from commission, Just Connect Technology (JCT) box equipment fee as well as connection and installation fees charged to restaurants

Commission revenue, earned from restaurants, is earned and recognised at the point of order fulfilment to the restaurant's customers Commission is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes

JCT boxes are order confirmation terminals situated at restaurant sites for the purposes of communicating between end user customers and restaurants via the central Just-Eat ordering infrastructure JCT box equipment fees are deferred to the balance sheet and recognised on a straight line basis over 36 months This is considered to be an appropriate time period as the fair value of the consideration received or receivable for the JCT box

1. Accounting policies (continued)

Revenue recognition (continued)

The JCT connection and installation fee revenue is payable on connection but deferred and recognised on a straight line basis over 12 months The connection and installation fees are non-refundable and 12 months is considered to be the required period of service, as this is the period to which the customer becomes contractually committed to

Leasing

The Group as lessee

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee All other leases are classified as operating leases

Foreign currencies

The individual financial statements of each group Company are presented in the currency of the primary economic environment in which it operates (its functional currency) For the purpose of the consolidated financial statements, the results and financial position of each group Company are expressed in pound sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences are recognised in profit or loss in the period in which they arise except for

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate)

On the disposal of a foreign operation (i e a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2012

1. Accounting policies (continued)

Operating profit or loss

Operating profit or loss is stated after charging for long-term employee incentive provisions, bad debt expense, foreign exchange gains or losses, impairment charges and acquisition related costs but before other gains and losses, finance income and finance costs

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax

Current tax

The tax currently payable is based on taxable profit for the year Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group 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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the balance sheet date Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income

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 Group intends to settle its current tax assets and liabilities on a net basis

Just-Eat Group Holdings Limited

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2012

1. Accounting policies (continued)

Intangible assets

The Group has four classes of intangible asset patents, intellectual property, restaurant lists and brands

Patents and Intellectual Property

Patents and Intellectual Property are included at cost and amortised in equal annual instalments over their useful economic life, which is typically 3-5 years depending on the period over which benefits are expected to be realised from the asset Provision is made for any impairment

Restaurant lists

A Restaurant list intangible asset is recorded as part of the acquisition accounting for business combinations or when an associate is acquired or joint venture established They are initially recorded at fair value and amortised over the useful economic life of the asset This period of time is the period over which the acquired restaurant list is reasonably expected to confer economic benefits to the Group, usually ten years The fair values of restaurant lists are determined with reference to the present value of their after tax cash flows projected over their remaining useful lives Cash flows and discount rates used in the value in use calculation are risk adjusted to the extent deemed necessary by management to accurately reflect local risks and uncertainties associated with the asset

Brands

A brand intangible asset is recorded as part of the acquisition accounting for business combinations or when an associate is acquired or joint venture established They are initially recorded at fair value and amortised over the useful economic life of the asset, which is estimated at between 15 months and three years This period of time is the period over which the acquired Brand is reasonably expected to confer economic benefits to the Group Fair value of Brand assets are established using the relief from royalty valuation method Cash flows and discount rates used in the relief from royalty model are risk adjusted to the extent deemed necessary by management to accurately reflect local risks and uncertainties associated with the asset

Tangible fixed assets

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

Fixtures and fittings	33% per annum
Equipment	33% per annum
Motor vehicles	33% per annum
Leasehold improvements	20% per annum or the period of the lease if shorter

Impairment of tangible and intangible assets excluding goodwill

Under IFRS, the Group is required to review for impairment at least annually or when indicators of impairment exist On these occasions, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any) Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired

Recoverable amount is the higher of fair value less costs to sell and value in use In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted

1 Accounting policies (continued)

Impairment of tangible and intangible assets excluding goodwill (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount An impairment loss is recognised immediately in profit or loss

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 had no impairment loss been recognised for the asset (or cash-generating unit) in prior years A reversal of an impairment loss is recognised immediately in profit or loss

Inventories

Inventories are stated at the lower of cost and net realisable value Cost comprises direct materials Cost is calculated using the first in first out method Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value

Financial assets are classified into the following specified categories financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables' The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition The Group currently only holds 'available-for-sale' (AFS) financial assets and 'loans and receivables'

Available for sale financial assets

The Group has investments in unlisted shares that are not traded in an active market but are classified as AFS financial assets and stated at fair value (because the directors consider that fair value can be reliably measured) Fair value is determined in the manner described in note 38 Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised in other comprehensive income Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available for sale reserve is reclassified to profit or loss

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset Other foreign exchange gains and losses are recognised in other comprehensive income

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables' Loans and receivables are measured at amortised cost using the effective interest method, less any impairment Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial

1 Accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss ('FVTPL'), are assessed for indicators of impairment at each balance sheet date Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay If the Group retains substantially all the risks and rewards of ownership of a transferred

financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities' The Group currently does not hold any financial liabilities 'at FVTPL'

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire

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 Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 36

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 the Group's estimate of equity instruments that will eventually vest At each balance sheet date, the Group revises its 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. New standards and interpretations

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU)

- IFRS 9 *Financial Instruments – Classification and Measurement*
- IFRS 10 *Consolidated Financial Statements*
- IFRS 11 *Joint Arrangements*
- IFRS 12 *Disclosure of Interests in Other Entities*
- IFRS 13 *Fair Value Measurement*
- Amendment to IFRS 1 Limited Exemption from Comparative IFRS 7 disclosures for first time adopters'
- Amendments to IFRS 1 'Removal of Fixed Dates for First-time Adopters' - The amendments are effective for annual periods beginning on or after 1 July 2011 Earlier application is permitted EU endorsement is expected in quarter 1 2013
- Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* - The amendments to 'First-time Adoption of IFRSs after a period of Severe Hyperinflation' are effective for annual periods beginning on or after 1 July 2011 Earlier application is permitted EU endorsement is expected in quarter 1 2013
- Amendments to IAS 12 *Income Taxes* 'Deferred Tax Recovery of Underlying Assets' - The effective date of the amendments is for annual periods beginning on or after 1 January 2012 Earlier application is permitted EU endorsement is expected in quarter 1 2013
- Amendments to IAS 1 *Presentation of Financial Statements* 'Presentation of Items of Other Comprehensive Income' - The amendments to IAS set out in *Presentation of Items of Other Comprehensive Income* are effective for financial years beginning on or after 1 July 2012 with retrospective application EU endorsement is expected in quarter 1 2013
- Amendments to IAS 19 *Employee benefits* - The amended version of IAS 19 comes into effect for financial years beginning on or after 1 January 2013 Retrospective application is required except where benefit costs are included in the carrying value of assets outside the scope of IAS 19 (e g inventories) these assets do not need to be adjusted on adoption, and as noted above comparative information for the sensitivity disclosures are not required for periods beginning before 1 January 2014 Earlier application is permitted EU endorsement is expected in quarter 1 2013
- 'Improvements to IFRSs 2011' - The amendments are effect for annual periods beginning on or after 1 January 2013 with earlier application permitted A final version is expected in the quarter 1 2013

Just-Eat Group Holdings Limited

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2012

2. New standards and interpretations not yet adopted (continued)

- Supplement to ED/2009/12 'IASB supplement to Financial instruments amortised costs and impairment' - The comment deadline for the IASB proposals closed in April 2011 The IASB intends to issue a re-exposure or review draft in quarter 2 2013 When finalised, the new impairment requirements will be added to IFRS 9 *Financial Instruments* EU endorsement of IFRS 9 is currently postponed and it is expected that all the financial instrument measures will be endorsed together when finalised
- Amendments to IAS 32 *Financial Instruments Presentation* 'Offsetting Financial Assets and Financial Liabilities' - The amendments to IAS 32 are not effective until annual periods beginning on or after 1 January 2014 However, the new offsetting disclosure requirements are effective sooner - for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods The amendments need to be provided retrospectively to all comparative periods EU endorsement is expected in quarter 1 2013
- Amendments to IFRS 7 *Financial Instruments Disclosures* - 'Offsetting Financial Assets and Financial Liabilities' - The amendments to IAS 32 are not effective until annual periods beginning on or after 1 January 2014 However, the new offsetting disclosure requirements are effective sooner - for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods The amendments need to be provided retrospectively to all comparative periods EU endorsement is expected in quarter 2 2013

The directors anticipate the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group, except for IFRS 9 'Financial Instruments', which will introduce a number of changes in the presentation of financial instruments

IFRS 10 – 13 were issued by the IASB on 12 May 2011 and are effective for annual periods beginning on or after 1 January 2013

These pronouncements have not yet been endorsed for use in the EU The Group has not completed its assessment of the impact of these pronouncements on the consolidated results, financial position or cash flows of the Group

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date used in preparing these accounts are

Acquired intangible assets

An intangible resource acquired with a subsidiary undertaking is recognised as an intangible asset if it is separable from the acquired business or arises from contractual or legal rights, is expected to generate future economic benefits and its fair value can be measured reliably Acquired intangible assets, comprising brands and restaurant lists, are amortised through the consolidated income statement on a straight-line basis over their estimated economic lives of between three and ten years Significant judgement is required in determining the fair value and economic lives of acquired intangible assets See page 26 for further details

Share based payments

Judgements are applied in relation to estimations of the number of options that will vest and of the fair value of the options granted to employees Estimates of fair value are made using a widely recognised share option value model and are referred to third party experts where necessary Judgement is applied in determining the assumptions input into the share option value model

Financial instruments

Derivative financial instruments are carried at fair value in accordance with IAS 39 *Financial Instruments Recognition and Measurement* In determining the fair value of derivatives, there is a degree of judgement involved Where applicable valuations are performed based on management's best estimate of fair value with reference to discounted cash flow models and the Company's experience of arms' length transactions with third parties

Impairment of goodwill and intangible assets

Determining whether goodwill and intangibles are impaired requires an estimation of the value in use of the cash-generating units to which the goodwill has been allocated The value in use calculation requires the Company to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value

