Company Registration No. 06947854

Just-Eat Group Holdings Limited

Annual Report and Financial Statements

31 December 2013

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Just-Eat Group Holdings Limited

Annual report and financial statements 2013

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Just-Eat Group Holdings Limited

Annual report and financial statements 2013

Officers and Professional Advisers

Directors

J Hughes CBE (Chairman)	
L Bowden	
G Burr	(appointed 12 March 2014)
D Buttress (CEO)	(appointed 9 July 2013)
F Coorevits	
A Griffith	(appointed 12 March 2014)
B Holmes	
K Nyengaard	(resigned 31 January 2013)
M Risman	(appointed 12 March 2014)
Vitruvian Directors 1 Limited	(resigned 12 March 2014)
M Wroe (CFO)	(appointed 17 October 2013)

Secretary

M Wroe	(resigned 12 March 2014)
T Hunter	(appointed 12 March 2014)

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

Strategic Report

Business model

JUST EAT operates the world's largest online marketplace for restaurant delivery By enabling an easy and secure way to order takeaway food (food for delivery or collection) from local takeaway restaurants, the Group seeks to fulfil its mission to empower consumers to love their takeaway experience The Group's websites and mobile apps enable consumers to find an extensive array of local takeaway restaurants and place orders directly through the JUST EAT platform The Group has market-leading positions in the majority of the 13 countries in which it operates, including in its largest markets - the UK, Denmark, France, Canada and Ireland

JUST EAT encourages consumers to shift from telephone based takeaway ordering to its online platform by offering breadth of choice, ratings and reviews, ease of use and a more efficient consumer experience when ordering from local takeaway restaurants

JUST EAT provides takeaway restaurants with a cost effective channel for consumer acquisition as well as a robust technology platform that can enhance both restaurant productivity during peak ordering hours and kitchen utilisation during off-peak ordering hours

The benefits offered by JUST EAT to both consumers and takeaway restaurants create network effects that are self-reinforcing more consumers are drawn to the platform due to the number of takeaway restaurants, which in turn attracts even more takeaway restaurants to the platform The Directors believe that having a leading competitive position in a given local market drives these network effects

The Group's income

The Group primarily derives its revenue from commission charged to restaurants on the value of orders placed through its platform, which was on average approximately 10 7% for the year ended 31 December 2013 In addition, takeaway restaurants that join the JUST EAT network pay sign-up fees of up to £699, depending on their geographical market Restaurants may also pay the Group fees for orders placed by credit or debit card, which they may choose to pass on to consumers, or for additional services, such as promotional top-placement marketing on the Group's platform, and merchandise, such as JUST EAT branded packaging and menus The only fee charged directly to consumers in certain countries is a fixed amount for orders paid online by credit or debit card

Business review

The JUST EAT Group achieved revenue of £96 8 million for the year (2012 £59 8 million), up 62% on 2012 The increase in Group revenue was driven by a 59% growth in order numbers to 40 2 million in 2013 from 25 3 million in 2012 The number of delivery restaurants in the JUST EAT network increased from 29,939 at the end of 2012, to 36,415 by the end of 2013

Underlying EBITDA is the main measure of profitability for the Group It is defined as earnings before finance income and costs, taxation, depreciation and amortisation ("EBITDA") and additionally excludes the Group's share of depreciation and amortisation of joint ventures and associates, long term employee incentive costs, exceptional items (as defined by the accounting policy in note 3), currency translation differences and 'other gains and losses' (being profits or losses arising on the disposal of operations) At a segmental level, Underlying EBITDA also excludes intra-group franchise fee arrangements and incorporates an allocation of Group technology costs (both of which net out on a consolidated level) Group Underlying EBITDA for 2013 was £14 1 million (2012 £2 3 million) This increase was driven by the 62% increase in revenues and a leveraging of the Group's costs base Group profit before tax for 2013 was £10 2 million (2012 loss £2 6 million)

Cash generated from operating activities was £19 2 million, an increase of 90% on 2012 (£10 1 million)

As at the 31 December 2013 the Group had cash balances totalling £61 6 million (2012 £50 0 million) and net assets of £53 6 million (2012 £46 5 million)

Just-Eat Group Holdings Limited

Strategic Report (continued)

Business review (continued)

In January 2013, the Group acquired, through the conversion of loans to equity, an additional 13% of the ordinary share capital of Eat ch GmbH, bringing its shareholding in Eat ch GmbH to 63% and obtained control of this Swiss based entity

In January 2013, the Group also acquired the remaining 18% minority shareholding in Just Eat Canada Inc , making Just Eat Canada Inc a wholly owned subsidiary

In November 2013, the Group relinquished control of Achindra Online Marketing Private Limited ("Justeat in"), as a result of Axon Partners Group and Forum Synergies India making investments in Justeat in

On 27 February 2014 the Group acquired Birmingham based Meal 2 Order com Limited ("Meal2Go") for consideration totalling £3 7 million Meal2Go's market leading Electronic Point-Of-Sale ("EPOS") technology, specifically designed for the restaurant industry, will further enhance the service JUST EAT provides to its UK takeaway restaurant partners

The Board expects that JUST EAT will continue to grow significantly over the forthcoming year through an increase of activity in its developing markets and a strengthening of its already dominant position in its established markets

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

Principal risks and uncertainties

The business operates in a fast moving, competitive 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 diverse and pro-active marketing.

The Company's business model relies on the systematic interaction between its website and mobile apps with the Just Connect Terminal in operation at the takeaway restaurants on the network The Company relies on numerous IT systems to manage the process In addition, the Group is reliant on search engines directing consumers to its web-sites

The Group relies on third parties to provide payment processing services in relation to credit and debit card payments, and if these third parties become unwilling or unable to provide these services or increase the costs of providing such services, the Group's operations may be disrupted or become unreliable and its operating costs, including payment processing fees, could increase

Developing and maintaining the reputation of, and value associated with, the JUST EAT brand is of central importance to the success of the Group Brand identity is a critical factor in retaining existing and attracting new consumers and takeaway restaurants The Group is reliant on direct traffic, "organic" and paid internet searches, which all depend to a varying extent on the strength of the JUST EAT brand The Group has devoted and will continue to devote time and resources to marketing and customer relations

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 Other currencies in use by Group subsidiaries as functional currencies are the Danish Krone, Canadian Dollar, Norwegian Krone, Brazilian Real and Swiss Franc

Just-Eat Group Holdings Limited

Strategic Report (continued)

Principal risks and uncertainties (continued)

The Group does not currently enter into forward foreign exchange contracts or other financial instruments to hedge foreign exchange exposure

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 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

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 Krone is pegged to the Euro

Credit risk

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

The Group's credit risk is primarily attributable to trade receivables, predominantly being amounts owed by restaurants 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

In respect of trade and other receivables, the Group has no significant concentration of credit risk, with its minimal exposure spread over a large number of restaurants 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 Directors, who have 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

Intention to float

On 17 March 2014 Just-Eat Holdings Group Limited (the "Company") announced its intention to proceed with an initial public offering (the "Offer") The Company intends to apply for admission of its ordinary shares to trading on the Main Market for listed securities of the London Stock Exchange plc The Shares will either be admitted to the premium listing segment of the Official List of the UK Financial Conduct Authority or the high growth segment of the Main Market It is expected that the Offer will complete by the end of April 2014

Just-Eat Group Holdings Limited

Strategic Report (continued)

Intention to float (continued)

Pursuant to the intention to float it is the Company's intention to reorganise its share capital into one class of ordinary shares by way of a bonus issue of 2,699 shares for every one share held immediately followed by a 100 to 1 share consolidation

David Buttress
Chief Executive

17 March 2014

Just-Eat Group Holdings Limited

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2013 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

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 rights to fixed income Additional details relating to the capital structure of the Company are included in note 26

Details of employee share schemes are set out in notes 7, 34 and 37 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 that could lead to the Group being unable to settle commitments as they fall due during the twelve months from date of signing, therefore the financial statements have been prepared under the going concern basis

At 31 December 2013, the Group had net current assets of £28 0 million, cash of £61 6 million and generated cash inflows from operating activities of £19 2 million for the year ended 31 December 2013

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 workplace 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

Directors

The names of the Directors, who served during the year and up to date of signing are given on page 2

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

Charitable and political contributions

During the year several companies within the Group made charitable donations totalling £6,000 (2012 £3,905) As part of a marketing campaign, Just-Eat co uk Limited made political donations of £75,000 to the Don't Cook Party in 2012 No political donations were made in 2013

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

Capital reduction by solvency statement

On 12 March 2014 the Board resolved to undertake a capital reduction by solvency process, reducing the balance on its share premium account by £40 0 million, from £55 9 million to £15 9 million

Reappointment of auditor

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

By order of the Board,

David Buttress
Chief Executive

17 March 2014

Just-Eat Group Holdings Limited

Directors' Responsibility 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 IFRS 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 IFRS 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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions

David Buttress

David Buttress
Chief Executive

17 March 2014

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 2013 which comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, the Company Reconciliation of Movements on Shareholders' Funds and the related notes 1 to 45 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit 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 2013 and of the Group's profit for the year then ended,
- the Group financial statements have been properly prepared in accordance with IFRS 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

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

Opinion on other matter prescribed by the Companies Act 2006

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

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

Anna L Marks.

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

17 March 2014

Just-Eat Group Holdings Limited

Consolidated Income Statement
Year ended 31 December 2013

	Note	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Continuing operations			
Revenue	5	96,753	59,770
Cost of sales		(9,988)	(5,062)
Gross profit		86,765	54,708
Long term employee incentive costs	7	(1,731)	(1,624)
Exceptional items	8	(968)	(7,547)
Other administrative expenses		(77,286)	(54,679)
Total administrative expenses		(79,985)	(63,850)
Share of results of joint venture and associates	18,19	11	(521)
Operating profit/(loss)	6	6,791	(9,663)
Other gains	9	3,363	6,946
Finance income	12	172	206
Finance costs	12	(145)	(117)
Profit/(loss) before tax		10,181	(2,628)
Taxation	13	(3,410)	(1,877)
Profit/(loss) for the year		6,771	(4,505)
Attributable to			
Owners of the Company		6,976	(3,871)
Non-controlling interests	30	(205)	(634)
		6,771	(4,505)

Underlying EBITDA

Underlying EBITDA is the main measure of profitability used by the Group and is defined in the Strategic Report When compared to operating profit/(loss), Underlying EBITDA does not include depreciation and amortisation nor the depreciation and amortisation of joint venture and associates, long term employee incentive costs, exceptional items and foreign currency translation differences

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Operating profit/(loss)	**6,791**	**(9,663)**
Depreciation and amortisation - Subsidiaries	3,627	2,289
Depreciation and amortisation of joint venture and associates	421	361
Long term employee incentive costs (note 7)	1,731	1,624
Exceptional items (note 8)	968	7,547
Foreign currency translation differences	539	120
Underlying EBITDA	**14,077**	**2,278**

Just-Eat Group Holdings Limited

Consolidated Statement of Other Comprehensive Income
Year ended 31 December 2013

	Note	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Profit/(loss) for the year		6,771	(4,505)
Items that may be classified subsequently to profit or loss			
Exchange differences on translation of foreign operations	28	61	(311)
Exchange differences on translation of foreign operations reclassified to profit and loss	28	38	-
Fair value adjustment on available for sale financial asset	28	-	(233)
Exchange differences on available for sale financial asset	28	-	5
Reclassified to profit and loss on sale of available for sale financial asset	28	-	(3,450)
Tax relating to components of other comprehensive income	29	15	64
Other comprehensive income/(expense) for the year		114	(3,925)
Total comprehensive income/(expense)for the year		6,885	(8,430)
Attributable to			
Owners of the Company		7,068	(7,801)
Non-controlling interests	30	(183)	(629)
		6,885	(8,430)

