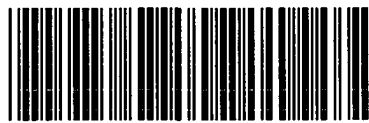


Registration number: 08167130

Roofoods Ltd

Annual Report and Financial Statements
for the Year Ended 31 December 2022

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Roofoods Ltd

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Roofoods Ltd

Company Information

Director	Will Shu
Company secretary	Catherine Sukmonowski
Registered office	The River Building - Level 1 Cannon Bridge House 1 Cousin Lane London EC4R 3TE
Auditors	Deloitte LLP 2 New Street Square London EC4A 3BZ

Roofoods Ltd

Strategic Report for the Year Ended 31 December 2022

The report for the year ended 31 December 2022.

Fair review of the business

Roofoods Ltd is the UK trading entity of the Deliveroo Group and is the holding Company for overseas and UK entities. The Deliveroo platform comprises a complex three-sided marketplace, involving consumers (an e-commerce destination), riders (an on-demand logistics business), and restaurant and grocery partners (a demand generation platform). Consumers choose Deliveroo because we unlock a wealth of hyperlocal choice, at the right price, with fast and reliable delivery. At Deliveroo, we think about food as content in the same emotional way that other online platforms think about film or fashion – and we do so because that's why consumers come to the platform. Riders care about flexibility, earnings and security, and often learning and development opportunities too. For restaurant and grocery partners, it's all about demand and incremental profitability, great service, and increasingly the ability to tell their story emotionally – both organically and through paid channels. Balancing the interests of all three sides of the marketplace – as well as those of our other stakeholders – is critical to Deliveroo's success in the short, medium and long term.

In 2022, Deliveroo had an improved operational and financial performance with reduced losses, even within a challenging environment. Particularly encouraging was our market share growth in a competitive environment, which shows the strength of our consumer value proposition (CVP), as well as great execution by our team.

Revenue from operations was up 12.0% to £1,026.6m (2021: £916.7m) with gross profit increasing by 20.3% to £368.5m (2021: £306.3m). These increases are primarily the result of increased orders, driven by growth in monthly active consumers.

The operating loss for the year decreased to £219.0m (2021: £456.1m). Increases in gross profit of £62.2m was coupled by a decrease of £137.0m in other operating expenses to £9.2m (2021: £146.2m). This decrease was primarily due to lower transfer pricing costs payable to the rest of the Group.

The Company net liabilities increased to £299.3m (2021: £61.6m) driven by a loss in the year of £237.7m (2021: £453.9m).

Roofoods Ltd

Strategic Report for the Year Ended 31 December 2022 (continued)

Key Performance Indicators (KPIs)

In order to monitor the delivery of our strategy, we have identified KPIs which are used by the management to identify opportunities to improve performance and adapt operating plans to changing circumstances. Performance against KPIs is tracked and reviewed regularly by management and is reported to the Director. The Director believes that these financial KPIs provide useful information on business performance and underlying trends. These measures are used for internal performance purposes. The following tables discuss the financial KPIs for the current year with prior year comparatives.

The company's key financial indicators during the year were as follows:

Financial KPIs	Unit	2022	2021
Revenue	£m	1,026.6	916.7
Gross profit	£m	368.5	306.3
Cash and cash equivalents	£m	705.2	1,143.3

Principal risks and uncertainties

Our principal risks are those which could have the most significant impact on the achievement of our strategic objectives, our financial performance, and our long term sustainability. Our principal risks change over time as the likelihood and impact of the risk vary due to internal or external factors.

Set out below are the Company's principal risks for the year ended 31 December 2022.

Service availability

We depend on our network infrastructure, software, content delivery processes, and associated key third-party services and software to operate our platform and to receive, process and fulfil orders. Any significant disruption in service, including from a distributed denial of service attack, could materially impact our operations, reputation and financial performance.

Cyber and data security

We are responsible for protecting all personal data we receive from consumers, riders, partners and employees. For the sensitive data we hold and process, we could face significant reputational and legal consequences as well as financial loss if we fail to protect this information from security threats, including ransomware.

Three-sided marketplace

Our business model relies on a three-sided marketplace, and to achieve profitability, we must continue to acquire and retain consumers and restaurant and grocery partners, and maintain a balance between supply and demand for riders, as well as growing GTV (Gross Transaction Value) per order and/or order frequency to develop our business, which may be difficult to maintain.

GTV comprises the total value of food baskets (net of any discounts) and consumer fees, excluding from our Signature* offering, and is represented including VAT and other sales-related taxes but excluding any discretionary tips.

*Signature refers to Deliveroo's white label offering, enabling restaurant partners to create a direct channel to consumers for delivery, while leveraging Deliveroo's technology platform, logistics network and consumer care to facilitate that delivery.

Rider model and rider status

Our business would be adversely affected if our rider model or approach to rider status and our operating practices were successfully challenged or if changes in law required us to reclassify our riders as employees including with retrospective effect.

Key commercial relationships

We rely on various national and global brands in each of the markets in which we operate, sometimes on an exclusive basis. The loss of such relationships or the inability to enter into new relationships (on commercially attractive terms or at all) could adversely affect our business.

Roofoods Ltd

Strategic Report for the Year Ended 31 December 2022 (continued)

Reputation and brand

Our reputation, brand and ability to build and retain trust with new and existing stakeholders (including shareholders), may be adversely affected, including by unfavourable or inaccurate publicity or events beyond our control (including the misconduct by our employees, partners or riders). This could negatively impact our future performance and prospects.

Attracting and retaining key personnel

We rely on the skills and experience of our key personnel, and our business may be adversely affected if we cannot attract and retain the talent required to solve the complex problems presented by our three-sided marketplace.

Competition

We operate in a highly competitive industry and must compete effectively to succeed. We may not be able to achieve or maintain a position in each of our markets that is sufficient to support the business sustainably for the long term.

Managing growth

We are a rapidly growing company and if we do not manage our growth and evolution successfully, or we fail to execute on our strategy, our business will suffer.

Financial condition

We have in past periods incurred, and may in future periods incur, net losses, which could affect our need and ability to access additional capital to grow our business.

Compliance with other laws and regulations

We are subject to the laws and regulations of numerous national and local authorities and changes to, or uncertainty regarding, the applicable laws, regulations or regulatory environment may adversely affect our business.

External environment and events

Our business could be affected by the actions of governments, political events or instability, or changes in public policy in the countries in which we operate. Adverse economic conditions could impact consumers' discretionary spending, and in turn, our growth and profitability.

Roofoods Ltd

Strategic Report for the Year Ended 31 December 2022 (continued)

Section 172(1) statement

The Director recognises that our business and our behaviours impact our consumers, riders, partners, employees and other stakeholders, and must act in accordance with a set of general duties which are set out in s172 of the Companies Act 2006 and, in doing so, seeks to consider the interests of our stakeholders when reaching decisions.