Revenue recognition

Revenue is derived from commission, Just Connect Technology (JCT) box equipment fee as well as connection and installation fees charged to restaurants JCT boxes are order confirmation terminals situated at restaurant sites for the purposes of communicating between end user customers and restaurants via the central Just-Eat ordering infrastructure

JCT box equipment fee is deferred to the balance sheet and recognised on a straight line basis over 36 months As restaurants use the JCT boxes for differing periods of time, judgement is applied in determining the period of service over which to recognise the revenue

The JCT connection and installation fee revenue is payable on connection but deferred and recognised on a straight line basis over 12 months The connection and installation fees are non-refundable and 12 months is considered to be the required period of service, as this is the period to which the customer becomes contractually committed to Judgement is applied in determining the period over which the connection and installation fee is earned

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

Deferred taxation

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted To determine the future taxable profits, reference is made to the latest available profit forecasts Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits Recognition of deferred tax assets therefore involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised

4. Income

	Year ended 2012 £'000	Year ended 2011 Restated £'000
An analysis of the Group's revenue is as follows		
Revenues generated from provision of services	59,770	33,765
Finance income (see note 11)	206	99
	59,976	33,864

5. Operating Segments

Sector analysis

The Group has three reportable segments (United Kingdom, Denmark (core business), and Other) Each segment includes businesses with similar operating and marketing characteristics EBITDA is the main measure of profit used by the Chief Operating Decision Maker ("CODM") to assess and manage performance The CODM is David Buttress, the Group's Chief Executive Officer Underlying EBITDA presents the operating result for the Group before the effects of depreciation, amortisation, acquisition related costs, foreign currency translation differences, the long term employee incentive plan, loss on disposal of fixed assets and impairments It also excludes intra-group franchise fee arrangements and incorporates an allocation of group technology costs

Segment revenue:	Year ended 2012 £'000	Year ended 2011 £'000 Restated
United Kingdom	42,140	21,797
Denmark	9,969	8,832
Other	8,695	3,540
Inter-segment sales	(1,034)	(404)
Revenue for the period	59,770	33,765

Inter-segmental sales are charged at prevailing market prices and have not been disclosed separately by segment as they are not considered material The Group does not analyse revenue by product

Total 2012 revenues in Denmark (including our non-core Just Delivery business) were £11 3 million (2011 £9 8 million) The non-core element of Denmark has been included in the 'Other Segment" in the table above

Just-Eat Group Holdings Limited

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2012

5. Operating Segments (continued)

Segment underlying EBITDA and result:	**Year ended 2012 £'000**	**Year ended 2011 £'000 Restated**
United Kingdom	13,722	4,821
Denmark	4,025	3,156
Other	(13,104)	(6,258)
Total segment underlying EBITDA	4,643	1,719
Share of equity accounted joint ventures (excluding amortisation)	(160)	(213)
Head office costs	(2,173)	(1,373)
Underlying EBITDA	2,310	133
Long term employee incentive provision	(1,624)	(231)
Impairment of assets	(7,320)	(18)
Foreign currency translation differences	(120)	138
Acquisition related expenses	(227)	(432)
EBITDA	(6,981)	(410)
Depreciation - Subsidiaries	(1,760)	(1,114)
Amortisation - Subsidiaries	(529)	(155)
Depreciation and amortisation - Joint ventures	(361)	(44)
Loss on sale of fixed assets	(32)	(34)
Operating loss	(9,663)	(1,757)
Profit on sale of OnlinePizza Norden AB	4,274	-
Profit on deemed disposal of Just-Eat Benelux BV	2,672	-
Net finance income	89	25
Loss before tax	(2,628)	(1,732)

Just-Eat Group Holdings Limited

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2012

5. Operating Segments (continued)

Segment assets and liabilities

Segment assets and liabilities, excluding the allocation of goodwill, interests in associates and acquired intangible assets, have been disclosed below This is the measure reported to the CODM for the purpose of monitoring segment performance and allocating resources between segments Other unallocated assets include centrally held cash and cash equivalents, leasehold improvements and tax assets, and unallocated liabilities include contingent purchase consideration, retirement benefit provisions and tax liabilities

	Assets		Liabilities	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
United Kingdom	26,370	8,085	(17,275)	(9,963)
Denmark	13,128	10,937	(6,312)	(5,812)
Other	21,786	7,812	(20,702)	(6,347)
Total segment assets/(liabilities)	61,284	26,834	(44,289)	(22,122)
Head office	125,765	63,477	(68,988)	(40,127)
Investment in OnlinePizza Norden	-	6,918	-	-
Joint ventures	7,167	7,247	-	-
	194,216	104,476	(113,277)	(62,249)
Consolidation adjustments				
Elimination of intercompany debtors/creditors	(84,149)	(47,443)	84,149	47,443
Elimination of intercompany investments	(32,767)	(23,577)	-	-
Tax liabilities	-	-	(2,267)	(1,451)
Deferred tax assets	772	1,026	-	-
Other consolidation adjustments	132	(177)	(339)	123
Total	78,204	34,305	(31,734)	(16,134)

Non-current additions, depreciation and amortisation	Non-current asset additions		Depreciation and amortisation	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
United Kingdom	2,941	1,734	1,069	773
Denmark	322	76	161	104
Other	11,956	3,755	787	333
	15,219	5,565	2,017	1,210
Head office	1,213	260	272	59
Total	16,432	5,825	2,289	1,269

Just-Eat Group Holdings Limited

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2012

6. Operating loss

Loss for the year has been arrived at after charging/(crediting)

	Year ended 2012 £'000	Year ended 2011 £'000 Restated
Depreciation of property, plant and equipment	1,760	1,114
Amortisation of intangibles	529	155
Operating lease charges (see note 35)	1,003	613
Foreign exchange loss/(gain)	120	(138)
Staff costs (see note 10)	26,367	17,850
Impairment charges (see note 14)	7,320	18
Bad debt expense (see note 21)	411	179
Acquisition related expenses	227	432
Loss on sale of fixed assets	32	34
Long term employee incentive provision (see note 7)	1,624	231

7. Long term employee incentive provision

The total expense recorded in relation to the long term employee incentives was £1,624k (2011 £231k) This charge includes £480k (2011 £231k) in relation to share based payments Please see note 36 for more details This charge also includes bonuses paid to certain of the Group's senior management for their longer term performance and the Group's achievement of certain longer term goals in 2012 The charge has been disclosed separately in the income statement as significant proportion of it is one-off in nature and not expected to recur

8 Other gains

	Year ended 2012 £'000	Year ended 2011 £'000
Profit on sale of OnlinePizza Norden AB (note 19)	4,274	-
Profit on deemed disposal of Just-Eat Benelux BV (note 33)	2,672	-
Total	6,946	-

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2012

9. Auditor's remuneration

The analysis of auditor's remuneration is as follows

	Year ended 2012 £'000	Year ended 2011 £'000
Fees payable to the company's auditor for the audit of the company's annual report	44	45
Fees payable to the company's auditor and its associates for other services	134	90
Total audit fees	178	135
- Taxation compliance services	56	10
- Taxation advisory services	297	11
- Corporate finance services	154	103
- Other assurance services	50	-
- Other services	8	3
Total non-audit fees	565	127
Total fees	743	262

10 Staff costs

	2012 Number	2011 Number
Average full time equivalent persons employed during the year (including executive directors) was	702	414
	702	414

Their aggregate remuneration comprised	Year ended 2012 £'000	Year ended 2011 £'000 Restated
Wages and salaries	23,736	16,326
Social security costs	1,880	1,082
Pension costs	271	211
Share-based payments charge (see note 36)	480	231
	26,367	17,850
Included within the above are the following amounts in respect of directors remuneration		
Wages and salaries	231	168
Pension costs	6	-
	237	168

The above is in respect of two directors (2011 one)

Included within the above are the following amounts relating to the highest paid director		
Wages and salaries	218	168
Pension costs	6	-
	224	168

11. Finance income

	Year ended 2012 £'000	Year ended 2011 £'000 Restated
Finance income		
Bank deposits	206	99
Total finance income	206	99

12. Finance costs

	Year ended 2012 £'000	Year ended 2011 £'000 Restated
Interest on bank overdrafts and loans	-	6
Interest on convertible loan notes	40	68
Unwind of discount on deferred contingent consideration	77	-
Total interest expense	117	74

13. Tax

	Year ended 2012 £'000	Year ended 2011 £'000 Restated
Corporation tax		
Current year	2,346	515
Adjustment for prior years	(318)	44
	2,028	559
Deferred tax (see note 24)		
Temporary timing differences	(612)	(1,091)
Adjustment for prior years	424	35
Rate change	37	-
	(151)	(1,056)
Total tax charge/(credit) for the year	1,877	(497)

Just-Eat Group Holdings Limited

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2012

13 Tax (continued)

Corporation tax is calculated at 24 5% (2011 26 5%) of the estimated taxable profit for the year Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions

The Finance Act 2012 provided for a reduction in the corporation tax rate to 24% with effect from 1 April 2012

The charge/(credit) for the year can be reconciled to the loss per the income statement as follows

	Year ended 2012 £'000	Year ended 2011 £'000 Restated
Loss before tax on continuing operations	(2,628)	(1,732)
Tax at the UK corporation tax rate of 24 5% (2011 26 5%)	(644)	(459)
Income not taxable	-	(295)
Expenses not deductible for tax purposes	969	138
Share based payments	(22)	383
Profit on sale of investment	(1,047)	-
Adjustment to prior periods	106	79
Effect of different tax rates of subsidiaries operating in other jurisdictions	129	3
Overseas taxes	268	2
Change in unrecognised deferred tax asset	2,056	(369)
Reduction in tax rate in UK	62	21
Total tax charge/(credit) for the year	1,877	(497)

A deferred tax asset has not been recognised in all tax jurisdictions in respect of timing differences relating to tax losses and short term timing differences where there is insufficient evidence that the asset will be recovered The amount of the asset not recognised is £6 1 million (2011 £3 3 million) The asset would be recognised if sufficient suitable taxable profits were made in the future Please see note 24 for further details