Just-Eat Group Holdings Limited

Consolidated Balance Sheet
31 December 2013

	Note	31 December 2013 £'000	31 December 2012 £'000
Non-current assets			
Goodwill	14	10,245	6,957
Other intangible assets	15	3,424	3,342
Property, plant and equipment	16	5,481	5,013
Investment in joint venture	18	7,353	7,136
Investments in associates	19	396	31
Deferred tax assets	23	940	772
		27,839	23,251
Current assets			
Inventories	20	743	435
Trade and other receivables	21	3,872	4,492
Current tax assets		241	-
Cash and cash equivalents	36	61,620	50,026
		66,476	54,953
Total assets		94,315	78,204
Current liabilities			
Trade and other payables	22	(33,381)	(25,020)
Current tax liabilities		(1,093)	(1,564)
Deferred revenue	35	(3,982)	(2,442)
Provisions for liabilities	24	-	(718)
		(38,456)	(29,744)
Net current assets		28,020	25,209
Non-current liabilities			
Deferred tax liabilities	23	(442)	(703)
Deferred revenue	35	(1,212)	(1,287)
Provisions for liabilities	24	(101)	-
Other long-term liabilities	25	(498)	-
		(2,253)	(1,990)
Total liabilities		(40,709)	(31,734)
Net assets		53,606	46,470

Just-Eat Group Holdings Limited

Consolidated Balance Sheet (continued)
31 December 2013

	Note	31 December 2013 £'000	31 December 2012 £'000
Equity			
Share capital	26	2	92
Share premium account	27	55,862	55,674
Shares to be issued	26	-	56
Other reserves	28	1,320	1,477
Retained earnings	29	(3,937)	(10,476)
Equity attributable to owners of the Company		53,247	46,823
Non-controlling interests	30	359	(353)
Total equity		53,606	46,470

The financial statements of Just-Eat Group Holdings Limited, registered number 06947854 were approved by the Board of Directors on 17 March 2014

Signed on behalf of the Board of Directors

David Buttress

David Buttress
Chief Executive

17 March 2014

Just-Eat Group Holdings Limited

Consolidated Statement of Changes in Equity
Year ended 31 December 2013

	Share capital	Share premium account	Shares to be issued	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1 January 2012	91	19,408	-	5,414	(6,899)	18,014	157	18,171
Loss for the year	-	-	-	-	(3,871)	(3,871)	(634)	(4,505)
Other comprehensive income	-	-	-	(539)	-	(539)	-	(539)
Deferred tax charged to equity	-	-	-	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 exchange movements	-	-	-	(5)	-	(5)	5	-
Contingently issuable shares (note 26)	-	-	56	-	-	56	-	56
Sale of AFS asset	-	-	-	(3,450)	-	(3,450)	-	(3,450)
31 December 2012	92	55,674	56	1,477	(10,476)	46,823	(353)	46,470
Profit for the year	-	-	-	-	6,976	6,976	(205)	6,771
Other comprehensive income	-	-	-	61	-	61	-	61
Deferred tax charged to equity	-	-	-	-	15	15	-	15
Contingently issuable shares (note 26)	-	-	29	-	-	29	-	29
Issue of capital (net of costs)	-	98	(85)	-	-	13	-	13
Share based payment charge	-	-	-	-	1,731	1,731	-	1,731
Adjustments arising from changes in NCI	-	-	-	-	(2,183)	(2,183)	895	(1,288)
NCI foreign exchange movements	-	-	-	(22)	-	(22)	22	-
Reclassified to income statement	-	-	-	38	-	38	-	38
Treasury shares	-	-	-	(234)	-	(234)	-	(234)
Transfer to share premium	(90)	90	-	-	-	-	-	-
31 December 2013	2	55,862	-	1,320	(3,937)	53,247	359	53,606

Just-Eat Group Holdings Limited

Consolidated Cash Flow Statement
Year ended 31 December 2013

	Note	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Net cash from operating activities	32	19,213	10,103
Investing activities			
Interest received		172	223
Funding provided to associates		(193)	(543)
Net cash inflow upon sale of OnlinePizza Norden AB		-	6,397
Net cash outflow on acquisition of subsidiaries	31	(3,716)	(5,080)
Net cash outflow on acquisition of interest in joint venture		-	(332)
Purchases of property, plant and equipment	16	(3,283)	(3,805)
Purchases of intangible assets		(661)	-
Net cash used in investing activities		(7,681)	(3,140)
Financing activities			
Repayment of borrowings		-	(54)
Net proceeds arising on issue of shares	26,27	13	35,230
Repayment of bank overdrafts		-	(9)
Net cash from financing activities		13	35,167
Net increase in cash and cash equivalents		11,545	42,130
Cash and cash equivalents at beginning of year		50,026	7,858
Effect of changes in foreign exchange rates		49	38
Cash and cash equivalents at end of year		61,620	50,026

Notes to the consolidated financial statements
For the year ended 31 December 2013

1. General information

Just-Eat Group Holdings Limited (the "Company") and its subsidiaries (the "Group") operate the world's largest online marketplace for restaurant delivery Information on the Group's structure is provided in note 17 The Company is incorporated and domiciled in the United Kingdom

2 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretation Committee interpretations as endorsed by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, and therefore comply with Article 4 of the EU IAS Regulation and IFRS as issued by the International Accounting Standards Board

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which have been measured at fair value The principal accounting policies adopted are set out below These polices have been consistently applied to all years presented

3. Summary of significant accounting policies

a) Basis of consolidation

The consolidated financial statements of the Company incorporate the consolidated financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee Specifically, the Group controls an investee if and only if the Group has i) power over an investee, ii) exposure, or rights, to variable returns from its involvement with the investee, and iii) the ability to use its power over the investee to affect the amount of the investor's returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including i) the contractual arrangement with the other vote holders of the investee, ii) rights arising from other contractual arrangements, and iii) the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated income statement from the date the Group gains control until the date the Group ceases to control the subsidiary

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

3 Summary of significant accounting policies (continued)

a) Basis of consolidation (continued)

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, it derecognises the carrying amount of any non-controlling interests and the cumulative translation differences recorded in equity It further recognises the fair values of the consideration received and any investment retained, with any surplus or deficit being recognised in profit or loss

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

b) Going concern

The financial information has been prepared on the going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future At the date of approving the financial information, the Directors are not aware of any circumstances that could lead to the Group being unable to settle commitments as they fall due during the twelve months from date of signing these financial statements

At 31 December 2013, the Group had net current assets of £28 0 million, cash of £61 6 million and generated cash inflows from operating activities of £19 2 million for the year ended 31 December 2013 The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on pages 3 to 6 This also describes the Group's objectives, policies and processes for managing its exposure to credit risk and liquidity risk

c) New standards, interpretations and amendments adopted

The Group applied, for the first time, certain standards, amendments to existing standards and interpretations for the year ended 31 December 2013 The nature and the impact of these are outlined below

IFRS 10 *Consolidated Financial Statements* ("IFRS 10") and IAS 27 (2011) *Separate Financial Statements* ("IAS 27")

IFRS 10 establishes a single control model that applies to all entities including special purpose entities IFRS 10 replaces the parts of previously existing IAS 27 *Consolidated and Separate Financial Statements* that dealt with consolidated financial statements and Standard Interpretations Committee Interpretation ("SIC") 12 *Consolidation – Special Purpose Entities* IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee To meet the definition of control in IFRS 10, all three criteria must be met, including

i) an investor has power over an investee,
ii) the investor has exposure, or rights, to variable returns from its involvement with the investee, and
iii) the investor has the ability to use its power over the investee to affect the amount of the investor's returns

The adoption of IFRS 10 had no impact on the consolidation of investments held by the Group

3 Summary of significant accounting policies (continued)

c) New standards, interpretations and amendments adopted (continued)

IFRS 11 *Joint Arrangements* ("IFRS 11") and IAS 28 (2011) *Investment in Associates and Joint Ventures* ("IAS 28")

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities - Non-monetary Contributions by Venturers* The provisions of IFRS 11 include the removal of the option to account for jointly controlled entities using proportionate consolidation Instead, jointly controlled entities that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method

The adoption of IFRS 11 resulted in Eat ch GmbH ("Eat ch") being reclassified to an associate in accordance with IAS 28 as it did not satisfy the provisions of IFRS 11 to be classified as a joint arrangement This reclassification is applicable from its initial acquisition in March 2011 up to 31 December 2012 The reclassification did not have any effect on the reported financial performance and financial position of the Group for the years ended 31 December 2012 and 2011 as the Group previously accounted for its investment in Eat ch under the equity method of accounting in accordance with IAS 31 *Interests in Joint Ventures* In January 2013 the Group gained control of Eat ch, from which time it was fully consolidated

IFRS 12 *Disclosure of Interests in Other Entities* ("IFRS 12")

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities The requirements in IFRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiaries (i e where a subsidiary is controlled with less than a majority of voting rights) The Group does not have material non-controlling interests, and also has no unconsolidated structured entities IFRS 12 disclosures are provided in notes 17 and 30

IFRS 13 *Fair Value Measurement* ("IFRS 13")

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 *Financial Instruments Disclosures* The Group provides the IFRS 13 disclosures in note 36

IAS 1 *Presentation of Financial Statements* - Items of other comprehensive income (Amendment) ("IAS 1")

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income Items that could be reclassified (or recycled) to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified

The amendment affected presentation only and had no impact on the Group's financial position or performance

IAS 36 *Impairment of Assets - Recoverable amount disclosures for non-financial assets (Amendments)* ("IAS 36")

These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36 In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the period

Just-Eat Group Holdings Limited

Notes to the consolidated financial statements
For the year ended 31 December 2013

3 Summary of significant accounting policies (continued)

c) New standards, interpretations and amendments adopted (continued)

These amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided IFRS 13 is also applied The Group has early adopted these amendments to IAS 36 in the current period

The amendment affected presentation only and had no impact on the Group's financial position or performance as presented in these financial statements

Early adoption

The new standards IFRS 10, IFRS 11, IFRS 12, IAS 27 and IAS 28 are effective for financial periods beginning on or after 1 January 2013 These standards have been endorsed by the EU for financial periods beginning on or after 1 January 2014 with early adoption being permitted The Group has early adopted these standards and amendments Other new standards and amendments to standards also apply for the first time in 2013 However, they do not impact the financial statements of the Group and have therefore not been disclosed

The following new standards and amendments to existing standards are in issue, but have not been early adopted by the Group as they are still subject to EU endorsement

- Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 27 (2011) *Separate Financial Statements* on consolidation for investment entities (effective 1 January 2014), and
- IFRS 9 *Financial Instruments* (effective 1 January 2015)

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods

d) Business combinations and goodwill

Businesses combinations 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 For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets Acquisition-related costs are recognised in profit or loss as incurred and included within other administrative expenses

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 Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 *Financial Instruments Recognition and Measurement*, is measured at fair value with changes in fair value recognised either in profit or loss or as a change to Other Comprehensive Income ("OCI") If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below)

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* ("IFRS 3") are recognised at their fair value at the acquisition date, except for certain items which are measured in accordance with the relevant IFRSs

3 Summary of significant accounting policies (continued)

d) Business combinations and goodwill (continued)

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

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

e) Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries

The Group has investments in associates and jointly controlled entities and recognises its interests using the equity method

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment

3 Summary of significant accounting policies (continued)

e) Investments in Associates and Joint Ventures (continued)

The consolidated income statement reflects the Group's share of the results of operations of the associate or joint venture Any change in OCI of those investees is presented as part of the Group's OCI In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity

Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated income statement outside operating profit or loss and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss

Aggregate amounts of current and long-term assets and liabilities, income and expenses are disclosed in notes 18 and 19 Where applicable, the aggregate amount of capital commitments and contingent liabilities are also disclosed

f) Fair value measurement

The Group measures certain financial instruments, such as deferred contingent consideration, at fair value at each balance sheet date

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 The fair values of financial instruments measured at amortised cost are disclosed in note 36