The Director considers impacts on our key stakeholders and the consequences of any decision in the long-term. It is not always possible to provide positive outcomes for all stakeholders and the Director sometimes has to make decisions based on balancing competing interests. Stakeholder activity is undertaken across our business and at different levels of the organisation.

We are equally committed to being a diverse and inclusive company, supporting the communities in which we operate and engaging with our key stakeholders. Supported by the Director, we aim for the highest standards of business conduct when engaging with our marketplace and our stakeholders. This is not only what we believe in but we understand that creating shared value for the Company and our stakeholders is critical to our business success. Offering the best proposition to each side of our marketplace enables us to attract and retain the number of consumers, riders and partners we need to scale; while having an engaged workforce boosts the Company's productivity; and engaging constructively with regulators ensures we have the licence to operate.

(a) The likely consequences of any decision in the long-term

The plc Board ('the Board') receives regular updates on the Company's operational and financial performance from the CEO, CFO and members of the Executive Team. This includes the outcome of engagement with investors, consumers, riders, merchants, employees and other stakeholders. The Board also holds an annual strategy day, which includes presentations from key areas of the business to inform the Board of the key focuses in the coming year.

Throughout the year the Directors have reported to the Board on matters relating to some of its key markets including the UK, and played a key role in the decision making process around country entry and exits considering impacts on employees, consumers, riders, merchants and other stakeholders.

(b) The interests of the Company's employees

The Board considers matters relating to our employees through the CEO and the Chief People Officer including in relation to culture, recruitment to align with our growth and strategic ambitions and diversity, equity and inclusion. Peakon is our employee engagement survey platform which provides a fully confidential and regular means for employees to share feedback on a monthly basis, as well as at other key stages of their employee journey (such as onboarding and exits). Through our 'We Are Deliveroo' programme we bring employees closer to our marketplace. Employees can volunteer for sessions as a rider, in Deliveroo's Customer Care team and in our Editions and Hop sites - to experience consumer and rider research first hand.

We also hold regular monthly Company-wide meetings led by Will, our CEO, or another member of the Executive Team depending on the nature of the topic covered. It is a great channel to make important announcements as well as an excellent forum for questions and thoughts from employees around the world. We have found that a regular and open discussion like this helps employees understand the business better, no matter what function or market they are in.

Roofoods Ltd

Strategic Report for the Year Ended 31 December 2022 (continued)

(c) The need to foster the Company's business relationships with suppliers, customers and others

The Board receives regular updates on matters relating to our consumers, riders, merchants and other significant commercial arrangements, through the CEO and regular presentations from members of the Executive Team. During 2022, the Company's Executive Team provided updates to the Board from the tech, product and automation teams to understand how their business solutions impacts our business partners and riders as well as updates on our Grocery, Hop and Editions sites.

Our success is based on our being customer-focused. Our consumer value proposition aims to provide the best availability, selection, experience, and price, while also building an emotional connection with our brand. We refine this by listening and tailoring our offer to hyperlocal audiences, which is vital so that consumers receive a personalised platform experience. We carry out research to really understand consumers' priorities to help us create better services and experiences. Specifically in the UK, we made a range of product changes to improve the consumer experience on our platform. We have also continued to roll out Deliveroo Hop, our rapid, on-demand grocery service, across the UK.

Suppliers are critical to our business and our ability to execute, so we treat them as partners. We know that our suppliers value transparency and so we make sure we have clear and fair terms and conditions in all our agreements. We also have clear policies to encourage the highest possible standards are upheld in our supply chain, for example as set out in our Modern Slavery Statement (available on our website). Riders are at the heart of the Company. Our understanding of what riders care about has helped us to develop a proposition based on what riders value: flexible work, attractive earnings, and security. With regard to our partners, we are passionate about restaurants' food and supporting our partners by enabling them to reach more customers and grow their businesses. Our proposition to our partners aims to provide strong incremental demand generation, an excellent consumer experience, tools to drive profitability, and innovations for the future of online food delivery.

(d) The impact of the Company's operations on the community and the environment

We are committed to supporting our marketplace, being a part of the communities we serve and taking action to drive sustainability. For example, we want to play our part in reducing plastic waste, food waste and the carbon emissions created by our operations. We also want to incentivise and accelerate new behaviours that will help to deliver lasting, sustainable change across our sector, as we are uniquely placed to help consumer demand for more sustainable practices and to drive change among our partners. We continue to make sustainable packaging options (recyclable, biodegradable, compostable items) available for our partners to use.

Through our six ESG pillars we are committed to reaching net zero, tackling food insecurity in our communities and reducing waste in our own operations. During 2022, we introduced ESG metrics into the Performance Share Plan for the Executive Team, launched a partnership with Too Good To Go at Hop sites in the UK to discount surplus food. We gave restaurants the ability to add dietary information at item level to help consumers with lifestyle and dietary preferences find suitable options more easily and launched a series of healthy eating trials with KFC in the UK, testing the effect of in-app changes on consumer behaviour and learning how we can best support consumers to make healthier choices.

(e) The desirability of the Company maintaining a reputation for high standards of business conduct

The Board receives regular updates on company values, culture, risk, regulatory, legal and governance matters. The Executive Team throughout the year reviewed and proposed for approval the annual modern slavery statements and considered key policies and procedures including in relation to the Groups whistleblowing and compliance matters.

(f) The need to act fairly as between members of the Company

The Executive Team and the Group's Investor Relations team are available to meet with investors on request and report back to the Board on investor views from these meetings. The Board receives regular reports from the Investor Relations team and the Company's corporate brokers on feedback from investor engagement, competitor trends, the Company's share register and significant changes in shareholdings.

Roofoods Ltd

Strategic Report for the Year Ended 31 December 2022 (continued)

Engagement with suppliers, consumers and other relationships

Suppliers

Suppliers are critical to our business and our ability to execute, so we treat them as partners. We know that our suppliers value transparency and so we make sure we have clear and fair terms and conditions in all our agreements. We also have clear policies to encourage the highest possible standards are upheld in our supply chain, for example as set out in our Modern Slavery Statement (available on our website).

Consumers

Our success is based on us being customer-focused. Our consumer value proposition aims to provide the best availability, selection, experience, and price, while also building an emotional connection with our brand. We refine this by listening and tailoring our offer to hyperlocal audiences, which is vital so that consumers receive a personalised platform experience. We carry out research to really understand consumers' priorities to help us create better services and experiences.

Partners

We are passionate about restaurants' food and supporting our partners by enabling them to reach more customers and grow their businesses. Our proposition to our partners aims to provide strong incremental demand generation, an excellent consumer experience, tools to drive profitability, and innovations for the future of online food delivery.

Riders

Riders are at the heart of the Company. Our understanding of what riders care about has helped us to develop a proposition based on what riders value: flexible work, attractive earnings, and security.

Non-financial and sustainability information

Environmental matters

We are committed to supporting our marketplace, being a part of the communities we serve and taking action to drive sustainability. For example, we want to play our part in reducing plastic waste, food waste and the carbon emissions created by our operations. We also want to incentivise and accelerate new behaviours that will help to deliver lasting, sustainable change across our sector, as we are uniquely placed to help consumer demand for more sustainable practices and to drive change among our partners.