	Year ended 2012 £'000	Year ended 2011 £'000 Restated
Deferred tax not recognised:		
Accelerated capital allowances	35	(7)
Short term timing differences	26	32
Unrelieved tax losses	5,403	2,834
Share based payments	523	288
Unrelieved tax losses in joint venture entities	126	190
	6,113	3,337

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2012

14 Goodwill

	Total £'000
Cost at 1 January 2011	2,187
Recognised on acquisition of subsidiaries	2,663
Cumulative exchange differences	(245)
Cost at 31 December January 2011	4,605
Recognised on acquisition of subsidiaries (see note 33)	8,654
Cumulative exchange differences	(284)
Cost at 31 December 2012	**12,975**
Impairment charge for year to 31 December 2011	(18)
Impairment charge for year to 31 December 2012	(6,000)
Carrying amount at 31 December 2012	**6,957**
Carrying amount at 31 December 2011	4,587

Goodwill acquired in a business combination is allocated, at acquisition, to the Cash Generating Units (CGUs) that are expected to benefit from that business combination The carrying amount of goodwill has been allocated as follows

Legal entity	**Country of operation**	**CGU**	**Long term growth rate**	**Discount rate**	**Goodwill allocated by CGU 2012 £'000**	**Goodwill allocated by CGU 2011 £'000**
Just Eat dk ApS	Denmark	Just-eat dk	2 1%	11 86%	1,781	1,795
Just Eat Host A/S	Denmark	Just Eat Host A/S	2 1%	11 86%	132	149
Just-Eat Canada Inc	Canada	Just-eat ca	2 1%	11 86%	562	632
Justeat Brasil Servicos Online LTDA	Brazil	Restaurnateweb com br	2 7%	15 38%	1,188	1,360
Just-Eat Italy S r l	Italy	Just-eat it	3 6%	14 25%	376	387
Urbanbite Limited, EatStudent Ltd and FillMyBelly Limited	United Kingdom	Just-eat co uk and its subsidiaries	2 1%	11 86%	895	136
SinDelantal Internet, S L	Spain	Just-eat es	3 6%	11 86%	2,023	-
Achindra Online Marketing Private Limited	India	Just-eat in	3 6%	15 75%	-	128
Total					6,957	4,587

14. Goodwill (continued)

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired

The recoverable amounts of the CGUs are determined from value in use calculations The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period These assumptions continue to be revised in light of the current economic environment which has resulted in more conservative estimates about the future Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs The growth rates are based on management's past experience and future expectations Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market It is anticipated that sales volumes will grow in all jurisdictions over the forthcoming years

The Group prepares cash flow forecasts derived from the most recent financial budgets and forecasts approved by the Board (which are currently for three years) and extrapolates cash flows out to 20 years based on an estimated growth rates This rate does not exceed the average long-term growth rate for the relevant markets

The rates used to discount the forecast cash flows lie in the range 11 54% to 15 75% (2011 12 92% to 17 13%)

At the beginning and end of the financial period, the fair value of goodwill was substantially in excess of its book value for all CGUs, with the exception of Achindra Online Marketing Private Limited and Just-Eat Benelux BV The following impairment charges have been recognised in respect of these entities in the year ended 31 December 2012

	£'000
Year ended 31 December 2012	
Just-Eat Benelux BV	
Goodwill	5,840
Restaurant list (note 15)	1,320
Total impairment in respect of Just-Eat Benelux BV	7,160
Goodwill impairment in respect of Achindra Online Marketing Private Limited	125
Other	35
Total impairment charged to the income statement	7,320

Just-Eat Benelux BV

£7 2 million of the impairment charge relates to the write-down, to their recoverable amounts, of the goodwill and other intangible assets of the Group's Dutch business This is the one market in which the Group operates where it is not the largest online takeaway portal As such, the Group's strategic plans and route to profitability for this business do not follow the same profile as the other businesses in the Group As a result of this, the Group does not expect the Dutch business to be profitable in the foreseeable future Given this, the recoverable amounts of the Dutch intangible assets have been determined to be nil

In calculating the impairment in respect of the Group's Dutch business both the value in use and fair value less cost to sell of the CGU (being the Dutch business) were determined to be nil A pre-tax discount rate of 11 86% was used in calculating the value in use

14. Goodwill (continued)

Achindra Online Marketing Private Limited

The carrying value of the goodwill in respect of Achindra Online Marketing Private Limited was £125k The Directors have determined that its recoverable amount is nil and as a result an impairment charge of £125k has been recorded in the income statement

15. Other intangible assets

	Intellectual property £'000	Restaurant lists £'000	Patents £'000	Brands £'000	Total £'000
Cost					
At 1 January 2011 (restated)	115	303	162	-	580
Intangible assets recognised through acquisitions in the year	-	1,060	-	-	1,060
Exchange movements	(2)	(50)	(3)	-	(55)
At 31 December 2011 (restated)	113	1,313	159	-	1,585
Intangible assets recognised through acquisitions in the year	-	3,415	-	419	3,834
Exchange movements	(3)	15	(4)	12	20
At 31 December 2012	110	4,743	155	431	5,439
Amortisation					
At 1 January 2011 (restated)	3	20	76	-	99
Charge for the year	39	63	53	-	155
Exchange movements	(1)	(1)	(1)	-	(3)
At 31 December 2011 (restated)	41	82	128	-	251
Charge for the year	36	364	30	99	529
Impairments	-	1,320	-	-	1,320
Exchange movements	(1)	-	(3)	1	(3)
At 31 December 2012	76	1,766	155	100	2,097
Carrying amount					
At 31 December 2012	**34**	**2,977**	**-**	**331**	**3,342**
At 31 December 2011 (restated)	72	1,231	31	-	1,334

The amortisation period for Intellectual property, Patents and Brands is fifteen months to three years

Restaurant lists are amortised over their estimated useful lives, which is on average ten years

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2012

16. Property, plant and equipment

	Fixtures and fittings £'000	Equipment £'000	Leasehold improvements £'000	Total £'000
Cost				
At 1 January 2011 (restated)	431	2,973	-	3,404
Additions	758	1,003	341	2,102
Exchange differences	(6)	(18)	-	(24)
Disposals	(29)	(37)	-	(66)
At 31 December 2011 (restated)	1,154	3,921	341	5,416
Additions	764	2,456	724	3,944
Exchange differences	(1)	(21)	-	(22)
Disposals	(9)	(786)	-	(795)
At 31 December 2012	1,908	5,570	1,065	8,543
Accumulated depreciation				
At 1 January 2011 (restated)	163	1,323	-	1,486
Charge for the year	219	878	17	1,114
Exchange differences	(1)	(12)	-	(13)
Disposals	(17)	(15)	-	(32)
At 31 December 2011 (restated)	364	2,174	17	2,555
Charge for the year	185	1,489	86	1,760
Exchange differences	(1)	(21)	-	(22)
Disposals	(5)	(758)	-	(763)
At 31 December 2012	543	2,884	103	3,530
Carrying amount				
At 31 December 2012	**1,365**	**2,686**	**962**	**5,013**
At 31 December 2011 (restated)	790	1,747	324	2,861

At 31 December 2012, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £1,753k (2011 £384k)

Just-Eat Group Holdings Limited

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2012

17. Subsidiaries

A list of the significant investments in subsidiaries, including the name, country of incorporation, and proportion of ownership interest is given below

Representing:	Country of incorporation	Proportion of voting rights held 2012	Proportion of voting rights held 2011		Nature of business
Subsidiary undertakings					
Just Eat Group Limited	UK	Nil	100%		Holding company
Just Eat Holding Limited	UK	100%	100%		Holding and management company
Just Eat co uk Ltd	UK	100%	100%	*	Online takeaway portal
Biteguide GmbH	Germany	100%	100%	*	Online takeaway portal
Just-Eat Ireland	Ireland	100%	100%	*	Online takeaway portal
Just Eat Host A/S	Denmark	100%	100%	*	Hosts servers
Just Eat dk ApS	Denmark	100%	100%	*	Online takeaway portal
Just Eat no As	Norway	100%	100%	*	Online takeaway portal
Just-Eat ca Management Limited	Canada	100%	100%	*	Holding company
Just Eat Canada Inc	Canada	82%	82%	*	Online takeaway portal
Just-Eat Belgie BVBA	Belgium	100%	92%	*	Online takeaway portal
Just-Eat Spain SLU	Spain	100%	100%	*	Online takeaway portal
EatStudent Limited	UK	100%	100%	*	Online takeaway portal
Justeat Brasil Servicos Online LTDA	Brazil	100%	100%	*	Online takeaway portal
Achindra Online Marketing Private Limited	India	84%	67%	*	Online takeaway portal
Just-Eat Italy S r l	Italy	100%	100%	*	Online takeaway portal
Urbanbite Holdings Limited	UK	100%	100%	*	Holding company
Urbanbite Limited	UK	100%	100%	*	Online takeaway portal
Yummyweb Inc	Canada	100%	100%	*	Online takeaway portal
Just-Eat Benelux BV	Netherlands	100%	56%	*	Online takeaway portal
FillMyBelly Limited	UK	100%	Nil	*	Online takeaway portal
SinDelantal Internet S L	Spain	100%	Nil	*	Online takeaway portal
Joint venture					
FBA Invest SaS	France	50%	50%	*	Holding company
Eat On Line SaS	France	50%	50%	*	Online takeaway portal
Eat ch GmbH	Switzerland	50%	50%	*	Online takeaway portal
Fixed asset investments					
OnlinePizza Norden AB	Sweden	Nil	19%	*	Online takeaway portal

* Indirect holding by Just-Eat Group Holdings Limited

In January 2012, the Group bought out minority interests in two of its businesses where entire ownership was not held Just-Eat Belgie BVBA, which operates in Belgium and Just-Eat Benelux BV, which operates in the Netherlands The total consideration payable was £6 0m