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, and
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised at fair value in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period

The Group presents the valuation results to the audit committee and the Group's independent auditors This includes a discussion of the major assumptions used in the valuations

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

g) Revenue recognition

Revenue is derived from commission, JustConnect Terminal ("JCT") equipment fee, connection fees, payment card fees and top-placement fees

3. **Summary of significant accounting policies (continued)**

g) Revenue recognition (continued)

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's 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 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

The JCT connection fee revenue is payable on connection but deferred and recognised on a straight line basis over 12 months The connection fees are non-refundable

Revenue from payment card fees is recognised when the service is completed, in line with the revenue recognised on commissions This is the point at which an order is successfully processed and the Group has no remaining transactional obligations

Revenue from top-placement fees is recognised over the period in which the service is rendered

h) 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

i) 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

3. Summary of significant accounting policies (continued)

i) Foreign currencies (continued)

For the purpose of presenting consolidated financial statements, the monetary 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

j) Operating profit or loss

Operating profit or loss is stated after charging for long-term employee incentive provisions, exceptional items and foreign exchange gains and losses but before other gains and losses, finance income and finance costs

k) Exceptional items

Exceptional items are costs that, by virtue of their nature and incidence, have been disclosed separately in order to draw them to the attention of the reader of the financial statements

l) Retirement benefit costs

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

m) 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, 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

3. Summary of significant accounting policies (continued)

m) Taxation (continued)

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

n) **Intangible assets**

The Group has four classes of intangible asset patents, licences and intellectual property ("IP"), restaurant lists, brands and development costs

Patents, licences and IP

Patents, licences and IP are included at cost and amortised in equal annual instalments over their useful economic life, which is typically three to five 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 on a straight line basis This period of time is the period over which the acquired restaurant list is reasonably expected to confer economic benefits to the Group, which is usually between four and 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 on a straight line basis, which is usually between 15 months and four 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

Research and development

All ongoing research expenditure is expensed in the period in which it is incurred Where an application or product is technically feasible, production and sale are intended, a market exists, expenditure can be measured reliably, and sufficient resources are available to complete the project, development costs are capitalised and amortised on a straight-line basis over the estimated useful life of the respective product

3 Summary of significant accounting policies (continued)

o) Property, plant and equipment

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

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

p) Impairment of assets excluding goodwill

Under IFRS, the Group is required to review for impairment when indicators of impairment exist On these occasions, the Group reviews the carrying amounts of its 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

If the recoverable amount of an asset (or cash-generating unit, "CGU") is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) 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 CGU) 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 CGU) in prior years A reversal of an impairment loss is recognised immediately in profit or loss

q) 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

r) 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 historically has held AFS financial assets and 'loans and receivables'

3 Summary of significant accounting policies (continued)

r) Financial instruments (continued)

Available-for-sale financial assets

The Group had investments in unlisted shares that were not traded in an active market but were classified as AFS financial assets and stated at fair value (because the Directors considered that fair value could be reliably measured) Gains and losses arising from changes in fair value were recognised in other comprehensive income and accumulated in the AFS reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which were recognised in other comprehensive income Where the investment was disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the AFS reserve was 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

Impairment of financial assets

Financial assets, other than those held at 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 Evidence of impairment may include indications that a receivable or a group of receivables is experiencing significant financial difficulty, default or delinquency in payment, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows

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

3 Summary of significant accounting policies (continued)

r) Financial instruments (continued)

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

s) 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 34

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

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4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, 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

a) 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 15 months and ten years Significant judgement is required in determining the fair value and economic lives of acquired intangible assets

b) Share based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant 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

c) Impairment of assets

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use Determining whether an asset is impaired requires an estimation of the value-in-use of the cash-generating unit to which the asset has been allocated The value-in-use calculation is based on a discounted cash flow model The cash flows are derived from the budget for the next three years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 14

d) Revenue recognition

Revenue is partly derived from JCT equipment fees and connection fees charged to restaurants JCT 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 equipment fee is 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 Judgement is applied in determining the period over which the JCT equipment fee revenue is recognised

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

d) Revenue recognition (continued)

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

e) 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

5 Operating segments

The Group has three reportable segments United Kingdom, Denmark (core business), and Other Each segment includes businesses with similar operating and marketing characteristics Underlying 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 is defined as earnings before finance income and costs, taxation, depreciation and amortisation ("EBITDA") and additionally excludes the Group's share of depreciation and amortisation of joint ventures and associates, long term employee incentive costs, exceptional items, foreign exchange gains and losses and 'other gains and losses' (being profits or losses on the disposal of operations) At a segmental level, Underlying EBITDA also excludes intra-group franchise fee arrangements and incorporates an allocation of Group technology costs (both of which net out on a consolidated level)

Segment revenue	**Year ended 31 December 2013 £'000**	**Year Ended 31 December 2012 £'000**
United Kingdom	69,920	42,140
Less inter-segment sales	(1,105)	(1,034)
United Kingdom	68,815	41,106
Denmark	11,541	9,969
Other	16,257	8,695
Head Office	140	-
Total Revenue	96,753	59,770

Total 2013 revenues in Denmark (including the non-core Just Delivery business) were £13 3 million (2012 £11 2 million) The non-core element of Denmark has been included in the "Other" segment in the table above

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5 Operating segments (continued)

Segment Underlying EBITDA and result·	Year 31 December ended 2013 £'000	Year ended 31 December 2012 £'000
United Kingdom	25,519	13,722
Denmark	4,641	4,025
Other	(11,755)	(13,136)
Total segment Underlying EBITDA	18,405	4,611
Share of equity accounted joint ventures and associates (excluding depreciation and amortisation)	432	(160)
Head office costs	(4,760)	(2,173)
Underlying EBITDA	14,077	2,278
Long term employee incentive costs (note 7)	(1,731)	(1,624)
Exceptional items (note 8)	(968)	(7,547)
Foreign currency translation differences	(539)	(120)
EBITDA	10,839	(7,013)
Depreciation – Subsidiaries	(2,708)	(1,760)
Amortisation - Subsidiaries	(919)	(529)
Depreciation and amortisation - joint venture and associates	(421)	(361)
Operating profit/(loss)	6,791	(9,663)
Other gains	3,363	6,946
Finance income	172	206
Finance costs	(145)	(117)
Profit/(loss) before tax	10,181	(2,628)

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5 Operating segments (continued)

Segment assets and liabilities

	Assets as at 31 December		Liabilities as at 31 December	
	2013	**2012**	**2013**	**2012**
	£'000	**£'000**	**£'000**	**£'000**
United Kingdom	47,832	26,370	(26,136)	(17,275)
Denmark	10,277	13,128	(4,435)	(6,312)
Other	18,153	21,786	(16,977)	(20,702)
Total segment assets/(liabilities)	76,262	61,284	(47,548)	(44,289)
Head office	315,214	125,765	(134,837)	(68,988)
Joint venture	7,353	7,136	-	-
Associates	396	31	-	-
	399,225	194,216	(182,385)	(113,277)
Consolidation adjustments				
Elimination of intercompany debtors/creditors	(143,435)	(84,149)	143,412	84,149
Elimination of intercompany investments	(161,958)	(32,767)	-	-
Other consolidation adjustments	483	904	(1,736)	(2,606)
Total	94,315	78,204	(40,709)	(31,734)

Additions of property, plant & equipment and intangible assets, depreciation and amortisation	**Additions year ended 31 December**		**Depreciation and amortisation year ended 31 December**	
	2013	**2012**	**2013**	**2012**
	£'000	**£'000**	**£'000**	**£'000**
United Kingdom	1,772	2,941	1,372	1,069
Denmark	99	322	208	161
Other	5,181	11,956	1,390	787
	7,052	15,219	2,970	2,017
Head office	1,435	1,213	657	272
Total	8,487	16,432	3,627	2,289

6. Operating profit/(loss)

Profit/(loss) for the year has been arrived at after charging

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Depreciation of property, plant and equipment (note 16)	2,708	1,760
Amortisation of intangible assets (note 15)	919	529
Operating lease charges (note 33)	1,840	1,546
Foreign exchange losses	539	120
Staff costs (note 11)	36,094	26,367
Bad debt expense (note 21)	248	411
Exceptional items (note 8)	968	7,547
Loss on sale of property, plant and equipment	61	32

7. Long term employee incentive costs

The total expense recorded in relation to the long term employee incentives was £1 7 million (2012 £1 6 million) This charge includes £1 7 million (2012 £0 5 million) in relation to share based payments (see note 34) The 2012 charge also includes bonuses of £1 1 million, paid to certain members of the Group's senior management for their long term performance and the Group's achievement of certain longer term goals in 2012

8. Exceptional items

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Impairment charges (note 14)	307	7,320
IPO costs	1,413	-
Acquisition related expenses	88	227
Release of contingent consideration (note 24)	(840)	-
Total exceptional items	968	7,547

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9. Other gains

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Profit on sale of OnlinePizza Norden AB	-	4,274
Profit on deemed disposal of Just-Eat Benelux BV	-	2,672
Profit on deemed disposal of Achindra Online Marketing Private Limited (note 19)	281	-
Profit on deemed disposal of Eat ch GmbH (note 31)	3,082	-
Total other gains	3,363	6,946

In January 2012, the Group acquired the remaining 44% shareholding in Just-Eat Benelux BV A profit of £2 7 million was recognised on the deemed disposal of the Group's previous joint venture interest in Just-Eat Benelux BV On 23 March 2012, the Group realised its investment in OnlinePizza Norden AB through a sale of its interest to a third party for £6 7 million The net profit on disposal, after including £0 3 million of due diligence costs, was £4 3 million

10 Auditor's remuneration

During the year, the Group obtained the following services from its auditors

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Fees payable to Deloitte for the audit of the Company's financial statements	75	44
Fees payable to Deloitte and its associates for audit of the Company's subsidiaries	140	134
Total Deloitte audit fees	215	178
Non-audit services		
Taxation compliance services	24	56
Taxation advisory services	82	297
Audit-related assurance services	64	50
Transaction services	443	154
Other services	18	8
Total non-audit fees	631	565
Total Deloitte fees	846	743
Fees payable to other auditors for audit of the Company's subsidiaries	23	13

11. **Staff costs**

	2013 Number	2012 Number
Average number of full time equivalent persons employed during the year (including Executive Directors) was	886	712
	886	712

Their aggregate remuneration comprised	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Wages and salaries	30,847	23,736
Social security costs	2,668	1,880
Pension costs	390	271
Compensation for loss of office and redundancy costs	458	-
Share based payments charge (see note 34)	1,731	480
	36,094	26,367
Directors remuneration		
Wages and salaries	296	231
Pension costs	4	6
Benefits in kind	1	-
Compensation for loss of office	283	-
	584	237

The above is in respect of four Directors (2012 two)

Included within the above are the following amounts relating to the highest paid Director

Wages and salaries	170	218
Pension costs	-	6
	170	224

No Directors exercised share options during the year ended 31 December 2013 (2012 None)

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12. Finance income and finance costs

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Interest received on bank deposits	172	206
Finance income	172	206
Interest payable	8	40
Unwind of discount on deferred consideration	137	77
Finance costs	145	117

13 Taxation

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Current tax		
Current year	3,613	2,346
Adjustment for prior years	(148)	(318)
	3,465	2,028
Deferred tax (see note 23)		
Temporary timing differences	(137)	(612)
Adjustment for prior years	76	424
Rate change	6	37
	(55)	(151)
Total tax charge for the year	3,410	1,877

13 Taxation (continued)

Corporation tax is calculated at 23 25% (2012 24 5%) of the estimated taxable profit for the year The Budget 2012 introduced a reduction in the main rate of corporation tax from 25% to 23% with effect from 1 April 2013 As such, a blended rate has been used to calculate corporation tax charge for the year