We continue to make sustainable packaging options (recyclable, biodegradable, compostable items) available for our partners to use.

As per management's assessment, climate change does not have any significant impact on the Company's key financial statement assumptions, given the nature of the business.

Approved by the Director on 21 November 2023



.....
Will Shu
Director

Roofoods Ltd

Director's Report for the Year Ended 31 December 2022

The director presents the report and the financial statements for the year ended 31 December 2022.

Directors of the Company

The directors, who held office during the year, were as follows:

Will Shu

Adam Miller (resigned 17 September 2022)

Principal activity

The principal activity of the Company was the provision of an on-demand food delivery service. There have been no significant changes in the nature of these activities during the year.

Roofoods Ltd is a limited company and is incorporated and domiciled in the United Kingdom.

Dividends

The director does not recommend the payment of a dividend (2021: £nil).

Employment of disabled persons and employee involvement

The Company has in place a number of policies covering important issues including diversity, equity and inclusion, equal opportunities and wellbeing. We are committed to creating an environment where our people can all be happy, proud to work and excel. To do this, we are an equal opportunity employer. Subject to local laws, all qualified job applicants will receive consideration for employment without regard to their race, religion or belief, sex, gender reassignment, sexual orientation, marriage and civil partnership, pregnancy and maternity, disability or age. We take all reasonable steps to ensure equality of opportunity in recruitment, as well as in training and development opportunities and conditions and terms of work and pay. Persons with disabilities are given full and fair consideration for available roles and we are committed to providing reasonable adjustments for individuals with disabilities throughout our job application process and their career with the Company. We place a responsibility on our employees to comply with these policies.

Employee involvement

Roofoods Ltd recognises the importance of employee share ownership and is the subsidiary of Deliveroo plc which incentivises employee involvement in the Group's performance through the award of share options to certain employees.

Engagement with employees

Management regularly communicates and engages with employees and provides them with information on matters relevant to them as employees. This supports employees' collective understanding of the financial and economic factors that affect the performance of the Company as well as other matters which may impact employees (such as diversity and inclusion initiatives) and provides the Company with an insight into employee views which can then be taken into account.

We are guided by our Company values, which set out what we expect of each other and the Company we aspire to be. We aim to live our values throughout the Company, including how we hire, reward and recognise people. At Roofoods Ltd, we aim to offer people the opportunity to build their skills and experience faster than they might elsewhere; to have a positive impact on Roofoods Ltd, leaving their mark as we scale; and to be part of something bigger through the impact that we make together in our marketplace and communities. At Roofoods Ltd, employees are challenged and supported in an inclusive environment.

Future developments

The coming year will be focused on continuing to execute on our strategy and investing to drive forward our key growth initiatives as well as moving towards breakeven and long term profitability.

Roofoods Ltd

Director's Report for the Year Ended 31 December 2022 (continued)

Research and development

Expenditure on the research phase of projects to develop new customised software for our app is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets. During the year, development costs of £50.3m have been capitalised (2021: £34.5m).

Going concern

The Company's loss for the financial year amounted to £237.7m (2021: £453.9m). The Company had net liabilities of £299.3m (2021: £61.6m) at the year end, and cash of £705.2m (2021: £1,143.3m).

The Company also has access to a Revolving Credit Facility comprised of £75m and €87.5m, which is available until 7 April 2026. This remains undrawn at the date of signing, and is therefore available to draw down if required. In assessing whether to adopt the going concern basis of accounting, management has considered whether there are any material uncertainties surrounding the Company's ability to continue operating over a period of at least twelve months from the date of this report.

Management has prepared detailed forecasts which have been approved by the Board. Appropriate assumptions have been made in respect of order growth and profitability, based on the estimated economic outlook over the following twelve months and beyond. Appropriate sensitivities have been applied in order to stress test the model, considering situations in which future costs are substantially higher than forecast and future trading is less than forecasted. Management has also considered available undrawn cash facilities, which are not included in our forecasts as we do not currently anticipate needing to draw on these over the forecast period.

Based on this assessment, the Director has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities and obligations as they fall due over the forecast period, and accordingly are satisfied that the adoption of the going concern basis of preparation is appropriate.

Events arising since the end of the reporting period

There were no significant events noted after the reporting period.

Directors indemnities

To the extent permitted by law, directors have been granted a qualifying third-party indemnity by the parent company in respect of liabilities incurred in connection with their office, which is in force at the date of approval of the financial statements. In addition, the parent company maintained a directors' and officers' liability insurance policy throughout the year. Neither the indemnity nor the parent company's insurance provides cover in the event that a director is proven to have acted dishonestly or fraudulently.

Disclosure of information to the auditor

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information. The director confirms that there is no relevant information that of and of which the auditor is unaware.

Reappointment of auditor

The auditors Deloitte LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Director on 21 November 2023



.....
Will Shu
Director

Roofoods Ltd

Statement of Director's Responsibilities

The Director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the director must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Director is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved and authorised by the Director on 21 November 2023



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Will Shu
Director

Roofoods Ltd

Independent Auditor's Report to the Members of Roofoods Ltd

Opinion

In our opinion the financial statements of Roofoods Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and Loss Account and Statement of Comprehensive Income
- the Balance Sheet
- the Statement of Changes in Equity; and
- the related notes 1 to 26.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Roofoods Ltd

Independent Auditor's Report to the Members of Roofoods Ltd (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Roofoods Ltd

Independent Auditor's Report to the Members of Roofoods Ltd (continued)

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, and external legal counsel and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, local employment and relevant tax legislation.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

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

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

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit, in-house and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; where actual and potential claims exist, we engaged our own employment law and tax specialists to assist in designing our audit approach, to help evaluate management's judgements against our expectation of the quantum and likelihood of liabilities, including consideration of any contradictory evidence; and
- reading minutes of meetings of those charged with governance.

Roofoods Ltd

Independent Auditor's Report to the Members of Roofoods Ltd (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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



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Mark Lee-Amies (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
2 New Street Square
London
EC4A 3BZ

21 November 2023

Roofoods Ltd

Profit and Loss Account and Statement of Comprehensive Income for the Year Ended 31 December 2022

		2022	2021
	Note	£ m	(restated)* £ m
Revenue		1,026.6	916.7
Cost of sales		<u>(658.1)</u>	<u>(610.4)</u>
Gross profit		368.5	306.3
Administrative expenses		(585.0)	(617.9)
Other operating income		6.7	1.7
Other operating expenses		<u>(9.2)</u>	<u>(146.2)</u>
Operating loss	6	(219.0)	(456.1)
Finance income	8	14.5	18.3
Finance costs	9	<u>(32.6)</u>	<u>(15.7)</u>
Loss before tax		(237.1)	(453.5)
Tax charge	10	<u>(0.6)</u>	<u>(0.4)</u>
Loss for the year		<u>(237.7)</u>	<u>(453.9)</u>
Total comprehensive loss for the year		<u><u>(237.7)</u></u>	<u><u>(453.9)</u></u>

*Results for the year ended 31 December 2021 have been restated to account for a charge in relation to the non-employee options granted in February and March 2021 as discussed in note 3.