On 17 April 2012 the Group acquired 100% of the share capital of FillMyBelly Limited for a consideration of £1 4m This is a UK based trading company trading with the name "fillmybelly com"

17. Subsidiaries (continued)

On 17 September 2012 a Group company acquired 100% of the share capital of SinDelantal Internet S L for a consideration of £2 6 million, a company trading as "SinDelantal com" in Spain

In January 2011, the Group acquired a 33% shareholding in Achindra Online Marketing Private Limited, trading in India as Hungryzone", prior to its rebranding as "Just-eat in" This shareholding had increased to 84% by 31 December 2012 following a series of capital injections

In March 2012, the Group agreed to sell its 19% minority stake in OnlinePizza Norden AB in Sweden for £6 7m, representing a significant return on our investment (see note 19)

In January 2013, the Group bought out the minority interest in its Canadian business, Just Eat Canada Inc Please see note 39 for further detail

18. Joint ventures

Until 2012, the Group accounted for its joint ventures using the proportional consolidation method, as recommended by IAS 31 *Interests in Joint Ventures* However, in 2012 the Group elected to change its accounting policy to equity accounting in preparation for new accounting standards that require this method of presentation These new standards, which become effective for periods beginning on or after 1 January 2013, are IFRS 10 *Consolidated financial statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interest in Other Entities* As a consequence of this change in accounting policy, the net result of the joint ventures are shown in a single line on the income statement and statement of financial position, rather than the Group's proportion of their results being added to every line on the primary statements Please see note 41 for further detail

Just-Eat Benelux BV

The Group holds 100% of the shares in Just-Eat Benelux BV (2011 56%) The Group increased its shareholding in the company by 44% to 100% on 18 January 2012 Therefore, it is no longer treated as a joint venture rather, as a subsidiary from this point Prior to gaining control, the joint venture was equity accounted

FBA Invest SaS

On 23 December 2011 the Group acquired 50% of the share capital of FBA Invest SaS, which owns 100% of the share capital of Eat On Line SaS, the company trading under the brand "Alloresto fr" At the time of acquiring the shareholding, the Group entered into a joint-venture agreement with the other shareholders, this agreement established two call options The Group has the first option to buy 20-50% more of the shareholding not already held, thus obtaining between 70-100% of FBA Invest's share capital This option is only exercisable between 1 June and 30 June 2014, after which it will lapse The purchase price for these shares will be according to a pre-determined range of prices set out in the Share Purchase Agreement

The second call option is held by the other 50% shareholders and only becomes exercisable should the aforementioned Group option lapse The second call option is only exercisable for the period 30 July 2014 to 31 December 2014 This option entitles the other 50% shareholders to purchase 70-100% of the Group's holding in FBA Invest SaS for a price determined by a fixed formula

Eat ch GmbH

On 22 March 2011, the Group acquired a 33% stake in Eat ch GmbH, which rose to 50% in September 2011 This is a trading entity operating in Switzerland

The 50% held in FBA Invest SaS and Eat ch GmbH are considered to be jointly controlled with substantive economic interests held by the Group 50% of the result of these companies has therefore been recognised on the primary statements of the Group using the equity accounting method

18. Joint ventures (continued)

Carrying value of joint ventures under equity accounting method	2012 £'000	2011 £'000
Balance as at 1 January (restated)	7,247	(446)
Just-Eat Benelux becoming a subsidiary	615	-
Acquisition of investments in joint ventures	-	7,934
Capital contribution/change in holding	4	84
Share of post-tax losses	(521)	(257)
Foreign exchange losses	(178)	(68)
Total assets	7,167	7,247

£281k (2011 £7k) of intangible assets amortisation is included within the share of the post-tax losses of the joint ventures

19 Investments

	2012 £'000	2011 £'000
Available for Sale investments carried at fair value		
Balance as at 1 January	6,918	419
Additional investment purchased	-	1,777
Fair value adjustment	(233)	4,624
Foreign exchange gain	5	98
Sale of OnlinePizza Norden AB shares	(6,690)	-
Total investments as at 31 December	-	6,918

On 23 March 2012, the Group realised its investment in OnlinePizza AB through a sale of its interest to a third party for £6,690k The net profit on disposal, after including £293k of due diligence costs was £4,274k

20. Inventories

	2012 £'000	2011 £'000 Restated
Finished goods	435	42

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

21 Trade and other receivables

	2012 £'000	2011 £'000 Restated
Amount receivable for the provision of services	1,661	1,229
Allowance for doubtful debts	(401)	(289)
	1,260	940
Other debtors	1,409	39
Prepayments	1,280	667
Amounts due from related parties (see note 40)	-	162
Amounts due from joint ventures	543	624
	4,492	2,432

In 2012, the amounts due from joint ventures comprised a loan made to Eat ch GmbH, the Swiss based business In 2011, the amounts due from joint ventures comprised loans to Just-Eat Benelux BV, the Dutch based business The receivable from Just-Eat Benelux BV has now been eliminated on consolidation following the acquisition of the 44% shareholding not previously held in January 2012

Trade receivables

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost

The average credit period taken on the sales of goods is 10 days (2011 13 days) The average age of the trade receivables as at 31 December 2012 was 62 days (2011 65 days)

The Group has reviewed all balances and has made an allowance for debts which are considered unlikely to be collectable based on past default experience, and an analysis of the counterparty's current financial position Allowances against doubtful debts are recognised against trade receivables

Trade receivables disclosed above include amounts which are past due at the reporting date but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty

Movement in the allowance for doubtful debts:

	2012 £'000	2011 £'000 Restated
Balance at the beginning of the period	(289)	(144)
Utilised	299	34
New provisions net of releases	(411)	(179)
Balance at the end of the period	(401)	(289)

21. Trade and other receivables (continued)

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date The concentration of credit risk is limited due to the customer base being large and unrelated

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value

22. Trade and other payables

	2012 £'000	2011 £'000 Restated
Trade creditors	14,250	6,501
Other creditors and accruals	5,998	2,703
Other taxes and social security	2,205	1,660
Deferred consideration	2,567	-
Amounts due to related parties (see note 40)	-	160
	25,020	11,024

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and on-going costs Included in the trade creditor balance are amounts owed to restaurants (2012 £10 5m, 2011 £5 1m) These amounts are settled on a fortnightly basis at most The average credit period taken for trade purchases (including the amounts owed to restaurants) is actually 11 days (2011 9 days) For most suppliers no interest is charged on the trade payables for the first 30 days from the date of the invoice Thereafter, interest is charged on the outstanding balances at various interest rates The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms

The directors consider that the carrying amount of trade payables approximates to their fair value

23. Borrowings

	2012 £'000	2011 £'000
Unsecured borrowing at amortised cost		
Bank overdrafts	-	9
Secured borrowing at amortised cost		
Bank loans	-	54
Total borrowings		
Amount due for settlement within 12 months	-	63

23. Borrowings

Analysis of borrowings by currency.	Canadian Dollar £'000	Danish Kroner £'000	Total £'000
31 December 2011			
Bank overdrafts	-	9	9
Bank loans	54	-	54
	54	9	63

During 2012, the Group closed its overdraft facilities with Sydbank A/S and Barclays Bank plc and repaid its loan with the Royal Bank of Canada The Group deemed its cash reserves were sufficient to meet the needs of the business

24 Deferred tax

Deferred tax is provided for as follows

	Losses £'000	Share based payment £'000	Available for sale £'000	Short term timing differences £'000	Acquired intangibles £'000	Total £'000
At 31 December 2011(restated)	525	5	(1,174)	495	(185)	(334)
Credit to the income statement	(265)	7	-	425	445	612
Credit to equity	-	7	1,174	-	-	1,181
Foreign exchange	-	-	-	36	(13)	23
Rate change	(39)	-	-	(5)	7	(37)
Prior year adjustment	(42)	-	-	(377)	70	(349)
Amounts arising on acquisition of subsidiary undertakings	-	-	-	-	(1,027)	(1,027)
As at 31 December 2012	179	19	-	574	(703)	69

	2012 £'000	2011 £'000
Analysed as		
Non-current deferred tax liability	(703)	(1,360)
Non-current deferred tax asset	772	1,026
Balance at the end of the year	69	(334)

The Budget 2012 introduced a reduction in the main rate of corporation tax from 25% to 23% with effect from 1 April 2013 This legislation was substantively enacted on 3 July 2012 and as such, in accordance with IFRS the rate of 23% is used for the calculation of the deferred tax position at 31 December 2012 on the basis that it will materially reverse after 1 April 2013

24. Deferred tax (continued)

The Budget 2013 issued on 20 March 2013 announced that the main rate of corporation tax would be reduced to 21% from 1 April 2014 and to 20% with effect from 1 April 2015 These future rate reductions had not been substantively enacted at the balance sheet date, therefore have not been reflected in these financial statements The effect of these rate reductions will be accounted for in the period they are substantively enacted

25. Provisions for liabilities and charges

	2012 £'000	2011 £'000
Current	718	485
Non-current	-	645
	718	1,130

The provision of £718k (and the the prior year non-current provision of £645k) relates to contingent deferred consideration in respect of the Group's French joint venture €1 million is payable at the end of 2013 if the joint venture meets certain performance criteria during 2013 The prior year current provision of £485k related to contingent deferred consideration in respect of the Group's Brazilian business which was settled during 2012

26. Share capital

Note that this disclosure is not shown in £'000 This is due to the size of the numbers involved

	Ordinary shares £	Ordinary B shares £	Preference A shares £	Preference B shares £	Preference C shares £	Total £
At 1 January 2011	830	42	497	-	-	1,369
Shares issued	-	89,843	-	176	-	90,019
Options exercised	-	39	-	-	-	39
At 31 December 2011	830	89,924	497	176	-	91,427
Shares issued	6	-	-	-	231	237
Options exercised	-	9	-	-	-	9
Ordinary B conversion	-	(19)	-	-	19	-
JSOP shares	-	22	-	-	-	22
At 31 December 2012	836	89,936	497	176	250	91,695