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions

More information on the calculation of deferred tax is provided in note 23

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

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Profit/(loss) before tax	10,181	(2,628)
Tax at the UK corporation tax rate of 23 25% (2012 24 5%)	2,367	(644)
Expenses/ (income) not deductible/ (non-taxable)	(278)	969
Share based payments	371	(22)
Profit on sale of investment	(780)	(1,047)
Adjustment to prior periods	(72)	106
Effect of different tax rates of subsidiaries operating in other jurisdictions	136	129
Overseas taxes	897	268
Change in unrecognised deferred tax asset	898	2,056
Reduction in tax rate in UK	(90)	62
Research and development tax relief	(39)	-
Total tax charge for the year	3,410	1,877

A deferred tax asset has not been recognised in all tax jurisdictions in respect of temporary differences relating to tax losses and short term temporary differences where there is insufficient evidence that the asset will be recovered The amount of the asset not recognised is £7 6 million (2012 £6 1 million) The asset would be recognised if sufficient suitable taxable profits were made in the future See note 23 for further details

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Deferred tax assets not recognised.		
Accelerated capital allowances	17	35
Short term temporary differences	226	26
Unrelieved tax losses	6,016	5,403
Share based payments	1,226	523
Unrelieved tax losses in joint venture	209	126
Research and development	(68)	-
	7,626	6,113

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14. Goodwill

	Total £'000
Carrying amount as at 1 January 2012	4,587
Recognised on acquisition of subsidiaries	8,654
Foreign currency translation differences	(284)
Impairment charges	(6,000)
Carrying amount at 31 December 2012	6,957
Change in provisional acquisition accounting (note 31)	647
Recognised on acquisition of subsidiary (note 31)	3,063
Foreign currency translations differences	(115)
Impairment charges	(307)
Carrying amount at 31 December 2013	10,245

Accumulated impairment losses at 31 December 2013 were £6 4 million (2012 £6 0 million, 2011 £18,000)

Goodwill acquired in a business combination is allocated on 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	Goodwill allocated by CGU 2013 £'000	2012 £'000
Urbanbite Limited, EatStudent Ltd and FillMyBelly Limited	United Kingdom	Just-eat co uk and its subsidiaries	895	895
Just Eat dk ApS	Denmark	Just-eat dk	1,826	1,781
Justeat Brasil Servicos Online LTDA	Brazil	RestauranteWeb com br	707	1,188
Eat ch	Switzerland	Eat ch	3,078	-
SinDelantal Internet, S L	Spain	Just-eat es	2,708	2,023
Other (comprising several CGUs)			1,031	1,070
			10,245	6,957

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

14 Goodwill (continued)

The recoverable amounts of the CGUs are determined from value-in-use calculations The key assumptions used in the value-in-use calculations are the discount rate and the Underlying EBITDA growth rate (which is a function of expected changes in selling prices and costs, together with other factors) Management uses pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the particular CGU The Underlying EBITDA growth rates are based on past experience and mangements' future expectations Changes in selling prices and direct costs are based on recent results 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 approved by the Board, which are currently for three years Management expects that some markets will enjoy a period of sustained high growth continuing from the end of the current budgetary cycle to maturity (the medium term) During this period each CGU will continue to acquire new customers and increase order activity above and beyond the long term growth rate applicable to each market Management expects that all CGUs will reach maturity after a period in excess of five years and therefore considers it appropriate for the forecasts to extend beyond a five year period A suitable medium term growth rate, based on previous experience of growth rates has been applied individually to reflect each CGU's activity in this period After this a long term growth rate is applied

The rates used to discount the forecast cash flows were in the range of 7 8% to 14 8% for all geographies except Brazil which was 22 7% (2012 11 9% to 15 8%) The long term growth rates used in the forecast cash flows were in the range of 1 4% to 2 1% (2012 2 1% to 3 6%)

Year ended 31 December 2013

An impairment charge of £0 3 million has been charged to the income statement in respect of the Brazilian CGU As a result of the worsening economic environment in South America and the CGU's recent trading performance management now believes that the route to profitability of our Brazilian business is longer than previously expected This, combined with an increase in the discount rate, from 15 4% to 22 7%, has led to a downward revision of the recoverable amount of the Brazilian CGU

At the end of the financial year the fair value of goodwill was in excess of its book value for all other CGUs

Year ended 31 December 2012

	£'000
Just-Eat Benelux BV	
Goodwill	5,840
Restaurant list	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

14. Goodwill (continued)

Just-Eat Benelux BV

£7 2 million of the impairment charge, for the year ended 31 December 2012, 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 the business is significantly smaller than its competitor 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 9% was used in calculating the value-in-use

Achindra Online Marketing Private Limited ("justeat in")

The carrying value of the goodwill in respect of justeat in was £0 1 million The Directors determined that its recoverable amount was nil and as a result an impairment charge of £0 1 million was recorded in the income statement for the year ended 31 December 2012

Sensitivity analysis

The Group has conducted a sensitivity analysis on the impairment test for each CGU This included reducing the future cash flows and increasing discount rates With the exception of Brazil, as 31 December 2013, no reasonably expected change in the key assumptions used in the value-in-use calculations would give rise to an impairment charge Regarding Brazil, the impairment recognised in the 2013 financial statements represents the excess of the previous carrying value over the recoverable amount Accordingly, any changes in key assumptions which reduced the recoverable amount further would increase the impairment loss

The changes to the key assumptions used in the Brazilian value-in-use calculation, set out in the table below, would in isolation lead to an increase or (decrease) of the impairment loss as follows

	Sensitivity measured against	Increase in assumption	Decrease in assumption
		£ '000	£ '000
Pre-tax adjusted discount rate	± 2 pps	520	(307)
Long term growth rate	± 2 pps	(307)	268
Underlying EBITDA	± 10 pps	(307)	673

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15 Other intangible assets

	Patents, licences and IP £'000	Restaurant lists £'000	Brands £'000	Development costs £'000	Total £'000
Cost					
At 1 January 2012	272	1,313	-	-	1,585
Intangible assets recognised through acquisitions in the year	-	3,415	419	-	3,834
Exchange movements	(7)	15	12	-	20
At 31 December 2012	265	4,743	431	-	5,439
Change in provisional acquisition accounting (note 31)	-	(1,210)		-	(1,210)
Transfer from tangible assets	190	-		-	190
Intangible assets recognised through acquisitions in the year	-	658	274	-	932
Additions	661	-	-	478	1,140
Exchange movements	(10)	(70)	8	-	(73)
Deemed disposal of Achindra Online Marketing Private Limited	-	(24)	-	-	(24)
At 31 December 2013	1,106	4,097	713	478	6,394
Amortisation					
At 1 January 2012	169	82		-	251
Charge for the year	66	364	99	-	529
Impairments	-	1,320	-	-	1,320
Exchange movements	(4)	-	1	-	(3)
At 31 December 2012	231	1,766	100	-	2,097
Transfer from tangible assets	4	-	-	-	4
Charge for the year	140	369	410	-	919
Exchange movements	(13)	(26)	(4)	-	(43)
Disposals	-	(7)	-	-	(7)
At 31 December 2013	362	2,102	506	-	2,970
Carrying amount					
At 31 December 2013	**744**	**1,995**	**207**	**478**	**3,424**
At 31 December 2012	34	2,977	331	-	3,342

All intangible assets have finite lives The amortisation periods for patents, licences, IP and brands are between is fifteen months and four years The amortisation periods for restaurant lists are between four and ten years

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16 Property, plant and equipment

	Fixtures and fittings £'000	Equipment £'000	Leasehold improve-ments £'000	Total £'000
Cost				
At 1 January 2012	1,154	3,921	341	5,416
Additions	744	2,372	689	3,805
Acquisition of subsidiaries	20	84	35	139
Exchange differences	(1)	(21)	-	(22)
Disposals	(9)	(786)	-	(795)
At 31 December 2012	1,908	5,570	1,065	8,543
Transfer to intangibles	(190)	-	-	(190)
Additions	876	2,357	50	3,283
Acquisition of subsidiaries	7	60	-	67
Exchange differences	7	74	5	86
Disposals	(123)	(798)	(14)	(935)
At 31 December 2013	2,485	7,263	1,106	10,854
Accumulated depreciation				
At 1 January 2012	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
Transfer to intangibles	(4)	-	-	(4)
Charge for the year	707	1,707	294	2,708
Exchange differences	4	10	-	14
Disposals	(91)	(771)	(13)	(875)
At 31 December 2013	1,159	3,830	384	5,373
Carrying amount				
At 31 December 2013	**1,326**	**3,433**	**722**	**5,481**
At 31 December 2012	1,365	2,686	962	5,013

At 31 December 2013, the Group had entered into contractual commitments for the acquisition of property, plant and equipment amounting to £0 6 million (2012 £1 8 million)

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17 Subsidiaries

A list of the investments in subsidiaries, joint ventures and associated undertakings, including the name, country of incorporation, and proportion of voting rights held is given below

Representing	Incorporated In	Proportion of voting rights held 2013	Proportion of voting rights held 2012		Nature of business
Subsidiary undertakings					
Just Eat Holding Limited	UK	100%	100%		Holding and management company
Just Eat co uk Limited	UK	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	100%	82%	*	Online takeaway portal
Just-Eat Belgie BVBA	Belgium	100%	100%	*	Online takeaway portal
Just-Eat Spain SLU	Spain	100%	100%	*	Online takeaway portal
Justeat Brasil Servicos Online LTDA	Brazil	100%	100%	*	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
Just-Eat Benelux BV	Netherlands	100%	100%	*	Online takeaway portal
FillMyBelly Limited	UK	100%	100%	*	Online takeaway portal
Eat ch GmbH	Switzerland	64%	50%	*	Online takeaway portal
Power & Power Inc	Canada	100%	n/a	*	Holding company
Just-Eat lu S a r l	Luxembourg	100%	n/a	*	Financing company
Just-Eat Denmark Holding ApS	Denmark	100%	n/a	*	Holding company
EatStudent Limited	UK	100%	100%	*	Online takeaway portal
Joint ventures and associated undertakings					
FBA Invest SaS	France	50%	50%	*	Holding company
Eat On Line Sa	France	50%	50%	*	Online takeaway portal
Achindra Online Marketing Private Limited	India	50%**	84%	*	Online takeaway portal

* Indirect holding by Just-Eat Group Holdings Limited

** With the exception of Achindra Online Marketing Private Limited (in which the Group had a 59% ownership interest as at 31 December 2013) the proportion of voting rights held equated to the proportion of ownership interests held for all entities

17 Subsidiaries (continued)

Yummyweb Inc was dissolved on 31 December 2012

On 1 January 2013 SinDelantal Internet S L was merged into Just-Eat Spain S L

In January 2013, the Group bought out the minority interest in its Canadian business, Just Eat Canada Inc This was achieved via the purchase of Power & Power Inc , a Canadian holding company (note 30)

In January 2013, a Group company acquired, through the conversion of loans to equity, an additional 13% of the ordinary share capital of Eat ch and gained control of Eat ch (note 31) The Group's shareholding increased from 50% to 63% and subsequently to 64% following a further loan conversion

On 26 August 2013, the Group liquidated the non-trading entity Biteguide GmbH

The Group's shareholding Achindra Online Marketing Private Limited ("justeat in") had increased from 84% to 91% over the course of 2013 via a series of capital injections In November 2013, the Group relinquished control of justeat in, as a result of Axon Partners Group and Forum Synergies India making investments in justeat in This transaction reduced the Group's shareholding to 59% The Group's voting rights and economic interests decreased to 49 9% Justeat in is now accounted for as an investment in an associate under the equity method of accounting, in accordance with the provisions of IAS 28

Audit exemption statement

For the year ended 31 December 2013, FillMyBelly Limited, Urbanbite Holdings Limited and Urbanbite Limited were entitled to exemption from audit under section 479 of the Companies Act 2006 relating to subsidiary companies The members of these companies have not required them to obtain an audit of their financial statements for the year ended 31 December 2013