The above results were derived from continuing operations.

The notes on pages 21 to 56 form an integral part of these financial statements.

Roofoods Ltd

(Registration number: 08167130)
Balance Sheet as at 31 December 2022

		2022	2021
	Note	£ m	(restated)* £ m
Assets			
Non-current assets			
Property, plant and equipment	11	6.3	5.8
Right-of-use assets	12	29.1	17.0
Intangible assets	13	72.1	52.1
Investments	14	171.4	101.4
Trade and other debtors	15	5.5	4.0
		<u>284.4</u>	<u>180.3</u>
Current assets			
Inventories	16	11.5	10.2
Trade and other debtors	15	384.8	344.3
Cash and cash equivalents	17	705.2	1,143.3
Other treasury deposits	18	50.5	-
		<u>1,152.0</u>	<u>1,497.8</u>
Total assets		<u>1,436.4</u>	<u>1,678.1</u>
Equity and liabilities			
Current liabilities			
Trade and other payables	19	576.4	611.3
Lease liabilities	20	6.6	4.8
		<u>583.0</u>	<u>616.1</u>
Net current assets		<u>569.0</u>	<u>881.7</u>
Non-current liabilities			
Lease liabilities	20	25.2	16.8
Provisions	21	74.4	71.3
Amounts due to related parties	22	1,053.1	1,035.5
		<u>1,152.7</u>	<u>1,123.6</u>
Total liabilities		<u>1,735.7</u>	<u>1,739.7</u>
Net liabilities		<u>(299.3)</u>	<u>(61.6)</u>
Equity			
Called up share capital	23	-	-
Share premium reserve		-	1,295.7
Share option reserve		183.1	183.1
Accumulated losses		<u>(482.4)</u>	<u>(1,540.4)</u>
		<u>(299.3)</u>	<u>(61.6)</u>
Total equity and liabilities		<u>1,436.4</u>	<u>1,678.1</u>

Roofoods Ltd

(Registration number: 08167130)

Balance Sheet as at 31 December 2022 (continued)

*The comparative information has been restated to account for a charge in relation to the non-employee options granted in February and March 2021 as discussed in note 3.

The financial statements were approved and authorised for issue by the Director on 21 November 2023



.....
Will Shu
Director

Roofoods Ltd

Statement of Changes in Equity for the Year Ended 31 December 2022

	Called up share capital £ m	Share premium reserve £ m	Share option reserve £ m	Accumulated losses £ m	Total £ m
At 1 January 2022	-	1,295.7	183.1	(1,540.4)	(61.6)
Loss for the year	-	-	-	(237.7)	(237.7)
Total comprehensive loss	-	-	-	(237.7)	(237.7)
Share premium reduction	-	(1,295.7)	-	1,295.7	-
At 31 December 2022	-	-	183.1	(482.4)	(299.3)

	Called up share capital £ m	Share premium reserve £ m	Share option reserve £ m	Accumulated losses £ m	Total £ m
At 1 January 2021	-	1,160.6	147.6	(1,086.5)	221.7
Issue of share capital	-	135.1	-	-	135.1
Share-based payment awards*	-	-	35.5	-	35.5
Loss for the year*	-	-	-	(453.9)	(453.9)
Total comprehensive loss	-	-	-	(453.9)	(453.9)
At 31 December 2021	-	1,295.7	183.1	(1,540.4)	(61.6)

*The comparative information has been restated to account for a charge in relation to the non-employee options granted in February and March 2021 as discussed in note 3.

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

Roofoods Ltd is a private company limited by share capital, incorporated and domiciled in England and Wales.

The address of its registered office is:

The River Building - Level 1 Cannon Bridge House

1 Cousin Lane

London

EC4R 3TE

United Kingdom

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. As per section 408 of the Companies Act 2006, the Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Deliveroo plc. The group accounts of Deliveroo plc are available to the public and can be obtained at <https://corporate.deliveroo.co.uk/>.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties, financial instruments and investment property that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Summary of disclosure exemptions

In these financial statements, the company has taken advantage of the disclosure exemptions available under FRS 101 in relation to share-based payment, business combinations, non-current assets held for sale, financial instruments, fair value measurements, capital management, revenue from contracts with customers, presentation of comparative period reconciliations for share capital, tangible fixed assets, intangible assets and investment property, presentation of a cash-flow statement, the effects of new standards not yet effective, impairment of assets and disclosures in respect of the compensation of key management personnel and of transactions with a management entity that provides key management personnel services to the company.

Going concern

The Company's loss for the financial year amounted to £237.7m (2021: £453.9m). The Company had net liabilities of £299.3m (2021: £61.6m) at the year end, and cash of £705.2m (2021: £1,143.3m).

The Company also has access to a Revolving Credit Facility comprised of £75m and €87.5m, which is available until 7 April 2026. This remains undrawn at the date of signing, and is therefore available to draw down if required. In assessing whether to adopt the going concern basis of accounting, management has considered whether there are any material uncertainties surrounding the Company's ability to continue operating over a period of at least twelve months from the date of this report.

Management has prepared detailed forecasts which have been approved by the Board. Appropriate assumptions have been made in respect of order growth and profitability, based on the estimated economic outlook over the following twelve months and beyond. Appropriate sensitivities have been applied in order to stress test the model, considering situations in which future costs are substantially higher than forecast and future trading is less than forecasted. Management has also considered available undrawn cash facilities, which are not included in our forecasts as we do not currently anticipate needing to draw on these over the forecast period.

Based on this assessment, the Director has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities and obligations as they fall due over the forecast period, and accordingly are satisfied that the adoption of the going concern basis of preparation is appropriate.

Adoption of new and revised standards

None of the standards, interpretations and amendments effective for the first time from 1 January 2022 have had a material effect on the financial statements.

Revenue

Revenue arises from commissions, consumer fees, restaurant sign-up fees, packaging sales and advertising. Revenue is measured at the fair value of the consideration received or receivable and represents amounts received for goods and services provided in the normal course of business, net of discounts, rebates, refunds, the delivery fee portion of certain consumer credits utilised, VAT and other sales-related taxes.

Commissions

The Company is considered to be an agent with respect to the food and beverage ordered on the platform, as it is not materially subject to inventory risk or pricing risk, but instead receives a commission as remuneration from merchants. Payment for the food, beverages and other products is collected by the Company from the end consumer, and funds are remitted to the merchant, net of the commission fee.

Revenue from commissions is earned and recognised at the point of order fulfilment when all performance obligations are fulfilled.

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Revenue (continued)

Consumer fees

Consumer fees are paid per order, as well as on a subscription basis for Deliveroo Plus. Fees payable on an order-by-order basis are recognised at the point of order fulfilment, when the performance obligation is fulfilled. Subscription fees are recognised on a straight-line basis over the period of the subscription.