Ordinary shares (par value of £0 0001 each) entitle the holders to receive notice, attend, speak and vote at general meetings

Ordinary B shares (par value of £0 0001 each) do not entitle the holders to receive notice, attend, speak or vote at any general meeting

26. Share capital (continued)

Any available profits which the company may determine to distribute in respect of any financial year will be distributed to the Preference A shareholders, the Preference B shareholders, the Preference C shareholders, the Ordinary shareholders and, to the extent that the aggregate amount of qualifying payments, both paid to date and for the current financial year, exceed the B Ordinary shares participating amount, to the B Ordinary shareholders pro rata to their respective holdings

2,311,216 Preference C shares (par value £0 0001) were issued in April 2012 for cash consideration of £35,992k

191,655 B Ordinary shares (par value £0 0001) were converted to Preference C shares (par value £0 0001) in April 2012 for cash consideration of £202k

50,000 Ordinary shares (par value £0 0001) were issued as consideration for the acquisition of Just-Eat Benelux BV

5,000 Ordinary shares (par value of £0 0001) were issued for cash of £17k

222,700 B Ordinary shares (par value of £0 0001) were issued under the JSOP scheme See note 36

89,672 options over B Ordinary shares (par value £0 0001) were exercised during the year

Shares to be issued

Shares to the value of €100k (£85k) were issued to the previous shareholders of SinDelantal Internet SL in February of this year The issue of the shares was contingent upon the provision of integration services to the Group, post the completion of the acquisition of SinDelantal Internet SL by the Group The £56k credit reflects the proportion of the services completed at the balance sheet date with the respective charge of the same amount being included in acquisition costs in the consolidated income statement

27. Share premium account

	Share premium £'000 Restated
Balance at 1 January 2012	4,680
Premium arising from issue of equity shares – Series B	15,000
Premium arising on exercise of share options over Ordinary B shares	38
Share issue costs	(310)
Balance at 31 December 2012	19,408
Premium arising from issue of equity shares – Ordinary Shares	17
Premium arising from issue of equity shares – Series C	36,194
Premium arising from issue of equity shares – Just-Eat Benelux BV acquisition	779
Premium arising from issue of equity shares – Ordinary B Shares	321
Share issue costs	(1,045)
Balance at 31 December 2012	55,674

28 Merger reserve

	Merger reserve £'000
Balance at 1 January 2012 and 31 December 2012	1,921

In July 2009 a group reconstruction was undertaken Under this reconstruction ordinary shares were issued and cancelled and Preference A shares were issued This was treated as a common control transaction under IFRS as the ultimate shareholders and their relative rights were the same before and afterwards This reserve represents the difference between the nominal value of the shares issued and the nominal value of the shares on the group reorganisation in July 2009

29. Other reserves

	Available for sale reserve £'000	Translation reserve £'000	Total £'000
Balance at 1 January 2011 (restated)	54	19	73
Exchange differences arising on available for sale investment	-	98	98
Currency translation differences - Group	-	(151)	(151)
Currency translation differences - Joint ventures	-	(1)	(1)
Effects of foreign exchange attributable to NCI	-	5	5
Fair value adjustment of available for sale investment	4,624	-	4,624
Deferred tax liability on available for sale investment	(1,155)	-	(1,155)
Balance at 1 January 2012 (restated – see note 41)	3,523	(30)	3,493
Fair value adjustment of available for sale investment	(233)	-	(233)
Deferred tax liability on available for sale investment	57	-	57
Exchange differences arising on available for sale investment	-	5	5
Sale of available for sale investment	(3,347)	(103)	(3,450)
Currency translation differences - Group	-	(141)	(141)
Currency translation differences - Joint ventures	-	(170)	(170)
Effects of foreign exchange attributable to NCI	-	(5)	(5)
Balance at 31 December 2012	-	(444)	(444)

Translation reserve

Exchange differences relating to the translation of the net assets of the Group's foreign operations, which relate to subsidiaries and equity accounted joint ventures, from their functional currency into the parent's reporting currency, being Pound Sterling, are recognised directly in the translation reserve

Available for sale reserve

This arose on the revaluation to fair value of the Group's investment in OnlinePizza Norden AB (see note 19) This investment was sold in 2012 Therefore, the reserve is nil at year end

30. Retained earnings

	£'000
Balance at 1 January 2011 (restated)	(5,880)
Loss attributable to the Group	(607)
Adjustment arising from change in NCI	(718)
Balance at 1 January 2012 (restated)	(7,205)
Loss attributable to the Group	(3,871)
Adjustments arising from changes in NCI	(176)
Balance at 31 December 2012	(11,252)

The adjustments arising from changes in NCI are in respect of capital injections into Achindra Online Marketing Private Limited and the resulting increases in the Group's shareholding in this entity

31. Non-controlling interest

	£'000
Balance at 1 January 2011 (restated)	(136)
Share of loss for the year	(628)
Initial recognition of NCI on acquisition of Achindra Online Marketing Private Limited	113
Adjustment to NCI on increase in group ownership interest in Achindra Online Marketing Private Limited	111
Buyout of Achindra Online Marketing Private Limited minority shareholders	(16)
Adjustment to NCI on increase in group ownership interest in Just-Eat Canada Inc	467
Adjustment to NCI on increase in group ownership interest in Just-Eat Belgie BVBA	251
Effects of foreign exchange attributable to NCI	(5)
Balance at 31 December 2011 (restated)	157
Share of loss for the year	(634)
Adjustment to NCI on increase in group ownership interest in Achindra Online Marketing Private Limited	89
Buyout of Achindra Online Marketing Private Limited minority shareholders	(6)
Buyout of Just-Eat Belgie BVBA minority shareholders	36
Effects of foreign exchange attributable to NCI	5
Balance at 31 December 2012	(353)

In January 2011 the Group acquired a 33% shareholding in Achindra Online Marketing Private Limited This rose to 67% in line with planned injections of capital into the business by the Group throughout 2011 The substance of the original investment transaction in January 2011 conferred control to the Group, subsequent injections of capital were therefore accounted for wholly within equity in accordance with IFRS 3 (2008) *Business Combinations*

During 2012 the Group increased its holding in Achindra Online Marketing Private Limited, to 84%, through a combination of a number of capital injections and the buy-out of a number of the minority shareholders

Just-Eat Group Holdings Limited

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2012

32. Share based payment reserve

	£'000
Balance at 1 January 2011	75
Credit to equity for equity-settled share-based payments	97
Share options exercised in the period	(38)
Tax adjustment to share based payment reserve	172
Balance at 31 December 2011	306
Credit to equity for equity-settled share-based payments	480
Share options exercised in the period	(17)
Tax adjustment to share based payment reserve	7
Balance at 31 December 2012	776

The tax adjustment to share based payment reserve arises because under IFRS the current tax corporation tax relief available on the exercise of the share options, in excess of the cumulative IFRS 2 *Share Based Payments* charge is recognised in equity rather than being taken directly to the income statement This follows the treatment of deferred tax arising on share options

33. Acquisition of businesses

Just-Eat Benelux BV

In January 2012, the Group acquired the remaining 44% shareholding in Just-Eat Benelux BV, which is a trading entity operating in the Netherlands The nature of the control of this entity was such that it was accounted for as a joint venture before the acquisition The shareholding held by the Group is now 100% The acquisition has been accounted for as a business combination in accordance with IFRS 3 (2008) *Business Combinations*

	Fair value £'000
Net assets acquired:	
Property, plant and equipment	116
Trade and other receivables	34
Cash and cash equivalents	53
Trade and other payables	(1,299)
Intangible assets – Restaurant list	1,493
Recognition of deferred tax on restaurant list	(373)
	24
Goodwill	5,945
Total consideration	5,969
Satisfied by	
Cash	949
Shares	779
Fair value of previously held interest	2,054
Deferred consideration	2,187
	5,969
Net cash outflow arising on acquisition	
Cash consideration	949
Cash and cash equivalents acquired	(53)
	896

A profit of £2,672k was recognised on the deemed disposal of the Group's previous joint venture interest in Just-Eat Benelux BV

The goodwill arising on the acquisition of Just-Eat Benelux BV was attributable to the anticipated profitability of the sale of the company's products and the anticipated future operating synergies that we expected at the time we made the acquisition

From the date control passed, this company contributed turnover of £1,710k and operating profit of £117k to the Group Due to the date of acquisition being 18 January 2012, full year turnover and operating profit are not materially different

Acquisition costs of £17k were recognised in the income statement in 2012 in relation to this business combination Acquisition costs of £60k were accrued and recognised in 2011

Deferred consideration of £2,187k is payable in two tranches in January 2013 (£833k) and July 2013 (£1,354)

33. Acquisition of businesses (continued)

FillMyBelly Limited

In April 2012, the Group acquired a 100% shareholding in FillMyBelly Limited, based in the United Kingdom The acquisition has been accounted for as a business combination in accordance with IFRS 3 (2008) *Business Combinations* Management consider the substance of the transaction to constitute a business combination in the sense laid out in the general provisions of IFRS 3 and the specific provisions of IAS 27 *Consolidated and Separate Financial Statements* relating to establishing control The Group is required to consolidate all subsidiaries over which control is established

	Fair value £'000
Net assets acquired.	
Property, plant and equipment	9
Trade and other receivables	29
Cash and cash equivalents	36
Trade and other payables	(59)
Intangible assets – Restaurant list	728
Intangible asset - Brand	99
Recognition of deferred tax on intangible assets	(190)
	652
Goodwill	759
Total consideration	1,411
Satisfied by	
Cash	1,021
Deferred consideration	390
	1,411
Net cash outflow arising on the acquisition	
Cash consideration	1,021
Cash and cash equivalents acquired	(36)
	985

The goodwill arising on the acquisition of FillMyBelly Limited is attributable to the anticipated profitability of the sale of the Company's products and the anticipated future operating synergies