18. Investment in joint venture

Carrying value of joint ventures under equity accounting method	2013 £'000	2012 Restated £'000
Investment in joint venture as at 1 January	7,136	6,915
Just-Eat Benelux BV becoming a subsidiary	-	615
Increase in investment/capital contribution	-	4
Share of post-tax profits/(losses)	64	(226)
Foreign currency translation differences	153	(172)
Investment in joint venture at 31 December	7,353	7,136

£0 4 million (2012 £0 4 million) of depreciation and amortisation is included within the share of the post-tax losses of the joint ventures

The adoption of IFRS 11 resulted in Eat ch being reclassified from a joint venture to an associated undertaking (see note 19)

18. Investment in joint venture (continued)

FBA Invest SaS

On 23 December 2011 the Group acquired 50% of the share capital of FBA Invest SaS ("FBA"), which owns 100% of the share capital of Eat On Line Sa, 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, which contained two call options The Group has the first option to buy 30-50% more of the shareholding not already held, thus obtaining between 80-100% of FBA'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 20-50% of FBA from the Group, for a price determined by a fixed formula

The 50% held is considered to be jointly controlled with substantive economic interests held by the Group 50% of the result of this company has therefore been recognised using the equity accounting method

Summary consolidated financial information for FBA:	2013 £'000	2012 £'000
Revenue	6,511	3,979
Underlying EBITDA	543	20
Net interest expense	(24)	(53)
Profit/(loss) after tax and total comprehensive income	128	(452)
Cash and cash equivalents	2,330	1,861
Other current assets	155	324
Total current assets	2,485	2,185
Non-current assets	4,971	5,336
Total assets	7,456	7,521
Current liabilities	(3,635)	(3,728)
Non-current liabilities	(394)	(579)
Total liabilities	(4,029)	(4,307)
Net assets	3,427	3,214
50% interest in joint venture's net assets	1,714	1,607
Goodwill	5,639	5,529
Carrying value of interest in joint venture	7,353	7,136

19. Investments in associates

	2013	2012 Restated
Carrying value of associates under equity accounting method	£'000	£'000
Balance as at 1 January	31	332
Eat ch GmbH becoming a subsidiary	(31)	-
Achindra Online Marketing Private Limited becoming an associate	448	-
Share of post-tax losses	(53)	(295)
Foreign currency translation differences	1	(6)
Investments in associates at 31 December	396	31

Eat ch GmbH

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

The Group's investment in Eat ch for the period since its initial investment up to 31 December 2012 had been accounted for as an investment in a joint venture in accordance with the provisions of IAS 31 *Interests in Joint Ventures* During the year ended 31 December 2013, the Group adopted IFRS 11 *Joint Arrangements*, which contain provisions under which the Group's investment in Eat ch does not qualify as a joint arrangement The Group's investment has therefore been reassessed, and for the period since the initial investment up to 31 December 2012 is now accounted for as an investment in an associate under the equity method of accounting, in accordance with the provisions of IAS 28 (2011) *Investments in Associates and Joint Ventures* ("IAS 28")

This reclassification did not have any impact on the results or financial position of the Group for the years ended 31 December 2012 and 31 December 2011, due to equity accounting being applied under both classifications

In January 2013, a Group company acquired, through the conversion of a loan to equity, an additional 13% of the ordinary share capital of Eat ch, bringing the Group's holding in Eat ch to 63% (see note 31) The Group obtained control of Eat ch and as a result the acquisition has been accounted for as a business combination in accordance with IFRS 3 As control of Eat ch has been achieved in stages the provisions of IFRS 3 relating to step-acquisitions have been applied

19 Investments in associates (continued)

Summarised financial information in respect of Eat ch is set out below

	2012 £'000
Revenue	745
Underlying EBITDA	(550)
Loss after tax and total comprehensive income	(590)
Cash and cash equivalents	79
Other current assets	116
Total current assets	195
Non-current assets	303
Total assets	498
Borrowings	(543)
Other current liabilities	(223)
Total current liabilities and total liabilities	(766)
Net liabilities	(268)
50% interest in joint venture's net assets	(134)
Goodwill	165
Carrying value of interest in associate	31

Achindra Online Marketing Private Limited ("justeat in")

On 14 November 2013 the Group's stake in justeat in decreased from 91% to 59% following the investments made by two new investors The Group's voting rights and economic interests decreased to 49 9% Since this transaction justeat in has been accounted for as an associate in accordance with IAS 28

The change from subsidiary to associate had the following impacts on the Group financial statements

	£'000
Derecognition of net liabilities of subsidiary	61
Derecognition of cumulative translation losses recognised in equity	(35)
Recognition of fair value of retained investment in associate	448
Funding provided to justeat in	(193)
Gain recognised in income statement	281

19 Investments in associates (continued)

Summarised financial information in respect of justeat in from 14 November 2013 to 31 December 2013 is set out below

	2013 £'000
Revenue	-
Underlying EBITDA	(105)
Profit after tax and total comprehensive income	(107)
Cash and cash equivalents	795
Other current assets	7
Total current assets	802
Non-current assets	4
Total assets	806
Current liabilities and total liabilities	(15)
Net assets	791
50% interest in associated undertaking's net assets	396
Goodwill	-
Carrying value of interest in associated undertaking	396

20. Inventories

	2013 £'000	2012 £'000
Finished goods	743	435

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

21. Trade and other receivables

	2013 £'000	2012 £'000
Amount receivable for the provision of services	1,443	1,661
Allowance for doubtful debts	(430)	(401)
	1,013	1,260
Other debtors	197	1,409
Prepayments	2,414	1,280
Amounts due from joint venture and associates	248	543
	3,872	4,492

As at 31 December 2013, the amounts due from joint venture and associates related to services provided to justeat in and Eat On Line Sa, by third parties, but paid for by the Group At 31 December 2012, the amounts due from joint venture and associates comprised loans made to Eat ch These loans were converted into equity in January 2013 at which point Eat ch became a subsidiary of the Group

Trade receivables

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost The average age of the trade receivables as at 31 December 2013 was 67 days (2012 62 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

Movement in the allowance for doubtful debts·

	2013 £'000	2012 £'000
Balance at the beginning of the year	401	289
Impairment losses recognised	350	411
Amounts written off during the year	(219)	(299)
Amounts recovered during the year	(102)	-
Balance at the end of the year	430	401

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 At 31 December 2013 £0 3 million (2012 £0 3 million) of the allowance for doubtful debts was in respect receivables more than 120 days old

22 Trade and other payables

	2013 £'000	2012 £'000
Trade creditors	20,182	14,250
Other creditors and accruals	9,150	5,998
Other taxes and social security	4,049	2,205
Deferred consideration	-	2,567
	33,381	25,020

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 (2013 £16 0 million, 2012 £10 5 million) These amounts are settled on a fortnightly basis The average credit period taken for restaurants is 7 days (2012 8 days) For most suppliers no interest is charged on the trade payables for the first 30 days from the date of the invoice

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

The deferred consideration balances, as at 31 December 2012, related to the Group's 2012 acquisition of the shares it did not hold in Just-Eat Benelux BV (£2 2 million) and the Group's 2012 acquisition of FillMyBelly Limited (£0 4 million)

Just-Eat Group Holdings Limited

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23 Deferred taxation

Deferred taxation is provided for as follows

	Losses £'000	Share based payment £'000	Available for sale £'000	Short term temporary differences (assets) £'000	Short term temporary differences (liabilities) £'000	Acquired intangibles (assets) £'000	Acquired intangibles (liabilities) £'000	Total £'000
At 1 January 2012 (restated)	525	5	(1,174)	495	-	-	(185)	(334)
(Debit)/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 subsidiaries	-	-	-	-	-	-	(1,027)	(1,027)
At 31 December 2012	179	19	-	574	-	-	(703)	69
Reclassification	-	-	-	90	(90)	137	(137)	-
(Debit)/Credit to the income statement	(135)	80	-	(29)	42	(8)	187	137
Credit to equity	-	15	-	-	-	-	-	15
Foreign exchange	-	-	-	-	(3)	-	(1)	(4)
Rate change	-	(1)	-	(38)	11	-	22	(6)
Prior year adjustment	51	-	-	(244)	-	26	91	(76)
Amounts arising on acquisition of subsidiaries	224	-	-	-	-	-	139	363
As at 31 December 2013	319	113	-	353	(40)	155	(402)	498

	2013 £'000	2012 £'000
Analysed as		
Deferred tax liability	(442)	(703)
Deferred tax asset	940	772
Balance at the end of the year	498	69

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 were substantively enacted on 2 July 2013, and have therefore been reflected in these financial statements in accordance with IFRS A rate of 21% has been used in order to calculate deferred tax on the basis that it is expected that the majority of the deferred tax assets will unwind in the year ended 31 December 2014

24. Provisions for liabilities

	2013 £'000	2012 £'000
Balance at 1 January	718	1,130
Contingent consideration arising on acquisition of Power & Power Inc	99	-
Utilised	-	(485)
Increase as a result of unwinding discount	137	77
Foreign exchange movements	(13)	(4)
Released to the income statement	(840)	-
Balance at 31 December	101	718

This is split between current and non-current liabilities as follows

	2013 £'000	2012 £'000
Current	-	718
Non-current	101	-
	101	718

The provision of £0 1 million, as at 31 December 2013, relates to contingent consideration following for the Group's purchase of Power & Power Inc in January 2013 £0 1 million becomes payable in February 2017 if Just Eat Canada Inc meets certain performance targets in 2016 (see note 30)

The provision of £0 7 million, at the prior year end, related to contingent deferred consideration in respect of the Group's French joint venture The performance targets were not met and hence this provision was released to the income statement in 2013 (see note 8)

25. Other long-term liabilities

	2013 £'000	2012 £'000
Deferred consideration for Power & Power Inc	340	-
Long term creditors	158	-
	498	-

The deferred consideration in respect of the acquisition Power & Power Inc is payable in January 2016 (see note 30) The long term creditor is payable in 2015 and relates to the purchase of a software licence

26 Share capital

	Number of issued shares ('000)						
	Ordinary shares	B Ordinary shares	Preference A shares	Preference B shares	Preference C shares	Total	Total £'000
At 1 January 2012	8,300	881	4,973	1,809	-	15,963	92
Shares issued	55	-	-	-	2,311	2,366	-
Options exercised	-	89	-	-	-	89	-
B Ordinary conversion	-	(192)	-	-	192	-	-
JSOP shares issued	-	223	-	-	-	223	-
At 31 December 2012	8,355	1,001	4,973	1,809	2,503	18,641	92
Shares issued	6	-	-	-	-	6	-
Options exercised	-	18	-	-	-	18	-
JSOP shares issued	46	-	-	-	-	46	-
Transfer to share premium	-	-	-	-	-	-	(90)
At 31 December 2013	8,407	1,019	4,973	1,809	2,503	18,711	2

During the year ended 31 December 2013, the Company issued 51,952 Ordinary shares of £0 0001 each and 17,845 B Ordinary shares of £0 0001 each

As at 31 December 2013, the Company had in issue 8,407,052 Ordinary shares, 1,018,836 B Ordinary shares, 4,973,200 Preference A shares, 1,808,526 Preference B shares and 2,502,871 Preference C shares

45,500 Ordinary shares and 222,700 B Ordinary shares have been issued to Appleby Trust (Jersey) Limited under the Group's Joint Share Ownership Plan ("JSOP") arrangement These shares are partly paid and will remain so until such time as the Board makes a call on the outstanding amount, which would be the case before the shares are sold This is in line with standard practice for such JSOP arrangements With the exception of the shares issued to Appleby Trust (Jersey) Limited all share are fully paid

Ordinary shares

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

Holders of Ordinary shares are entitled to distributions of available profits together with the holders of Preference A shares, Preference B shares and Preference C shares, and, to the extent that the aggregate amount of distributions, both paid to date and for the current financial year, exceed £18 25 million, with the B Ordinary shareholders (*pari passu* as if the all the classes shares constituted one class of share) pro rata to their respective holdings of shares