In situations where customers are dissatisfied with the quality of the service provided, and the Company is at fault, customers may be offered a refund or credit for future orders. Due to the nature of the service, refunds are typically processed and recorded almost immediately as a deduction to revenue. Credit for future orders is added to a customer's account, and this is applied to the next order. A corresponding adjustment to revenue is recognised for the expected utilisation of credits in issue at the end of the financial year. This is based on actual data in respect of available credit, as well as historical usage patterns.

Restaurant sign-up fees

Sign-up fees are payable when a new restaurant joins Deliveroo. Fees comprise set-up on the platform and payment for restaurant equipment, enabling restaurant partners to receive orders. These fees are split, and the portion that relates to the restaurant equipment is recognised on receipt of the assets. The remainder is deferred and recognised over the assumed life of the customer. Certain restaurant partners receive rebates, and revenue is adjusted by the expected rebates which are realised on a case-by-case basis.

Packaging sales

Revenue from the sale of packaging is recognised when the packaging has been delivered, and performance obligations are fulfilled.

Advertising

Revenue arising from advertising services is recognised when Deliveroo's obligations under the advertising contract are fulfilled, being either when the positioning is delivered, or clicks or actions are generated.

Cost of sales

Expenses are recognised as cost of sales in the period in which they are incurred, on an accruals basis. The largest element of cost of sales is the cost of delivery from merchants to consumers.

Administrative expenses

Expenses are recognised in the income statement in the period in which they are incurred, on an accruals basis. The two largest elements of administrative expenses are staff costs and sales and marketing costs. Within marketing costs, we recognise the cost of new customer acquisition and customer retention credits, net of the delivery fee associated with each credit used where this is reasonable according to the specific facts and circumstances. Marketing costs principally comprise the cost of marketing campaigns on various media. Such costs are expensed as the campaign is delivered.

Other operating income and operating costs

Other operating income and costs are recognised in the period in which they are incurred, on an accruals basis. The largest element of other operating income relates to the R&D tax credit of £3.1m (2021: £1.5m).

Other operating costs predominantly comprises of £5.0m (2021: £136.3m) in respect of transfer pricing arrangements with other group entities. The remaining £4.2m (2021: £9.9m) relates to costs of selling equipment and clothing to riders.

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Exceptional items

Exceptional items are separately identifiable income and expenditure arising from activities or events outside the normal course of business, and which are deemed material to the understanding of the accounts. They are items of income or expense that are qualitatively or quantitatively material and are significant or unusual in nature or amount.

Exceptional items include market exit costs, proposed 'deal' (mergers and acquisitions related) costs and other project costs, settlements and professional fees in relation to legal and regulatory investigations and restructuring costs.

Finance income and expense

Interest income and expense is reported on an accruals basis using the effective interest method.

Foreign currency transactions and balances

Foreign currency transactions are translated into the Company's functional currency, using the exchange rates prevailing at the dates of the transactions (spot rates). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognised through profit or loss.

Non-monetary items are not retranslated at year end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Income tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Any tax expense or credit recognised in the income statement is based on the results for the period as adjusted for items which are disallowed or not taxed. It is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is calculated using the liability method in respect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not recognised if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity respectively.

Property, plant and equipment

Property, plant and equipment consists of leasehold improvements, IT and office equipment, rider and restaurant equipment and assets under construction.

Property, plant and equipment is initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is subsequently measured at cost less subsequent accumulated depreciation and impairment losses. Assets under construction are not depreciated as they are not yet in use. Once construction is completed, the assets are transferred to the relevant fixed asset category.

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Depreciation

Depreciation is recognised on a straight-line basis to write down cost to estimated residual value. The following useful lives are applied:

Asset class	Depreciation method and rate
Leasehold improvements	the shorter of the lease term or 10 years
IT and office equipment	3 years
Rider and restaurant equipment	2-5 years

Material residual value estimates and estimates of useful life are updated as required and reviewed at least annually. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised through profit or loss.

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss in those expense categories consistent with the function of the impaired asset.

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Intangible assets

For internally-developed customised software, expenditure on the research phase of projects to develop new software is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- the Company intends to, and has sufficient resources to, complete the project;
- the Company has the ability to use or sell the software; and
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

For 'Software as a Service' ('SaaS') arrangements, we capitalise costs only relating to the configuration and customisation of SaaS arrangements as intangible assets where Deliveroo has control of the software.

Acquired software relates to assets purchased as part of the acquisition of assets from Omakase Inc. and was developed in-house prior to acquisition by Roofoods Ltd. It was valued by an external valuation company and is allocated to the cash-generating unit 'Roofoods Ltd' which is 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, then the impairment loss is allocated first to reduce the carrying amount of goodwill, and then to the other assets of the cash-generating unit pro rata on the basis of the carrying amount of each asset in the unit.

All intangible assets, including internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. The useful life applied for all internally generated software is three years and for the acquired software is ten years. Amortisation of intangible assets is recorded within 'administrative expenses' in the profit and loss.

Subsequent expenditure on maintenance of computer software is expensed as incurred.

Goodwill is not amortised but is instead reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Company'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, then the impairment loss is allocated first to reduce the carrying amount of goodwill, and then to the other assets of the cash-generating unit pro rata on the basis of the carrying amount of each asset in the unit.

Investments

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Investments are reviewed for potential impairment indicators at least annually, and where such indicators exist, an impairment review is carried out. The recoverable amount of the Company's cash generating units as used for impairment testing the Company's goodwill and intangible assets also supports the recoverable amounts of the parent company's investments and intra-Group balances.

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term (three months or less) highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Other treasury deposits

Other treasury deposits comprise financial assets recognised on the statement of financial position when the Company becomes a part to the contractual provisions of the instrument. Other treasury deposits are held at amortised cost.

Trade and other debtors

Trade and other debtors include amounts due from corporate customers and payment service providers for services provided in the normal course of business, prepaid amounts, deposits, amounts due from related parties and other amounts due from third parties. They are recognised as current assets if collection is due in one year or less. If collection is due in over a year, they are presented as non-current assets.

Stock

Inventory has been valued using the first-in-first-out (FIFO) method. Inventory is stated at the lower of cost and net realisable value (NRV). Cost includes expenditure on bringing inventories to their current location and condition. NRV represents the estimated selling price less all estimated costs of completion.

An inventory provision is recognised in situations where NRV is likely to be less than cost. When calculating the provision, management considers the nature and condition of the inventory together with any other conditions existing at the end of the reporting period.

Trade and other payables

Trade and other payables include obligations to pay for goods and services acquired in the normal course of business, amounts outstanding on purchases and other amounts due to third parties, including restaurants. The trade and other payables are considered to be short-term, non-interest-bearing and have no security attached. The carrying value of trade and other payables is considered to be a reasonable approximation of fair value.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Either the timing or the amount of the outflow will be uncertain.

Provisions are measured at the estimated cost required to settle the present obligation, based on the most reliable evidence available at the reporting date, including risks and uncertainties associated with the present obligation.

Provisions are discounted where the time value of money is considered to be material. No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no disclosure is included.