From the date control passed, this Company contributed turnover of £341k and operating profit of £45k to the Group

Had the company been acquired on 1 January 2012, it would have contributed £439k to revenue and £53k of operating profit

Acquisition costs of £17k were recognised in the income statement in 2012 in relation to this business combination

Deferred consideration of £390k is payable in April 2013

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2012

33. Acquisition of businesses (continued)

SinDelantal Internet S L

In September 2012, a Group company acquired 100% of the share capital of SinDelantal Internet S L , an established business operating throughout Spain The acquisition has been accounted for as a business combination in accordance with IFRS 3 (2008) *Business Combinations* Management consider the substance of the transaction to constitute a business combination in the sense laid out in the general provisions of IFRS 3 and the specific provisions of IAS 27 *Consolidated and Separate Financial Statements* relating to establishing control The Group is required to consolidate all subsidiaries over which control is established

	Fair value £'000
Net assets acquired	
Property, plant and equipment	14
Trade and other receivables	162
Cash and cash equivalents	31
Trade and other payables	(643)
Intangible asset - Restaurant list	1,194
Intangible asset - Brand	320
Recognition of deferred tax on intangible assets	(464)
	614
Goodwill	1,950
Total consideration	2,564
Satisfied by	
Cash	2,564
	2,564
Net cash outflow arising on acquisition	
Cash consideration	2,564
Cash and cash equivalents acquired	(31)
	2,533

The goodwill arising on the acquisition of SinDelantal Internet S L is attributable to the anticipated profitability of the sale of the Company's products and the anticipated future operating synergies

SinDelantal Internet S L contributed £33k to revenue and an operating loss of £157k in the period between the date of acquisition and year end

Had the company been acquired on 1 January 2012, it would have contributed £179k to revenue and £930k of operating loss

Acquisition costs of £137k were recognised in the income statement in 2012 in relation to this business combination

Just-Eat Group Holdings Limited

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2012

33 Acquisition of businesses (continued)

2011 acquisition of FBA Invest SaS ("Alloresto fr")

On 23 December 2011, the Group acquired a 50% interest in FBA Invest SaS, a French holding company which owns 100% of the share capital of Eat Online Srl, trading as "Alloresto fr" As part of the deal to acquire the 50% shareholding, the Group entered into a joint venture agreement with the previous owners At the time of of issuing the Group's 2011 financial statements the accounting for this acquisition was provisional The acquisition accounting has now been finalised and is detailed below

	Fair value (50% Share Acquired) £'000
Net assets acquired·	
Property, plant and equipment	6
Trade and other receivables	341
Cash and cash equivalents	732
Trade and other payables	(1,227)
Intangible asset – Restaurant list	842
Intangible asset – Brand	2,137
Recognition of deferred tax on acquired intangibles	(1,004)
	1,827
Goodwill	5,793
Total consideration	7,620
Satisfied by	
Cash	6,626
Acquisition costs settled in cash during 2012	332
Acquisition date fair value of contingent consideration	662
Total consideration	7,620
Net cash outflow arising on acquisition	6,626

The goodwill arising on the acquisition of the 50% share in FBA Invest SaS is attributable to the anticipated profitability of the sale of the company's products in the market and the anticipated future operating synergies from the combination

FBA Invest SaS contributed a loss of £7k to the Group's shares of the results of joint ventures in the period between the date of acquisition and the balance sheet date, 31 December 2011 Had the interest in the Group been acquired on 1 January 2011 it would have contributed a loss of £0 1 million to the Group's share of the results of joint ventures

33. Acquisition of businesses (continued)

Eat ch GmbH ("eat ch")

On 22 March 2011, the Group acquired a 33% economic interest in Eat ch, a Swiss company As part of the deal to acquire the 33% shareholding, the Group entered into a joint venture agreement with the previous owners, which committed the Group to contribute future funding to the venture and thereby increasing its economic interest to 50% Management does not consider the substance of the transaction to confer control to the Group, and therefore have recorded balances in accordance with IAS 31 *Joint Ventures* and have applied the equity method to record those balances in the Group consolidated financial statements At the time of of issuing the Group's 2011 financial statements the accounting for this acquisition was provisional The acquisition accounting has now been finalised and is detailed below

	Fair value (50% Share Acquired) £'000
Net assets acquired:	
Cash and cash equivalents	68
Trade and other payables	(8)
Intangible asset – customer list	96
Recognition of deferred tax on acquired intangibles	(8)
	148
Goodwill	165
Total consideration	313

The total consideration of £313k was paid in cash and included £110k of acquisition costs The net cash outflow arising on the acquisition was £313k

The goodwill arising on the acquisition of the 50% share in Eat ch GmbH is attributable to the anticipated profitability of the sale of the Company's products in the market and the anticipated future operating synergies from the combination

Eat ch GmbH contributed a loss of £0 1 million to the Group's shares of the results of joint ventures in the period between the date of acquisition and the balance sheet date, 31 December 2011 Had the interest in the Group been acquired on 1 January 2011 it would have contributed a loss of £0 2 million to the Group's share of the results of joint ventures

34. Notes to the cash flow statement

	2012 £'000	2011 Restated £'000
Loss for the year	(4,505)	(1,235)
Adjustments for		
Share of loss of joint ventures	521	257
Depreciation of property, plant and equipment	1,760	1,114
Amortisation of intangible assets	529	155
Share-based payment expense	480	231
Income tax expense/(credit)	1,877	(497)
Net finance credit	(89)	(25)
Profit on disposal of OnlinePizza Norden AB	(4,274)	-
Loss on disposal of property, plant and equipment	32	34
Provision for impairment	4,648	18
Operating cash flows before movements in working capital	979	52
(Increase)/decrease in inventories	(393)	6
(Increase)/decrease in receivables	(1,200)	576
Increase in payables	10,059	4,981
Decrease in other provisions	-	(1,037)
Increase in deferred income	1,262	633
Cash generated by operations	10,707	5,211
Income taxes paid	(564)	(251)
Interest paid	(40)	(75)
Net cash inflow from operating activities	10,103	4,885

Cash and cash equivalents

	2012 £'000	2011 Restated £'000
Cash and bank balances	50,026	7,858

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less The carrying amount of these assets is approximately equal to their fair value

Just-Eat Group Holdings Limited

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2012

35 Operating lease arrangements

The group as lessee

	2012 £'000	2011 Restated £'000
Minimum lease payments under operating leases recognised as an expense in the year	1,003	613

At the balance sheet date, the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows

	2012 £'000 Property	2012 £'000 Plant and Equipment	2011 £'000 Restated Property	2011 £'000 Restated Plant and Equipment
Within one year	817	422	193	340
In the second to fifth years inclusive	908	433	1,113	434
	1,725	855	1,306	774

36. Share based payments

Equity-settled share option scheme

The Company operate an EMI and CSOP share option scheme for certain employees of the Group Options are exercisable at a price equal to the estimated fair value of the Company's shares on the date of grant The vesting period varies, but is, on average, four years Options are forfeited if the employee leaves the Group before the options vest Details of the share options outstanding during the year are as follows

	2012 Number of share options ('000)	2012 Weighted average exercise price (in £)	2011 Number of share options ('000)	2011 Weighted average exercise price (in £)
Outstanding at 1 January 2011	430	1 71	677	0 37
Granted during the period	128	7 01	155	4 12
Forfeited during the period	(17)	5 29	(5)	2 34
Exercised during the period	(90)	2 43	(397)	0 02
Expired during the period	-		-	-
Outstanding at the end of the period	451	3 88	430	2 05
Exercisable at the end of the period	129	1 79	141	1 71

36. Share based payments (continued)

Equity-settled share option scheme (continued)

The weighted average share price at the date of exercise for share options exercised during the period was £2 43 (2011 £0 02) The options outstanding at 31 December 2012 had a weighted average exercise price of £3 88 (2011 £2 05) and a weighted average remaining contractual life of 39 months (2011 48 months) The aggregate of the estimated fair values of the options granted on those dates was £1,749k (2011 £686k)

In total, the Group recognised an expense of £480k related to equity-settled share-based payment transactions in 2012 (2011 £231k)

The Group operates a number of equity settled, share based compensation plans In accordance with IFRS 2, the value of the payments is measured at fair value at the date of the grant The fair value determined at grant date is expensed on a straight line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest The fair value of the options granted is calculated using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted

The Group operates the following share incentive schemes

Enterprise Management Incentive (EMI) Scheme

Under the terms of the Just-Eat Group Holdings Limited EMI Plan, the Board may grant options to purchase shares in Just-Eat Group Holdings Limited

Company Share Option Plan (CSOP)

Under the terms of the Just-Eat Group Holdings Limited CSOP Scheme, the Board may grant options to purchase shares in the Company

The Group's CSOP scheme is an equity-settled share option scheme approved by HMRC Options may also be granted under similar terms of this scheme, which are not HMRC approved The Group's CSOP scheme was established in 2011

Under the CSOP, the Board may grant options over shares in the Company to eligible employees The eligible employees to who options are granted and the terms of such options will be determined by the Board The employees who are eligible to participate in the CSOP are all employees, including the employees of the Company's subsidiaries Options are not transferable

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

Vested options in the CSOP scheme become exercisable when the Company achieves an exit

The vesting period for the CSOP is four years If the options remain unexercised after a period of ten years from the date of grant or the employee leaves the Group, the options expire (subject to a limited number of exceptions)

Joint Share Ownership Plan (JSOP)

Interests take the form of a restricted interest in B Ordinary shares in the Company An Interest permits a Participant to benefit from the increase (if any) in the value of a number of B Ordinary shares in the Company over specified threshold amounts In order to acquire an Interest, a Participant must enter into a joint share ownership agreement with the EBT Trustee, (Appleby Trust (Jersey) Limited) under which the Participant and the EBT Trustee jointly acquire the Shares and agree that when the Shares are sold the Participant has a right to receive a proportion of the sale proceeds insofar as the value of the Shares exceeds the threshold amount