B Ordinary shares

B Ordinary shares have a par value of £0 0001 each, and do not entitle the holders to receive notice, attend, speak or vote at any general meeting The B Ordinary shares are convertible into Ordinary shares on a one-for-one basis, upon the satisfaction of a range of criteria as set out in the Company's Articles Holders of B Ordinary shares are entitled to distributions of available profits together with the holders of Ordinary shares, Preference A shares, Preference B shares and Preference C shares (*pari passu* as if the all the classes shares constituted one class of share) pro rata to their respective holdings of shares, only after aggregate distributions of £18 25 million have been made to the holders of Ordinary shares, Preference A shares, Preference B shares and Preference C shares

26 Share capital (continued)

Preference A shares

Preference A shares have a par value of £0 0001 each, and entitle the holders to receive notice, attend, speak and vote at general meetings The Preference A shares are convertible at any time into Ordinary shares on a one-for-one basis, subject to the majority of Preference A shareholders serving notice to the Company

Holders of Preference A shares are entitled to distributions of available profits together with the holders of Ordinary shares, Preference B shares and Preference C shares, and, to the extent that the aggregate amount of distributions, both paid to date and for the current financial year, exceed £18 25 million, with the B Ordinary shareholders (*pari passu* as if the all the classes shares constituted one class of share) pro rata to their respective holdings of shares

Preference B shares

Preference B shares have a par value of £0 0001 each, and entitle the holders to receive notice, attend, speak and vote at general meetings The Preference B shares are convertible at any time into Ordinary shares on a one-for-one basis, subject to the majority of Preference B shareholders serving notice to the Company

Holders of Preference B shares are entitled to distributions of available profits together with the holders of Ordinary shares, Preference A shares and Preference C shares, and, to the extent that the aggregate amount of distributions, both paid to date and for the current financial year, exceed £18 25 million, with the B Ordinary shareholders (*pari passu* as if the all the classes shares constituted one class of share) pro rata to their respective holdings of shares

Preference C shares

Preference C shares have a par value of £0 0001 each, and entitle the holders to receive notice, attend, speak and vote at general meetings The Preference C shares are convertible at any time into Ordinary shares on a one-for-one basis, subject to the majority of Preference C shareholders serving notice to the Company

Holders of Preference C shares are entitled to distributions of available profits together with the holders of Preference A shares, Preference B shares and Preference C shares, and, to the extent that the aggregate amount of distributions, both paid to date and for the current financial year, exceed £18 25 million, with the B Ordinary shareholders (*pari passu* as if the all the classes shares constituted one class of share) pro rata to their respective holdings of shares

Shares to be issued

Shares to the value of €100,000 (£85,000) were issued to the previous shareholders of SinDelantal Internet SL in February 2013 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 shares to be issued, of £56,000, as at 31 December 2012 reflect the proportion of the services completed at that date with the related charge of the same amount being included in acquisition costs in the consolidated income statement

Just-Eat Group Holdings Limited

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27 Share premium account

	Share premium £'000
At 1 January 2012	19,408
Premium arising from issue of Ordinary shares	17
Premium arising from issue of Ordinary shares – Just-Eat Benelux BV acquisition	779
Premium arising from issue of Preference C shares	36,194
Premium arising from issue of B Ordinary shares	321
Share issue costs	(1,045)
At 31 December 2012	55,674
Premium arising from issue of Ordinary shares	85
Premium arising from issue of B Ordinary shares	13
Transfer from share capital	90
At 31 December 2013	55,862

28. Other reserves

	Available for sale reserve £'000	Translation reserve £'000	Merger reserve £'000	Treasury shares reserve £'000	Total £'000
At 1 January 2012	3,523	(30)	1,921	-	5,414
Currency translation differences - Group	-	(141)	-	-	(141)
Currency translation differences - Joint venture	-	(170)	-	-	(170)
Effects of foreign exchange attributable to non-controlling interests		(5)	-	-	(5)
Exchange differences arising on AFS investment	-	5	-	-	5
Fair value adjustment of AFS investment	(233)	-	-	-	(233)
Deferred tax liability on AFS investment	57	-	-	-	57
Sale of AFS investment	(3,347)	(103)	-	-	(3,450)
At 31 December 2012	-	(444)	1,921	-	1,477
Currency translation differences - Group	-	(93)	-	-	(93)
Currency translation differences - Joint venture and associates	-	154	-	-	154
Treasury shares	-	-	-	(234)	(234)
Effects of foreign exchange attributable to non-controlling interest	-	(22)	-	-	(22)
Reclassified to income statement		38	-	-	38
At 31 December 2013	-	(367)	1,921	(234)	1,320

28 Other reserves (continued)

Translation reserve

Exchange differences relating to the translation of the net assets, income and expenses of the Group's foreign operations, 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 This investment was sold in 2012 (see note 9)

Merger reserve

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 The balance of this account has not changed and remains at £1 9 million as at 31 December 2013

Treasury shares reserve

This reserve arose when the Group issued equity share capital under its JSOP, which is held in trust by the trustee of the Group's employee benefit trust ("EBT") See note 34 for more information on the six tranches of the JSOP that have yet to be allocated

29. Retained earnings

	£'000
At 1 January 2012	(6,899)
Loss attributable to the Group	(3,871)
Adjustments arising from changes in NCI	(176)
Credit to equity for share based payment charge	480
Share options exercised in the period	(17)
Tax adjustment to share based payment reserve	7
At 31 December 2012	(10,476)
Profit attributable to the Group	6,976
Credit to equity for share based payment charge	1,731
Tax adjustment to share based payment reserve	15
Adjustments arising from changes in NCI	
- Buy-out of minority shareholdings in Just Eat Canada Inc (note 30)	(2,107)
- Eat ch	(5)
- justeat in	(71)
At 31 December 2013	(3,937)

The tax adjustment to share based payment reserve arises because under IAS 12 *Income Taxes*, the deferred tax asset arising on the share based payments, in excess of the cumulative share based payments charge, is recognised in equity rather than being taken directly to the income statement

30 Non-controlling interest

	£'000
At 1 January 2012	157
Share of loss for the year	(634)
Adjustment to NCI on increase in the Group's 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
At 31 December 2012	(353)
Share of loss for the year	(205)
Adjustment to NCI on increase in the Group's ownership interest in Achindra Online Marketing Private Limited	36
Adjustment to NCI on Eat ch becoming a subsidiary	355
Adjustment to NCI on increase in the Group's ownership interest in Eat ch	107
Buyout of Just Eat Canada Inc minority shareholdings	397
Effects of foreign exchange attributable to NCI	22
At 31 December 2013	359

justeat in

The Group's shareholding in justeat in had increased from 84% to 91% over the course of 2013 via a series of capital injections In November 2013, the Group relinquished control of justeat in, following investment injections from Axon Partners Group and Forum Synergies India This transaction reduced the Group's shareholding to 59% The Group's voting rights and economic interests decreased to 49 9% As a result, justeat in is now accounted for as an investment in an associate under the equity method of accounting, in accordance with the provision of IAS 28

Just Eat Canada Inc

On 16 January 2013, the Group acquired 100% of the share capital of Power & Power Investments Inc ("P&P") The reason for this acquisition was to acquire the 18% minority shareholding in Just Eat Canada Inc which was held by P&P The acquisition took the Group's holding in Just Eat Canada Inc to 100% The consideration payable for the transaction comprised

	£'000
Cash	1,247
Deferred consideration	334
Deferred contingent consideration	99
Total fair value of consideration	1,680

30. Non-controlling interest (continued)

The net cash outflow arising on acquisition comprised

Cash consideration	1,247
Cash	(20)
	1,227

Deferred consideration of C$0 75 million (with a fair value of £0 3 million, calculated on a discounted cash flow basis) is payable in January 2016 Further contingent consideration of C$0 25 million (with a fair value of £0 1 million, calculated on a discounted cash flow basis) is payable in February 2017, if certain performance criteria are met It is management's view that the performance criteria will be met, and as a result a provision of £0 1 million, for the full consideration (on a discounted basis), is included in the balance sheet as at 31 December 2013 If the performance criteria are not met then none of the contingent consideration of C$0 25 million will become payable

In accordance with IFRS 10 'Consolidated Financial Statements', the difference of £2 1 million between the amount by which the non-controlling interests were adjusted and the fair value of the consideration paid has been debited to equity together with the acquisition cost incurred of £15k

Power & Power Investments Inc contributed no revenue and a loss after tax of £393 in the period between the date of acquisition and 31 December 2013

The following table sets out the summary financial information in respect of Just Eat Canada Inc as at and for the year ending 31 December 2012

	£'000
Revenue	1,898
Underlying EBITDA	(2,257)
Loss after tax and total comprehensive income	(2,773)
Cash	420
Other current assets	718
Total current assets	1,138
Non-current assets	1,476
Total assets	2,614
Current liabilities	(4,550)
Non-current liabilities	(81)
Total liabilities	(4,631)
Net liabilities	(2,017)
Non-controlling interest	(366)

Summary financial information is not provided in respect of justeat in and Eat ch as their non-controlling interests are not material to the Group

31. Business combinations

Eat ch, Switzerland

In January 2013, a Group company acquired, through the conversion of loans to equity, an additional 13% of the ordinary share capital of Eat ch, bringing the Group's holding to 63% The Group obtained control of Eat ch and as a result the acquisition has been accounted for as a business combination in accordance with IFRS 3 As control of Eat ch has been achieved in stages the provisions of IFRS 3 relating to step-acquisitions have been applied

A gain of £3 1 million has been recognised in other gains in the income statement, being the deemed disposal and re-acquisition of the Group's previously held interest at fair value

	£'000
Fair values of net assets acquired	
Property, plant and equipment	67
Trade and other receivables	116
Cash	79
Trade and other payables	(223)
Intangible assets – Restaurant list	658
Intangible assets – Brand	274
Deferred tax asset	224
Recognition of deferred tax on intangible assets	(224)
	971
Goodwill	3,063
Total consideration	4,034
Satisfied by	
Fair value of previously held interest	3,137
Conversion of loan	542
Non-controlling interest	355
	4,034
Net cash outflow arising on acquisition	
Cash	(79)
Contribution since control obtained and since the start of the year	
- Revenue	1,672
- Operating loss	(322)

The goodwill arising on the step acquisition of Eat ch 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 The goodwill is not deductible for tax purposes

31 Businesses combinations (continued)

Eat.ch, Switzerland (continued)

The fair values of the previously held interest and the non-controlling interest were based on management's valuation of the acquired business The valuation was determined using a discounted cash flow methodology, the key inputs for which were the expected future cash flows of the business and the post-tax discount rate, of 11 9% The latter was determined by reference to the Group's weighted average cost of capital, as adjusted for specific risks pertinent to the business The expected future cash flows were based on Eat ch's budget for 2013, its forecast results for the years 2014 to 2017 (based on extrapolations of the 2013 budget) and a 2% growth in cash flows thereafter

2012 acquisition of SinDelantal Internet S L. ("SinDelantal")

In October 2012, a Group company acquired 100% of the share capital of SinDelantal Internet S L, an established business operating throughout Spain At the time of issuing the Group's 2012 financial statements the accounting for this acquisition was provisional The acquisition accounting has now been finalised and is detailed below

	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	(444)
Intangible asset – Restaurant list	27
Intangible asset – Brand	320
Recognition of deferred tax on acquired intangibles	(104)
	6
Goodwill	2,558
Total consideration	2,564
Satisfied by	
Cash	2,564
Net cash outflow arising on acquisition	
Cash	2,564
Cash and cash equivalents acquired	(31)
	2,533