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. The incremental borrowing rate is determined by reference to financing quotes available to the Company.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

The Company did not make any such adjustments during the periods presented. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying right-of-use asset. If a lease transfers ownership of the underlying right-of-use asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying right-of-use asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the balance sheet. The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as required.

The Company used the practical expedient as a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement, as permitted by IFRS 16.

Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs directly attributable to the issuing of new shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:

- share premium reserve – comprises the difference between the value of the shares on issue and their nominal value;
- share options reserve – comprises equity-settled share-based remuneration; and
- accumulated losses – comprises all current and prior period retained losses.

Short-term employee benefits

Short-term employee benefits are those that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries and non-monetary benefits. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Long-term employee benefits

The Company operates defined contribution pension plans. Contributions to the plans are charged to the income statement in the period in which they relate. Any contributions unpaid at the balance sheet date are included as an accrual at that date. In 2022 there were £1.4m of accrued contributions (2021: £0.8m).

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Share based payments

Prior to the admission of the parent company to the London Stock Exchange in April 2021, Roofoods Ltd maintained a number of equity-settled share-based payment schemes as outlined in note 24. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an expense in the statement of comprehensive income, with a corresponding credit to the share option reserve. The expense is allocated over the vesting period, based on the best available estimate of the number of equity instruments expected to vest.

Vesting conditions may have market or non-market criteria, and are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised if there is any indication that the number of equity instruments expected to vest differs from previous estimates, and taking into account the number of equity instruments which have been cancelled, modified or forfeited in the period.

The Company recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income with a corresponding adjustment to equity. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods, if equity instruments expected to vest differs from previous estimates. Upon exercise of equity instruments the proceeds received net of any directly attributable transaction costs are allocated to share capital and share premium.

Financial instruments

Initial recognition

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the profit and loss account.

Classification and measurement

Financial instruments are classified at inception into one of the following categories, which then determines the subsequent measurement methodology:

Financial assets are classified into one of the following categories:

- financial assets at amortised cost; or
- financial assets at fair value through the profit or loss (FVTPL).

Financial liabilities are classified into the following category:

- financial liabilities at amortised cost.

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Derecognition

Financial assets

The Company 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 Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the profit and loss account.

Impairment of financial assets

Measurement of Expected Credit Losses

In accordance with IFRS 9 the simplified approach to measuring expected credit losses (ECL), which permits the use of lifetime ECL on trade and other debtors, has been applied.

Loss allowance for trade debtors due from corporate customers has been measured at an amount equal to lifetime ECL. All impairment losses in the accounts arise from contracts with customers. This is recorded within 'administrative expenses' in the profit and loss account. The ECL is estimated by reference to past default experience of these debtors. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The expected credit losses on trade debtors are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Critical accounting judgements, key sources of estimation uncertainty and prior period adjustment

When preparing the financial statements, management has made a number of estimates and assumptions regarding the future and has made some significant judgements in applying the Company's accounting policies. Accounting estimates are reviewed on an ongoing basis, and revisions to such estimates are recognised in the current and future periods as applicable.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Critical accounting judgements and key sources of estimation uncertainty

Provisions and contingent liabilities

The independent contractor status of riders, which applies in most of the jurisdictions in which we operate, has been and is likely to continue to be the subject of challenge in certain markets, including some of our key markets. We have been and are involved in legal proceedings, under which the independent contractor status of our riders is under review. The recognition of legal provisions and associated contingent liabilities arising from such matters involves management estimates of the present value of the potential costs required to settle obligations.

Provisions are calculated based on the information available at the time of signing these accounts. Key inputs to the calculations of such provisions include the likelihood of receiving claims, the scope of those claims, the likelihood of making payments, an assessment of the time value of money and the risks specific to each potential obligation. A change in the assessment of these assumptions could materially change the measurement of a provision or contingent liability. In rare circumstances, where there are too many variables, the Director may conclude it is not possible to estimate a contingent liability and disclose the fact. It is expected that the resolutions to these matters may extend over several years.

The recognition of a provision requires judgement as to the likelihood of economic outflow. Where the Company has a possible obligation as a result of a past event, it will disclose a contingent liability. Changes to circumstances or the assessed likelihood of success may result in a contingent liability becoming a provision, or the remeasurement of a provision, and such judgements are reviewed in accordance with the recognition criteria set out in IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', on a regular basis.

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

3 Critical accounting judgements, key sources of estimation uncertainty and prior period adjustment (continued)

Consumer acquisition and retention costs

The Company invests in marketing specifically to drive consumer acquisition and retention. Some of this spend is in the form of credits that can be applied to the consumer's account for an order on the Deliveroo platform, where those orders are placed in accordance with the terms and conditions of the credit. The customer for the provision of the delivery service is the consumer, with Deliveroo being the principal. IFRS 15: Revenue from contracts with customers, does not specify requirements or guidance on the treatment of such costs where the consideration payable to the customer exceeds the transaction price (i.e. the delivery fee revenue from that consumer), since the consumer is our customer in the delivery relationship. As such, judgement is applied in the classification of such costs. For the delivery fee element of the associated order, the cost of the credit is recognised as a debit to revenue. The excess of the cost of the credit is recognised as a marketing cost, having first offset any historic cumulative delivery fee revenue, reflecting the nature of the cost as a consumer acquisition and retention tool, and the nature of the marketplace business, where Deliveroo is the agent for the provision of food and beverage. Any subsequent sales to that consumer are recognised as revenue in the usual way, i.e. without adjusting the amount previously reflected as a marketing cost. Our judgement is that this better reflects the nature of these costs and the understanding of the Company's financial performance, rather than treating the entire amount as negative revenue. This has contributed to the overall increase in sales and marketing expenses in the year, and comprises £13.0m (2021: £24.8m) of sales and marketing costs.

Prior period adjustment

Share options issued to non-employees - in 2021 options were issued to a small number of non-employees in return for services provided in the pre-IPO period. As no share-based payment charge had previously been recorded for these options, a prior year restatement has been made to correct this omission.