The JSOP is an Executive incentive scheme It is a share ownership scheme under which the Employee and Appleby Trust (Jersey) Limited, the EBT Trustee, held at the balance sheet date joint interest in 222,700 B Ordinary shares

The vesting of the Interests granted to Employees is subject to a time vesting condition with one quarter of the Interest in the Shares vesting on the first anniversary of their acquisition and 6 25% every quarter after that

Notes to the consolidated financial statements (continued)
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36. Share based payments (continued)

Joint Share Ownership Plan (JSOP) (continued)

The fair value of the interests awarded under the JSOP was determined using the Black-Scholes Option Pricing Model Details of the JSOP interests are shown below

	Number of shares	Vesting date	Threshold (£)	Expected life
Tranche 1	46,000	01/04/2011	1 25	48 months
Tranche 2	85,000	01/07/2011	4 50	48 months
Tranche 3	31,700	01/10/2011	3 25	48 months
Tranche 4	60,000	01/01/2012	3 25	48 months
	222,700			

Assumptions

In determining the fair value of the interests granted, the Black-Scholes Option Pricing Model was used with the following inputs

	2012 £	2011 £
Weighted average share price	1125p	825p
Weighted average exercise price	701p	412p
Expected volatility (based on FTSE 350 3 year)	17 2%	19 2%
Expected life	48 months	48 months
Risk-free rate	1 58%	1 60%
Expected dividend yields	0%	0%

37 Deferred revenue

	2012 £'000	2011 £'000 Restated
Current deferred revenue	2,442	1,715
Non-current deferred revenue	1,287	751
Total deferred revenue	3,729	2,466

JCT boxes leased by restaurants are paid for upfront This revenue is deferred over 36 months An installation and connection fee is also charged This portion of the revenue is recognised over a 12 month period

38. Financial instruments

Financial instruments comprise both financial assets and financial liabilities The carrying value of these financial assets and liabilities approximate their fair value

Financial assets in the Group comprise trade and other receivables, cash and cash equivalents and investments classified as available for sale These types are all classified as other financial assets in the following table

38. Financial instruments (continued)

Financial liabilities in the Group comprise borrowings which are categorised as debt at amortised cost Financial liabilities also comprise trade and other payables which are classified as other financial liabilities

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance

The capital structure of the Group consists of minimal borrowings, as disclosed in note 23, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 26, 29, and 30

The Group is not subject to any externally imposed capital requirements

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 1

Financial risk management objectives

The main financial risks faced by the Group are credit risk, liquidity risk and market risks, which include interest rate risk and currency risk The Board regularly reviews these risks and approves written policies covering the management of these risks The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes

Categories of financial instruments

	2012 £'000	2011 £'000 Restated
Financial assets		
Other financial assets		
Cash and bank balances	50,026	7,858
Trade and other receivables	4,492	2,432
Investments classified as available for sale	-	6,918
Total financial assets	54,518	17,208
Financial liabilities		
At amortised cost		
Borrowings	-	63
Other financial liabilities		
Trade and other payables	25,020	11,024
Total financial liabilities	25,020	11,087

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates

38. Financial instruments (continued)

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies, consequently exposures to exchange rate fluctuations arise

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows

	Assets		Liabilities	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Euro	1,674	4,344	1,995	3,137
Canadian Dollar	707	262	936	651
Danish Kroner	6,050	2,845	2,864	2,888
Norwegian Kroner	337	224	221	179
Indian Rupee	124	184	68	17
Brazilian Reals	254	128	449	187

Foreign currency sensitivity analysis

The Group is primarily exposed to the Euro and Danish Kroner

The following table details the Group's sensitivity to a 10% depreciation in Pound Sterling against the relevant foreign currencies 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of a reasonably possible change in foreign exchange rates The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates The sensitivity analysis includes external loans as well as loans to foreign operations within the Group

	Euro impact		Danish Kroner impact		Canadian Dollar impact		Brazilian Real Impact		Norwegian Kroner Impact	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Other Comprehensive (loss)/income	(73)	(72)	373	(71)	(43)	(107)	(22)	76	10	2

The Group's sensitivity to foreign currency is the result of increased activity in the foreign owned subsidiaries which has led to a significant increase in foreign currency denominated trade payables and trade receivables

Interest rate risk management

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the balance sheet date For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole year A 10% increase or decrease of the interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates

38. Financial instruments (continued)

Interest rate sensitivity analysis (continued)

If interest rates had been 10% higher/lower and all other variables were held constant, the Group's

- Profit for the year ended 31 December 2012 would increase/decrease by £20k (2011 £9k), and
- There would have been no effect on amounts recognised directly in equity

Other price risks

The Group is exposed to equity price risks arising from equity investments Equity investments are held for strategic rather than trading purposes The Group does not actively trade these investments

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties

Trade receivables consist of a large number of customers, spread across geographical areas On-going credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk as no collateral or other credit enhancements are held

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay The table includes both interest and principal cash flows To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the balance sheet date The contractual maturity is based on the earliest date on which the Group may be required to pay

Just-Eat Group Holdings Limited

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2012

38. Financial instruments (continued)

	Weighted average effective interest rate %	Less than 1 year £'000	1-2 years £'000	2-5 years £'000	5+ years £'000	Total £'000
31 December 2012						
Non-interest bearing	-	25,020	-	-	-	25,020
		25,020	-	-	-	25,020
31 December 2011						
Non-interest bearing	-	11,024	-	-	-	11,024
Variable interest rate instruments	4 17	63	-	-	-	63
		11,087	-	-	-	11,087

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the reporting date

The following table details the Group's expected maturity for its non-derivative financial assets The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets The inclusion of information on non-derivative financial assets is necessary to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis

	Less than 1 year £'000	1-2 years £'000	2-5 years £'000	5+ years £'000	Total £'000
2012					
Non-interest bearing	54,518	-	-	-	54,518
	54,518	-	-	-	54,518
2011					
Non-interest bearing	17,208	-	-	-	17,208
	17,208	-	-	-	17,208

The Group has previously had access to financing overdraft facilities, which as of the balance sheet date have all been cancelled The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets

38. Financial instruments (continued)

Financing facilities

	2012 £'000	2011 £'000
Unsecured bank overdraft facility, reviewed annually and payable at call		
- amount used	-	9
- amount unused	-	4,245
	-	4,254

Fair value of financial instruments

Fair value of financial instruments carried at amortised cost

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows

- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i e as prices) or indirectly (i e derived from prices), and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

There were no available for sale financial assets held as at 31 December 2012

	2011			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Available for Sale financial assets				
Unquoted equities	-	-	6,918	6,918
Total	-	-	6,918	6,918

There were no transfers between levels during the year As OnlinePizza Norden AB was not listed, a number of assumptions were used to calculate the fair value of the shares held The OnlinePizza Norden AB investment was disposed of during 2012 therefore no available for sale assets exist at the 2012 year end

38. Financial instruments (continued)

Reconciliation of Level 2 fair value measurements of financial assets:

	Available for sale unquoted equities		
	Level 2	**Level 3**	**Total**
	£'000	**£'000**	**£'000**
Balance at 1 January 2012	-	6,918	6,918
Sale of available for sale unquoted entity	-	(6,918)	(6,918)
Balance at 31 December 2012	-	-	-

Significant assumptions used in determining fair value of financial assets

Unlisted shares

The financial statements include holdings in unlisted shares which are measured at fair value (note 19) Fair value is estimated using a market data model, which refers to observable market prices or rates In the prior year a discounted cash flow model was used in the absence of observable market prices In the current year, the valuation was based on a third party offer price and subsequent sale price of the investment

In determining the fair value in the prior year, an earnings growth factor of 3 8% and a cash flow risk adjustment factor of 2% are used Cash flows were discounted at 12 74% If the discount rate used in the model was increased by 10% to 14 01% while all the other variables were held constant, the carrying amount of the shares would decrease by £43,870 In the current year, as the valuation is derived from observable market prices, the valuation risk present in the prior year is substantially reduced

39. Events after the balance sheet date

Through the acquisition of Power & Power Investments Inc in January 2013 the Group acquired the 18% minority stake in Just-Eat Canada Inc not previously held The Group now has an effective 100% shareholding in Just-Eat Canada Inc The total consideration paid is dependent on the performance of the Canadian business, but will be no more than Canadian $3 0m (£1 9m)

The loan to Eat ch GmbH was converted to equity in February 2013, taking the Group's interest in this entity from 50% to 64%

Klaus Nyengaard resigned as Director and CEO on 31 January 2013 After conducting a comprehensive search, the Board appointed David Buttress, the Chief Commercial Officer and former UK Managing Director as CEO

40. Related party transactions

Balances and transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note

Loans to related parties

The following amounts were outstanding at the balance sheet date

	Amounts owed to related parties		Amounts owed from related parties	
	2012	2011	2012	2011
	£'000	£'000	£'000	£'000
Key management personnel	-	-	-	162
Happy Investments BV	-	160	-	-
	-	160	-	162

Happy Investments BV was a related party through its 46% shareholding in Just-Eat Benelux BV and 25% shareholding in Just-Eat Belgie BVBA This company was bought out in January 2012, so the Group now has a 100% shareholding in both Just-Eat Benelux BV and Just-Eat Belgie BVBA

41. Prior year restatement

The Group has restated its previously issued Consolidated Income Statement, Balance Sheet, and Cash Flow Statement for the year ended 31 December 2011 due to two changes in accounting policy

Until 2012, the Group accounted for its joint ventures using the proportional consolidation method, as recommended by IAS 31 *Interests in Joint Ventures* However, in 2012, the Group elected to change its accounting policy to equity accounting in preparation for new accounting standards that require this method of presentation These new standards, which become effective for periods beginning on or after 1 January 2013, are IFRS 10 *Consolidated financial statements*, IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interest in Other Entities* As a consequence of this change in accounting policy, the net result of the joint ventures are shown in a single line on the income statement and statement of financial position, rather than the Group's proportion of their results being added to every line on the primary statements