The goodwill arising on the acquisition of SinDelantal 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 As a result of finalising the acquisition accounting the provisional fair values of trade and other payables decreased by £0 2 million to £0 4 million, the restaurant list intangible asset decreased in value by £1 2 million to £27,000 and the deferred tax liability decreased by £0 4 million to £0 1 million As a result of these charges goodwill increased by £0 6 million to £2 6 million

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31. Businesses combinations (continued)

Net cash outflow on acquisition of subsidiaries

The net cash outflow on acquisition of subsidiaries for the year ended 31 December 2013, of £3 7 million, principally related to the buy-out of the Just Eat Canada Inc minority shareholders (£1 3 million) and deferred consideration payments in respect of the Group's 2012 acquisition of the shares it did not hold in Just-Eat Benelux BV (£2 2 million) The net cash outflow on acquisition of subsidiaries for the year ended 31 December 2012, of £5 1 million, principally related to payments in respect of the acquisitions of SinDelantal Internet S L (£2 5 million) and FillMyBelly Limited (£1 0 million) and the buy-out of the Just Eat Canada Inc minority shareholders (£0 9 million)

32. Net cash inflow from operating activities

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
Operating profit/(loss) for the year	6,791	(9,663)
Adjustments for		
Share of (profit)/loss of joint ventures	(11)	521
Depreciation of property, plant and equipment	2,708	1,760
Amortisation of intangible assets	919	529
Share-based payment expense	1,731	480
Loss on disposal of property, plant and equipment	61	32
Impairment charge	307	7,320
Release of contingent consideration	(840)	-
Other non-cash items	166	-
Operating cash flows before movements in working capital	11,832	979
Increase in inventories	(307)	(393)
Increase in receivables	(198)	(1,200)
Increase in payables	10,617	10,059
Increase in deferred income	1,471	1,262
Cash generated by operations	23,415	10,707
Income taxes paid	(4,194)	(564)
Interest paid	(8)	(40)
Net cash inflow from operating activities	19,213	10,103

33. Operating lease arrangements

The group as lessee

	Year ended 31 December 2013 £'000	2012 £'000
Minimum lease payments under operating leases recognised as an expense in the year	1,840	1,546

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

	2013 £'000 Property	2013 £'000 Plant and Equipment	2012 £'000 Property	2012 £'000 Plant and Equipment
Within one year	1,967	508	1,301	422
In the second to fifth years inclusive	2,728	596	2,940	433
	4,695	1,104	4,241	855

34. Share based payments

The Group operates a number of equity-settled, share based compensation plans In accordance with IFRS 2, the value of the awards are measured at fair value at the date of the grant The fair value is expensed on a straight line basis over the vesting period, based on the management's estimate of the number of 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

In total, the Group recognised an expense of £1 7 million related to equity-settled share-based payment transactions in 2013 (2012 £0 5 million)

The Company operates the Just-Eat Group Holdings Limited Enterprise Management Incentive Scheme ("EMI Scheme") and the Just-Eat Group Holdings Limited Company Share Option Plan ("CSOP") for employees of the Group

EMI Scheme

Under the terms of the EMI Scheme, the Board granted options to certain employees of the Group to purchase shares in the Company Options are no longer being granted under this scheme

CSOP

Under the terms of the CSOP, the Board may grant options to purchase Ordinary shares in the Company The CSOP is an equity-settled share option scheme approved by Her Majesty's Revenue & Customs ("HMRC") and was established in 2011

Under the CSOP, the Board may grant options over shares in the Company to eligible employees The eligible employees to whom options are granted and the terms of such options are determined by the Board All employees are eligible to participate in the CSOP, including employees of the Company's subsidiaries, but not all grants are approved by HMRC Options are not transferable

34. Share based payments (continued)

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

EMI Scheme and CSOP

Options are exercisable at a price equal to the estimated fair value of the Company's shares on the date of grant Options vest in stages over a three year period commencing on a specified date established on grant Options are forfeited if an employee leaves the Group before the options vest and expire if they remain unexercised 10 years after the date of grant Details of the share options outstanding, under the EMI Scheme and CSOP, during the year are as follows

	2013 Number of share options ('000)	2013 Weighted average exercise price (in £)	2012 Number of share options ('000)	2012 Weighted average exercise price (in £)
Outstanding at 1 January	451	3 88	430	1 71
Granted during the year	122	9 19	128	7 01
Forfeited during the year	(31)	5 99	(17)	5 29
Exercised during the year	(18)	0 74	(90)	2 43
Outstanding at 31 December	524	4 90	451	3 88
Exercisable at 31 December	189	0 98	129	1 79

The weighted average exercise price of share options exercised during the year was £0 74 (2012 £2 43) The options outstanding at 31 December 2013 had a weighted average exercise price of £4 90 (2012 £3 88) and a weighted average remaining contractual life of 8 6 years (2012 9 6 years)

Joint Share Ownership Plan ("JSOP")

The JSOP is an Executive share ownership scheme under which the employee and Appleby Trust (Jersey) Limited, the EBT Trustee, held at the balance sheet date, a joint interest in 45,500 Ordinary shares (2012 Nil) and 222,700 (2012 222,700) B Ordinary shares Shares in respect of tranche 8 – tranche 13 had not yet been allotted at 31 December 2013

Interests under the JSOP take the form of a restricted interests in Ordinary shares and 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 Ordinary shares or 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, under which the participant and the EBT Trustee jointly acquire the shares and agree that when the shares are sold the participant has a right to receive the proportion of the sale proceeds that exceed the threshold amount

34. Share based payments (continued)

Joint Share Ownership Plan ("JSOP") (continued)

The vesting of interests granted to employees is subject to the option holder continuing to be employed by the Group Interests vest in stages over a three year period commencing on a specified date established on grant

The fair value of 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 start date	Threshold (£)
Tranche 1	46,000	01/04/2012	1 25
Tranche 2	85,000	01/07/2012	4 50
Tranche 3	31,700	01/10/2012	3 25
Tranche 4	60,000	01/01/2013	3 25
Tranche 5	22,000	01/07/2014	9 19
Tranche 6	3,500	01/04/2014	9 19
Tranche 7	20,000	01/05/2014	9 19
Tranche 8	68,125	01/01/2014	15 57
Tranche 9	98,300	01/07/2014	15 57
Tranche 10	34,062	01/01/2015	17 91
Tranche 11	81,775	01/07/2015	17 91
Tranche 12	34,063	01/01/2016	20 59
Tranche 13	81,775	01/07/2016	20 59
	666,300		

Assumptions

In determining the fair value of the options and interests granted under the EMI Scheme, CSOP and JSOP, the Black-Scholes Option Pricing Model was used with the following inputs

	Year ended 31 December 2013 £	2012 £
Weighted average share price	2460p	1125p
Weighted average exercise price	919p	701p
Expected volatility	39 67%	17 2%
Expected life	36-48 months	36-68 months
Risk-free rate	0 38% - 1 69%	1 58%
Expected dividend yields	0 0%	0 0%

Expected volatility was determined by comparing the Company to others of a similar size or operating in a similar field The expected life used in the model was management's best estimate, adjusted for the effects for non-transferability, exercise restrictions and behavioural considerations All such share awards are equity-settled

35 Deferred revenue

	As at 31 December 2013 £'000	2012 £'000
Current deferred revenue	3,982	2,442
Non-current deferred revenue	1,212	1,287
Total deferred revenue	5,194	3,729

JCTs used by restaurants are paid for upfront This revenue is deferred over 36 months A connection fee is also charged when restaurants join the network This revenue is recognised over a 12 month period

36. 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 and cash and cash equivalents These types are all classified as other financial assets in the table below Financial liabilities comprise trade and other payables, other long-term liabilities and provisions for liabilities 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 The capital structure of the Group consists of 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 to 29

The Group is not subject to any externally imposed capital requirements

Financial risk management objectives

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

36 Financial instruments (continued)

Categories of financial instruments

	As at 31 December	
	2013	2012
	£'000	£'000
Financial assets		
Other financial assets		
Cash and cash equivalents	61,620	50,026
Trade and other receivables	3,872	4,492
Total financial assets	65,492	54,518
Other financial liabilities		
Trade and other payables	33,381	25,020
Other long-term liabilities	498	-
Provisions for liabilities	101	718
Total financial liabilities	33,980	25,738

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 equal to their fair value

Market risk

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

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 as at 31 December		Liabilities as at 31 December	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Euros	2,633	1,674	3,587	1,995
Canadian Dollars	881	707	1,376	936
Danish Kroner	5,429	6,050	3,947	2,864
Norwegian Kroner	276	337	317	221
Indian Rupees	-	124	-	68
Swiss Francs	204	-	279	-
Brazilian Reals	361	254	532	449

36 Financial instruments (continued)

Foreign currency sensitivity analysis

The Group is primarily exposed to the Euro, Danish Krone, Canadian Dollar and Brazilian Real

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

Impact on other comprehensive income/(loss)

	Appreciation in Pound Sterling		Depreciation in Pound Sterling	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Euros	87	29	(106)	(36)
Canadian Dollars	45	21	(55)	(25)
Danish Kroner	(135)	(290)	165	354
Norwegian Kroner	4	(11)	(5)	13
Swiss Francs	7	-	(8)	-
Brazilian Reals	16	18	(19)	(22)

The Group's sensitivity to fluctuations in foreign currencies 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 sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the balance sheet date For assets and floating rate liabilities, the analysis is prepared assuming the amount of asset/liability outstanding at the balance sheet date was outstanding for the whole year A 10% increase or decrease in 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

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 2013 would increase/decrease by £16,000 (2012 £20,000), 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 major counterparties are continuously monitored

36 Financial instruments (continued)

Credit risk management (continued)

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 are stated 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, 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

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

	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 2013						
Non-interest bearing	-	33,381	158	441	-	33,980
		33,381	158	441	-	33,980
31 December 2012						
Non-interest bearing	-	25,020	718	-	-	25,738
		25,020	718	-	-	25,738

Notes to the consolidated financial statements
For the year ended 31 December 2013

36. Financial instruments (continued)

Liquidity and interest risk tables (continued)

The following table details the Group's expected maturity for its financial assets and have been drawn up based on the undiscounted contractual maturities of the financial assets, including interest that will be earned on those assets

	Weighted average effective interest rate %	Less than 1 month £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	5+ years £'000	Total £'000
31 December 2013							
Non-interest bearing	-	31,438	-	-	-	-	31,438
Fixed interest rate instruments	0 42	29,054	5,000	-	-	-	34,054
		60,492	5,000	-	-	-	65,492
31 December 2012							
Non-interest bearing	-	24,472	-	-	-	-	24,472
Fixed interest rate instruments	0 80	25,044	5,002	-	-	-	30,046
		49,516	5,002	-	-	-	54,518

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 obligations from operating cash flows and proceeds of maturing financial assets

37. Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year together with amounts owed by and to related parties at the balance sheet date

		Year ended 31 December		As at 31 December	
		Sales to related parties £'000	Purchases from related parties £'000	Amounts owed by related parties* £'000	Amounts owed to related parties* £'000
Associates					
Achindra Online Marketing Private Limited	2013	-	-	72	-
	2012	N/a	N/a	N/a	N/a
Eat ch Gmbh	2013	N/a	N/a	N/a	N/a
	2012	-	-	543	-
Joint venture					
FBA Invest SAS	2013	-	-	176	-
	2012	-	-	13	-

**The amounts are classified as trade receivables and trade payables respectively*

Compensation of key management personnel of the Group

	Year Ended 31 December 2013 £'000	Year Ended 31 December 2012 £'000
Short-term employee benefits	1,628	2,411
Post-employment pension	64	50
Termination benefits	371	-
Share based compensation	956	299
Total compensation of key management personnel	3,019	2,760

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel The amounts in respect of share based compensation are the IFRS 2 charges Key management personnel are members of the Board and members of the Group's Executive Team

37. Related party transactions (continued)

Key management personnel's interests in the JSOP and EMI

Share options held by key management personnel under the JSOP and EMI have the following expiry dates and exercise prices