	2021 £m
Profit and loss account and statement of comprehensive income	
Increase in administrative expenses	22.0
Increase in loss for the year attributable to the owners of the Company	22.0
	2021 £m
Statement of financial position	
Increase in share option reserves	22.0
Increase in accumulated losses	(22.0)
Net change in equity	-

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

4 Auditor's remuneration

	2022 £ m	2021 £ m
Fees payable to the auditor for the audit of the financial statements	1.8	1.7
Fees payable to the auditor for other services		
Tax advisory services	-	0.6
Other assurance services	-	0.5
	-	1.1

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £ m	2021 £ m
Wages and salaries	184.9	115.2
Social security costs	12.1	34.5
Share-based payment expenses	80.8	67.3
Pension and other post-employment benefit costs	6.1	3.0
	283.9	220.0

The average number of persons employed by the company (including the director) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Sales, marketing and operations	1,056	700
Technology	761	370
Administration	342	236
Directors and global management	32	31
	2,191	1,337

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

6 Operating loss

Arrived at after charging/(crediting)

	Note	2022 £ m	2021 £ m
Depreciation expense		1.7	2.2
Depreciation on right of use assets		6.3	3.8
Amortisation expense		30.3	23.6
Research and development cost		70.8	40.7
Loss on disposal of property, plant and equipment		0.8	0.1
Staff costs	5	283.9	220.0
Exceptional items	7	12.0	27.6
Loss allowance on trade debtors and amounts due to/from related parties		<u>33.6</u>	<u>9.5</u>

7 Exceptional Items

	2022 £ m	2021 £ m
Coronavirus related costs	0.5	1.4
Initial Public Offering and deal costs	0.6	20.0
Legal and Regulatory costs	4.4	5.5
Restructuring costs	<u>6.5</u>	<u>0.7</u>
	<u>12.0</u>	<u>27.6</u>

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

8 Finance income

	2022 £ m	2021 £ m
Bank interest received	10.9	0.5
Unrealised foreign exchange gains	-	13.6
Interest received from group undertakings	3.6	4.2
	<u>14.5</u>	<u>18.3</u>

9 Finance cost

	2022 £ m	2021 £ m
Interest on lease liabilities	1.2	0.7
Unrealised foreign exchange losses	10.5	-
Interest payable to group companies	20.9	15.0
	<u>32.6</u>	<u>15.7</u>

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

10 Income tax

	2022 £ m	2021 £ m
Current taxation		
Current tax charge for the year	<u>0.6</u>	<u>0.4</u>

The standard rate of corporation tax applied to the reported loss in the UK is 19% (2021: 19%).

The reconciliation between the tax expense and the product of accounting profit multiplied by the domestic tax rate for the years ended 31 December 2022 and 2021 is as follows:

	2022 £ m	2021 (restated) £ m
Loss before income tax	<u>(237.1)</u>	<u>(453.5)</u>
Corporation tax at standard rate	(45.0)	(86.2)
Adjustments for permanent differences		
Losses not recognised	26.0	79.6
Group relief surrendered for nil consideration	5.6	3.7
Permanent differences	16.1	18.5
Movement in unrecognised temporary differences	<u>(2.1)</u>	<u>(15.2)</u>
Total tax charge	<u>0.6</u>	<u>0.4</u>

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

11 Property, plant and equipment

	Leasehold improvements £ m	IT and office equipment £ m	Rider and restaurant equipment £ m	Assets under construction £ m	Total £ m
Cost					
At 1 January 2021	7.8	6.7	0.3	0.5	15.3
Additions	-	0.7	-	0.1	0.8
Disposals	-	-	-	(0.1)	(0.1)
At 31 December 2021	7.8	7.4	0.3	0.5	16.0
Additions	-	1.8	-	1.2	3.0
Disposals	-	(0.1)	-	(0.7)	(0.8)
At 31 December 2022	7.8	9.1	0.3	1.0	18.2
Accumulated depreciation					
At 1 January 2021	2.9	4.9	0.2	-	8.0
Charge for year	0.8	1.3	0.1	-	2.2
At 31 December 2021	3.7	6.2	0.3	-	10.2
Charge for the year	0.8	0.9	-	-	1.7
At 31 December 2022	4.5	7.1	0.3	-	11.9
Carrying amount					
At 31 December 2022	3.3	2.0	-	1.0	6.3
At 31 December 2021	4.1	1.2	-	0.5	5.8

Rooffoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

12 Right of use assets

	Buildings £ m	Total £ m
Cost		
At 31 December 2021	26.5	26.5
Additions	18.4	18.4
Disposals	(0.4)	(0.4)
At 31 December 2022	<u>44.5</u>	<u>44.5</u>
Depreciation		
At 31 December 2021	9.5	9.5
Charge for the year	6.3	6.3
Disposals	(0.4)	(0.4)
At 31 December 2022	<u>15.4</u>	<u>15.4</u>
Carrying amount		
At 31 December 2022	<u>29.1</u>	<u>29.1</u>
At 31 December 2021	<u>17.0</u>	<u>17.0</u>

13 Intangible assets

	Goodwill £ m	Acquired software £ m	Capitalised development expenditure £ m	Total £ m
Cost				
At 1 January 2022	4.2	9.8	104.5	118.5
Additions	-	-	50.3	50.3
At 31 December 2022	<u>4.2</u>	<u>9.8</u>	<u>154.8</u>	<u>168.8</u>
Amortisation				
At 1 January 2022	-	4.7	61.7	66.4
Amortisation charge	-	1.1	29.2	30.3
At 31 December 2022	<u>-</u>	<u>5.8</u>	<u>90.9</u>	<u>96.7</u>
Carrying amount				
At 31 December 2022	<u>4.2</u>	<u>4.0</u>	<u>63.9</u>	<u>72.1</u>
At 31 December 2021	<u>4.2</u>	<u>5.1</u>	<u>42.8</u>	<u>52.1</u>

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Investments

Subsidiaries	£ m
Cost	
At 1 January 2021	185.9
Impairment	(84.5)
At 31 December 2021	101.4
Additions	70.0
At 31 December 2022	171.4
Carrying amount	
At 31 December 2022	171.4
At 31 December 2021	101.4

During the year, Deliveroo plc announced that Ocorian Limited ("Ocorian" or the "Trustee"), which administers the Roofoods Ltd Employee Benefit Trust (the "EBT") will start making market purchases of Class A ordinary shares of £0.005 each (nominal value) in Deliveroo plc ("A Shares") (the "EBT Share Purchase Programme"). The Company, as the sponsoring entity of the EBT, provided £70m of funding to this programme during the year.

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Investments (continued)

Details of the subsidiaries as at 31 December 2022 are as follows:

Name of subsidiary	Registered office	Holding	Proportion of ownership interest and voting rights held	
			2022	2021
Deliveroo Australia Pty Ltd*	Level 2, 161 Collins St, Melbourne VIC 3000 Australia	Ordinary	100%	100%
Deliveroo Belgium SPRL	WeWork Botanic, Botanic Building, Boulevard Saint-Lazare 4, 1210, Saint-Josse-ten-Noode, Brussels Belgium	Ordinary	100%	100%
Deliveroo Consulting LLC*****	Office No. G33, Plaza Lever, QQ05A, Qanat Quartier, Regus Al Jaidah, Business Centre No. 18, Doha Qatar	Ordinary	100%	0%
Deliveroo DMCC	Unit No 123, DMCC Business Centre, Level No 1, Jewellery & Gemplex 3, Dubai United Arab Emirates	Ordinary	100%	100%
Deliveroo Editions DMCC	Unit C05, Swiss Tower, Plot No. JLT-PH2-Y3A, Jumeirah Lakes Towers, Dubai United Arab Emirates	Ordinary	100%	100%
Deliveroo France SAS	36, rue Lafayette, Paris, 75009 France	Ordinary	100%	100%
Deliveroo Germany GmbH**	c/o Cormoran GmbH, Am Zirkus 2, 10117, Berlin Germany	Ordinary	100%	100%
Deliveroo Hong Kong Ltd	Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay Hong Kong	Ordinary	100%	100%