The JCT connection and installation fee revenue is deferred to the balance sheet and recognised on a straight line basis over 12 months The connection and installation fees are non-refundable and 12 months is considered to be the required period of service Revenue from the connection and installation of JCTs was previously recognised immediately on installation

As a result of these two changes, the 2011 reported revenue was reduced by £1 3 million to £33 8 million The operating loss was unchanged at £1.8 million The overall net result of the Group was improved by £0 3 million to a loss of £1 2 million

The impact on the 2011 balance sheet has been to reduce non-current assets by £1 2 million to £24 0 million, and current assets by £1 0 million to £10 3 million Non-current liabilities have also reduced by £0 8 million to £2 8 million and current liabilities have reduced by £0 9 million to £13 4 million Overall net assets and equity have fallen by £0 5 million to £18 2 million

Just-Eat Group Holdings Limited

Company balance sheet – under UK GAAP
As at 31 December 2012

	Note	2012 £'000	2011 £'000
Fixed assets			
Investments	43	2,616	89
		2,616	89
Current assets			
Amounts due from subsidiary companies	44	55,466	18,306
Trade and other receivables		235	-
Net current assets		55,701	18,306
Total assets		58,317	18,395
Total liabilities		-	-
Net assets		58,317	18,395
Capital and reserves			
Called-up share capital	45	92	91
Share premium account	46	55,674	19,408
Retained earnings	47	1,951	(1,234)
Share based payment reserve	47	600	130
Shareholders' funds		58,317	18,395

The financial statements of Just-Eat Group Holdings Limited (Registration number 06947854) were approved by the Board of Directors and authorised for issue on 26 September 2013 They were signed on its behalf by

D. Butt

David Buttress
Chief Executive

26 September 2013

Just-Eat Group Holdings Limited

Reconciliation of movements on shareholders' funds
At 31 December 2012

	Share Capital £'000	Share Premium Account £'000	Retained Earnings and Share Based Payment Reserve £'000	Total Equity £'000
Balance at 1 January 2011	1	4,680	(1,079)	3,602
Result for year	-	-	(83)	(83)
Shares issued	90	14,728	-	14,818
Credit to equity for equity settled share based payments	-	-	96	96
Adjustment for share options exercised in the period	-	-	(38)	(38)
Balance at 31 December 2011	91	19,408	(1,104)	18,395
Result for year	-	-	3,185	3,185
Shares issued	1	37,311	-	37,312
Share issue costs	-	(1,045)	-	(1,045)
Credit to equity for equity settled share based payments	-	-	480	480
Tax adjustment to share based payment reserve			7	7
Adjustment for share options exercised in the period	-	-	(17)	(17)
Balance at 31 December 2012	92	55,674	2,551	58,317

Just-Eat Group Holdings Limited

Notes to the accounts
Year ended 31 December 2012

42. Significant accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards The particular accounting policies adopted are described below

The Company has taken the exemptions permitted under FRS 1 (Revised 1996) *Cash Flow Statement* and FRS 8 *Related Party Disclosures* that allow companies for which consolidated financial statements are prepared not to prepare a cash flow statement, related parties disclosure and profit and loss account

Going concern

See note 1 to the Group consolidated financial statements

Investments

Fixed asset investments are shown at cost less provision for impairment

In the Company balance sheet, for investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued Any premium is ignored

Taxation

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

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

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold

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

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date

Share based payments

The company complies with FRS 20 *Share-based payment*

43 Investments

	2012 £'000	2011 £'000
At cost less amounts written off at beginning of year	89	1
Additions	2,527	88
At cost less amounts written off at end of year	2,616	89

The increase in the year relates to share based payments made within the Group and dividend received from Just Eat Group Limited prior to its liquidation

Just-Eat Group Holdings Limited

Notes to the accounts
Year ended 31 December 2012

43 Investments (continued)

A list of the significant investments in subsidiaries, including the name, country of incorporation, and proportion of ownership is given below

Representing:	Country of incorporation	Proportion of voting rights held 2012	Proportion of voting rights held 2011	Nature of business
Subsidiary undertakings				
Just Eat Group Limited	UK	Nil	100%	Holding company
Just Eat Holding Limited	UK	100%	100%	Holding and management company
Just Eat co uk Ltd	UK	100%	100% *	Online takeaway portal
Biteguide GmbH	Germany	100%	100% *	Online takeaway portal
Just-Eat Ireland	Ireland	100%	100% *	Online takeaway portal
Just Eat Host A/S	Denmark	100%	100% *	Host servers
Just Eat dk ApS	Denmark	100%	100% *	Online takeaway portal
Just Eat no As	Norway	100%	100% *	Online takeaway portal
Just-Eat ca Management Limited	Canada	100%	100% *	Holding company
Just Eat Canada Inc	Canada	82%	82% *	Online takeaway portal
Just-Eat Belgie BVBA	Belgium	100%	75% *	Online takeaway portal
Just-Eat Spain SLU	Spain	100%	100% *	Online takeaway portal
EatStudent Limited	UK	100%	100% *	Online takeaway portal
Justeat Brasil Servicos Online LTDA	Brazil	100%	100% *	Online takeaway portal
Achindra Online Marketing Private Limited	India	84%	67% *	Online takeaway portal
Just-Eat Italy S r l	Italy	100%	100% *	Online takeaway portal
Urbanbite Holdings Limited	UK	100%	100% *	Holding company
Urbanbite Limited	UK	100%	100% *	Online takeaway portal
Yummyweb Inc	Canada	100%	100% *	Online takeaway portal
Just-Eat Benelux BV	Netherlands	100%	56% *	Online takeaway portal
SinDelantal Internet S L	Spain	100%	Nil	Online takeaway portal
FillMyBelly Limited	UK	100%	Nil	Online takeaway portal
Joint ventures				
FBA Invest SaS	France	50%	50% *	Holding company
Eat On Line SaS	France	50%	50% *	Online takeaway portal
Eat ch GmbH	Switzerland	50%	50% *	Online takeaway portal
Fixed asset investments				
OnlinePizza Norden AB	Sweden	Nil	19% *	Online takeaway portal

* Indirect holding by Just-Eat Group Holdings Limited

Just-Eat Group Holdings Limited

Notes to the accounts
Year ended 31 December 2012

44. Fınancial assets

Amounts due from subsidiary companıes

At the balance sheet date amounts receıvable from fellow group companıes are £55 5 mıllıon (2011 £18 3 mıllıon) The carryıng amount of these assets approxımates theır faır value There are no past due or ımpaıred receıvable balances (2011 £nıl)

45. Share capital

Note that thıs dısclosure ıs not shown ın £'000 Thıs ıs due to the sıze of the numbers ınvolved

	Ordinary shares £	Ordinary B shares £	Preference A shares £	Preference B shares £	Preference C shares £	Total £
At 1 January 2011	830	42	497	-	-	1,369
Shares ıssued	-	89,843	-	176	-	90,019
Optıons exercısed	-	39	-	-	-	39
At 31 December 2011	830	89,924	497	176	-	91,427
Shares ıssued	6	-	-	-	231	237
Optıons exercısed	-	9	-	-	-	9
Ordınary B conversıon	-	(19)	-	-	19	-
JSOP shares	-	22	-	-	-	22
At 31 December 2012	836	89,936	497	176	250	91,695

Ordınary shares (par value of £0 0001 each) entıtle the holders to receıve notıce, attend, speak and vote at general meetıngs

Ordınary B shares (par value of £0 0001 each) do not entıtle the holders to receıve notıce, attend, speak or vote at any general meetıng

Any avaılable profıts whıch the company may determıne to dıstrıbute ın respect of any fınancıal year wıll be dıstrıbuted to the Preference A shareholders, the Preference B shareholders, the Preference C shareholders, the Ordınary shareholders and, to the extent that the aggregate amount of qualıfyıng payments, both paıd to date and for the current fınancıal year, exceed the B Ordınary shares partıcıpatıng amount, to the B Ordınary shareholders pro rata to theır respectıve holdıngs

2,311,216 Preference C shares (par value £0 0001) were ıssued ın Aprıl 2012 for cash of £35,992k

191,655 B Ordınary shares (par value £0 0001) were converted to Preference C shares (par value £0 0001) ın Aprıl 2012 for cash consıderatıon of £202k

50,000 Ordınary shares (par value £0 0001) were ıssued as consıderatıon for the acquısıtıon of Just-Eat Benelux BV

Just-Eat Group Holdings Limited

Notes to the accounts
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45 Share capital (continued)

5,000 Ordinary shares (par value of £0 0001) were issued for cash consideration of £17,200

222,700 B Ordinary shares (par value of £0 0001) were issued under the JSOP scheme

89,672 options over B Ordinary shares (par value £0 0001) were exercised during the year

46. Share premium

	Share premium £'000
Balance at 1 January 2011	4,680
Premium arising from issue of equity shares – Series B	15,000
Premium arising on exercise of share options over Ordinary B Shares	38
Share issue costs	(310)
Balance at 31 December 2011	19,408
Premium arising from issue of equity shares – Ordinary Shares	17
Premium arising from issue of equity shares – Series C	36,194
Premium arising from issue of equity shares – Just-Eat Benelux BV acquisition	779
Premium arising from issue of equity shares – Ordinary B Shares	321
Share issue costs	(1,045)
Balance at 31 December 2012	55,674

47 Retained earnings and share based payment reserve

	£'000
Balance at 1 January 2011	(1,079)
Net profit for the year	(83)
Credit to equity for equity settled share-based payments	96
Adjustment for share options exercised in the period	(38)
Retained earnings and Share based payment reserve at 1 January 2012	(1,104)
Net profit for the year	3,185
Credit to equity for equity settled share-based payments	480
Tax adjustment to share based payment reserve	7
Adjustment for share options exercised in the period	(17)
Retained earnings and Share based payment reserve at 31 December 2012	2,551