Issue date	Number	Vesting start date	Threshold /exercise price £
2011	46,000	1 April 2012	1 25
2011	85,000	1 July 2012	4 50
2011	31,700	1 October 2012	3 25
2011	60,000	1 January 2013	3 25
2011	25,100	1 January 2013	1 25
2013	136,250	1 January 2014	15 57 – 20 59
2013	261,850	1 July 2014	15 57 – 20 59

Refer to note 34 for further details about the JSOP and EMI

38 Events after the balance sheet date

On 27 February 2014 the Group acquired Birmingham based Meal2Go for consideration totalling £3 7 million Meal2Go's market leading EPOS technology, specifically designed for the restaurant industry, will further enhance the service JUST EAT provides to its UK takeaway restaurant partners Given the timing of the acquisition, management has not yet been able to determine the fair values of the acquired assets and liabilities

On 17 March 2014 the Company announced its intention to proceed with an initial public offering (the "Offer") The Company intends to apply for admission of its ordinary shares to trading on the Main Market for listed securities of the London Stock Exchange plc The Shares will either be admitted to the premium listing segment of the Official List of the UK Financial Conduct Authority or the high growth segment of the Main Market It is expected that the Offer will complete by the end of April 2014

Pursuant to the intention to float, it is the Company's intention to reorganise its share capital into one class of ordinary shares by way of a bonus issue of 2,699 shares for every one share held followed by a 100 to 1 share consolidation

Just-Eat Group Holdings Limited

Company Balance Sheet - Under UK GAAP
As at 31 December 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Investments	40	3,905	2,616
		3,905	2,616
Current assets			
Amounts due from subsidiary companies	41	55,636	55,466
Trade and other receivables	41	234	235
		55,870	55,701
Accruals	41	(1,005)	-
Net current assets		54,865	55,701
Total assets		59,775	58,317
Net assets		58,770	58,317
Capital and reserves			
Called-up share capital	42	2	92
Share premium account	43	55,862	55,674
Retained earnings	44	2,906	2,551
Shareholders' funds		58,770	58,317

The financial statements of Just-Eat Group Holdings Limited (registration number 06947854) were approved by the Board of Directors and authorised for issue on 17 March 2014 They were signed on its behalf by

David Buttress.

David Buttress
Chief Executive

17 March 2014

Just-Eat Group Holdings Limited

Company reconciliation of movements in shareholders' funds
Year ended 31 December 2013

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2012	91	19,408	(1,104)	18,395
Profit 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
Loss for year	-	-	(1,376)	(1,376)
Transfer from share capital to share premium	(90)	90	-	-
Shares issued	-	98	-	98
Credit to equity for equity settled share based payments	-	-	1,731	1,731
Balance at 31 December 2013	2	55,862	2,906	58,770

39. 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 3b) 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*

40 Investments

	2013 £'000	2012 £'000
Cost at 1 January	2,616	89
Additions	1,289	2,527
Cost at 31 December	3,905	2,616

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

Representing	Incorporated in	Proportion of voting rights held 2013	Proportion of voting rights held 2012		Nature of business
Subsidiary undertakings					
Just Eat Holding Limited	UK	100%	100%		Holding and management company
Just Eat co uk Ltd	UK	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	100%	82%	*	Online takeaway portal
Just-Eat Belgie BVBA	Belgium	100%	100%	*	Online takeaway portal
Just-Eat Spain SLU	Spain	100%	100%	*	Online takeaway portal
Justeat Brasil Servicos Online LTDA	Brazil	100%	100%	*	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
Just-Eat Benelux BV	Netherlands	100%	100%	*	Online takeaway portal
FillMyBelly Limited	UK	100%	100%	*	Online takeaway portal
Eat ch GmbH	Switzerland	64%	50%	*	Online takeaway portal
Power & Power Inc	Canada	100%	n/a	*	Holding company
Just-Eat lu S a r l	Luxembourg	100%	n/a	*	Financing company
Just-Eat Denmark Holding ApS	Denmark	100%	n/a	*	Holding company
EatStudent Limited	UK	100%	100%	*	Online takeaway portal
Joint ventures and Associated undertakings					
FBA Invest SaS	France	50%	50%	*	Holding company
Eat On Line Sa	France	50%	50%	*	Online takeaway portal
Achindra Online Marketing Private Limited**	India	50%	84%	*	Online takeaway portal

* Indirect holding by Just-Eat Group Holdings Limited

** With the exception of Achindra Online Marketing Private Limited (in which the Group had a 59% ownership interest as at 31 December 2013) the proportion of voting rights held equated to the proportion of ownership interests held for all entities

40 Investments (continued)

Yummyweb Inc was dissolved on 31 December 2012

On 1 January 2013 SinDelantal Internet S L was merged into Just-Eat Spain S L

In January 2013, the Group bought out the minority interest in its Canadian business, Just Eat Canada Inc This was achieved via the purchase of Power & Power Inc, a Canadian holding company

In January 2013, a Group company acquired, through the conversion of loans to equity, an additional 13% of the ordinary share capital of Eat ch and gained control of Eat ch (note 31) The Group's shareholding increased from 50% to 63% and subsequently to 64% following a further loan conversion

On 26 August 2013, the Group liquidated the non-trading entity Biteguide GmbH

The Group's shareholding in justeat in had increased from 84% to 91% over the course of 2013 via a series of capital injections In November 2013, the Group relinquished control of justeat in, following investment injections from Axon Partners Group and Forum Synergies India This transaction reduced the Group's shareholding to 59% The Group's voting rights and economic interests decreased to 49 9% As a result, justeat in is now accounted for as an investment in an associate under the equity method of accounting, in accordance with the provision of IAS 28

41. Financial assets and liabilities

Financial assets

At 31 December 2013, amounts receivable from fellow group companies were £55 6 million (2012 £55 5 million) At 31 December 2013, trade and other receivables of £0 2 million (2012 £0 2 million) and represented amounts due from the EBT Trustee The carrying amounts of these assets approximates their fair value There are no overdue or impaired receivable balances (2012 £nil)

Financial liabilities

At 31 December 2013, accruals were £1 0 million (2012: Nil) The carrying amounts of these liabilities approximates their fair value

42 Share capital

	Number of issued shares ('000)						
	Ordinary shares	B Ordinary shares	Preference A shares	Preference B shares	Preference C shares	Total	Total £ '000
At 1 January 2012	8,300	881	4,973	1,809	-	15,963	92
Shares issued	55	-	-	-	2,311	2,366	-
Options exercised	-	89	-	-	-	89	-
B Ordinary conversion	-	(192)	-	-	192	-	-
JSOP shares issued	-	223	-	-	-	223	-
At 31 December 2012	8,355	1,001	4,973	1,809	2,503	18,641	92
Shares issued	6	-	-	-	-	6	-
Options exercised	-	18	-	-	-	18	-
JSOP shares issued	46	-	-	-	-	46	-
Transfer to share premium	-	-	-	-	-	-	(90)
At 31 December 2013	8,407	1,019	4,973	1,809	2,503	18,711	2

During the year ended 31 December 2013, the Company issued 51,952 Ordinary shares of £0 0001 each and 17,845 Ordinary shares of £0 0001 each

As at 31 December 2013, the Company had in issue 8,407,052 Ordinary shares, 1,018,836 B Ordinary shares, 4,973,200 Preference A shares, 1,808,526 Preference B shares and 2,502,871 Preference C shares All shares are fully paid

Ordinary shares

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

Holders of Ordinary shares are entitled to distributions of available profits together with the holders of Preference A shares, Preference B shares and Preference C shares, and, to the extent that the aggregate amount of distributions, both paid to date and for the current financial year, exceed £18 25 million, with the B Ordinary shareholders (*pari passu* as if the all the classes shares constituted one class of share) pro rata to their respective holdings of shares

B Ordinary shares

B Ordinary shares have a par value of £0 0001 each, and do not entitle the holders to receive notice, attend, speak or vote at any general meeting The B Ordinary shares are convertible into Ordinary shares on a one-for-one basis, upon the satisfaction of a range of criteria as set out in the Company's Articles Holders of B Ordinary shares are entitled to distributions of available profits together with the holders of Ordinary shares, Preference A shares, Preference B shares and Preference C shares (*pari passu* as if the all the classes shares constituted one class of share) pro rata to their respective holdings of shares, only after aggregate distributions of £18 25 million have been made to the holders of Ordinary shares, Preference A shares, Preference B shares and Preference C shares

Preference A shares

Preference A shares have a par value of £0 0001 each, and entitle the holders to receive notice, attend, speak and vote at general meetings The Preference A shares are convertible at any time into Ordinary shares on a one-for-one basis, subject to the majority of Preference A shareholders serving notice to the Company

42. Share capital (continued)

Holders of Preference A shares are entitled to distributions of available profits together with the holders of Ordinary shares, Preference B shares and Preference C shares, and, to the extent that the aggregate amount of distributions, both paid to date and for the current financial year, exceed £18 25 million, with the B Ordinary shareholders (*pari passu* as if the all the classes shares constituted one class of share) pro rata to their respective holdings of shares

Preference B shares

Preference B shares have a par value of £0 0001 each, and entitle the holders to receive notice, attend, speak and vote at general meetings The Preference B shares are convertible at any time into Ordinary shares on a one-for-one basis, subject to the majority of Preference B shareholders serving notice to the Company

Holders of Preference B shares are entitled to distributions of available profits together with the holders of Ordinary shares, Preference A shares and Preference C shares, and, to the extent that the aggregate amount of distributions, both paid to date and for the current financial year, exceed £18 25 million, with the B Ordinary shareholders (*pari passu* as if the all the classes shares constituted one class of share) pro rata to their respective holdings of shares

Preference C shares

Preference C shares have a par value of £0 0001 each, and entitle the holders to receive notice, attend, speak and vote at general meetings The Preference C shares are convertible at any time into Ordinary shares on a one-for-one basis, subject to the majority of Preference C shareholders serving notice to the Company

Holders of Preference C shares are entitled to distributions of available profits together with the holders of Preference A shares, Preference B shares and Preference C shares, and, to the extent that the aggregate amount of distributions, both paid to date and for the current financial year, exceed £18 25 million, with the B Ordinary shareholders (*pari passu* as if the all the classes shares constituted one class of share) pro rata to their respective holdings of shares

43. Share premium account

	Share premium £'000
At 1 January 2012	19,408
Premium arising from issue of Ordinary shares	17
Premium arising from issue of Ordinary shares – Just-Eat Benelux BV acquisition	779
Premium arising from issue of Preference C shares	36,194
Premium arising from issue of B Ordinary shares	321
Share issue costs	(1,045)
At 31 December 2012	55,674
Premium arising from issue of Ordinary shares	85
Premium arising from issue of B Ordinary shares	13
Transfer from share capital	90
A 31 December 2013	55,862

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Notes to the Company accounts
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44. Retained earnings

	£'000
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)
At 31 December 2012	2,551
Net loss for the year	(1,376)
Credit to equity for equity settled share based payments	1,731
At 31 December 2013	2,906

45 Events after the balance sheet date

On 27 February 2014 the Group acquired Birmingham based Meal2Go for consideration totalling £3 7 million Meal2Go's market leading EPOS technology, specifically designed for the restaurant industry, will further enhance the service JUST EAT provides to its UK takeaway restaurant partners

On 17 March 2014 the Company announced its intention to proceed with an initial public offering (the "Offer") The Company intends to apply for admission of its ordinary shares to trading on the Main Market for listed securities of the London Stock Exchange plc The Shares will either be admitted to the premium listing segment of the Official List of the UK Financial Conduct Authority or the high growth segment of the Main Market It is expected that the Offer will complete by the end of April 2014

Pursuant to the intention to float, it is the Company's intention to reorganise its share capital into one class of ordinary shares by way of a bonus issue of 2,699 shares for every one share held followed by a 100 to 1 share consolidation