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Investments (continued)

Name of subsidiary	Registered office	Holding	Proportion of ownership interest and voting rights held	
			2022	2021
Deliveroo HOP DMCC*****	Unit No: R-04 Gold Crest View, Plot No: JLT-PH2-V2A, Jumeirah Lakes Towers, Dubai United Arab Emirates	Ordinary	100%	0%
Delivery HOP Italy S.R.L.	Deliveroo c/o Il Parallelo via Carlo Bo, 11 20143 Milano Italy	Ordinary	100%	100%
Deliveroo HOP Ltd	The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE United Kingdom	Ordinary	100%	100%
Deliveroo HOP Trading LLC*****	Plot Number 674/289 – Control Tower Retail – R#4 PO Box 24980. Dubai United Arab Emirates	Ordinary	100%	0%
Deliveroo International Ltd	The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE United Kingdom	Ordinary	100%	100%
Deliveroo Ireland Ltd	2 Dublin Landings, North Dock, Dublin Ireland	Ordinary	100%	100%
Deliveroo Italy S.R.L.	Deliveroo c/o Il Parallelo via Carlo Bo, 11 20143 Milano Italy	Ordinary	100%	100%
Deliveroo LLC*****	Office No.G33, Piazza Level, QQ05A, Qanat Quartier, Regus AL Jaidah Business Centre No. 18, Doha Qatar	Ordinary	100%	0%

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Investments (continued)

Name of subsidiary	Registered office	Holding	Proportion of ownership interest and voting rights held	
			2022	2021
Deliveroo Netherlands BV***	Raamplein 1, 1016 XK, Amsterdam Netherlands	Ordinary	100%	100%
Deliveroo Singapore Pte Ltd	135 Cecil Street, #10-01, Philippine Airlines Building, 069536 Singapore	Ordinary	100%	100%
Deliveroo SP Ltd	The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE United Kingdom	Ordinary	100%	100%
Deliveroo sp. z o.o.	ul. Aleje Ujazdowskie, nr 41, Warszawa, 00-540, Warszawa Poland	Ordinary	100%	100%
Roofoods Management 1 Ltd	The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London EC4R 3TE United Kingdom	Ordinary	100%	100%
Roofoods Management 2 Ltd*****	2 Dublin Landings, North Dock, Dublin 1 Ireland	Ordinary	100%	0%
Roofoods Private Limited	2nd Floor, Skyview 10, The Skyview, Sy no 83/1 Raidurgam, Hitech City Main Rd Hyderabad, Telangana, 500081 India	Ordinary	100%	100%
Roofoods Spain S.L.****	Calle Velazquez 64, 4th floor, Madrid, 28001 Spain	Ordinary	100%	100%

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Investments (continued)

Name of subsidiary	Registered office	Holding	Proportion of ownership interest and voting rights held	
			2022	2021
Roorestaurant Ltd*****	The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE United Kingdom	Ordinary	100%	0%
Roofoods (USA) Inc.	251 Little Falls Drive, Wilmington, New Castle County United States of America	Ordinary	100%	100%
Roofoods Editions Kitchen Centre LLC	Shop 07, Majestic Tower, Business Bay, Dubai United Arab Emirates	Ordinary	49%	49%
Roofoods Food Delivery LLC	Unit 3201-3204, API Trio Towers, Commercial Tower, Sheikh Zyed Road, Barsha First United Arab Emirates	Ordinary	49%	49%
Roofoods Restaurant LLC	Unit 3201-3204, API Trio Towers, Commercial Tower, Sheikh Zyed Road, Al Barsha First United Arab Emirates	Ordinary	49%	49%
Deliveroo Editions Food Preparation Management Company SPC	West Abu Fatira Al-Herafia, Block 1, Plot 513, Street 25, Zayed Al Otaibi building, Floor 1, Mubarak Al-Kabeer, Kuwait City Kuwait		0%	0%
Deliveroo Management Limited	Dubai International Financial Centre, GD 4, 5th Floor, Dubai United Arab Emirates		0%	0%

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14 Investments (continued)

Name of subsidiary	Registered office	Holding	Proportion of ownership interest and voting rights held	
			2022	2021
Editions SPC Ltd	Unit 06, 07 , Level 13, Currency House, Tower 2, Dubai International Financial Centre, Dubai, 506615 United Arab Emirates		0%	0%
New Skies General Trading SPC	Qibla, Block 9, Plot 7 , Ahmed Al-Jaber Street, Abdullah Al Yousifi building, Floor M2, Unit 11, Kuwait City Kuwait		0%	0%
New Skies SPV Limited	34, Al Maqam Tower, Abu Dhabi Global Market Square, Al Maryah Island,P.O. Box 35665, Abu Dhabi United Arab Emirates		0%	0%
Roofoods Consumer Products Delivery Gulf SPC	Qibla, Block 9, Plot 7 , Ahmed Al-Jaber Street, Abdullah Al Yousifi building, Floor M2, Unit 11, Kuwait City Kuwait		0%	0%

* Ceased trading in 2022 and was dissolved on 10 May 2023

** In the process of liquidation.

*** Ceased trading in 2022.

**** Ceased trading in 2021.

***** New investment in the year, held in a separate subsidiary.

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

15 Trade and other debtors

	2022	2021
	£ m	£ m
Trade and other debtors falling due within one year		
Trade debtors	36.1	26.2
Provision for impairment of trade debtors	(2.5)	(1.8)
Net trade debtors	33.6	24.4
Debtors from related parties	325.8	290.3
Prepayments	12.6	23.2
Other debtors	12.2	3.8
Corporation tax receivable	0.6	2.6
	<u>384.8</u>	<u>344.3</u>

	2022	2021
	£ m	£ m
Amounts falling due after more than one year:		
Trade and other debtors	<u>5.5</u>	<u>4.0</u>

16 Inventories

	2022	2021
	£ m	£ m
Restaurant equipment	1.7	1.3
Rider clothing and equipment	9.8	8.6
Food packaging	-	0.3
	<u>11.5</u>	<u>10.2</u>

The cost of inventories recognised as an expense in the year is £7.5m (2021: £13.0m). Of this, £5.6m (2021: £5.9m) is included within 'cost of sales' with £4.0m (2021: £3.6m) relating to restaurant equipment. £1.6m (2021: £6.1m) relating to rider clothing and equipment is within 'other operating expenses' through the profit and loss account. The write down of inventory to net realisable value recognised as an expense in the year is £0.3m (2021: £1.0m). This is recorded within 'administrative expenses' in the profit and loss account.

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

17 Cash at bank and in hand

	2022	2021
	£ m	£ m
Cash and cash equivalents	<u>705.2</u>	<u>1,143.3</u>

18 Other treasury deposits

	2022	2021
	£ m	£ m
Other treasury deposits	<u>50.5</u>	<u>-</u>

19 Trade and other payables

	2022	2021
	£ m	£ m
Trade creditors	16.5	15.9
Accruals and deferred income	84.6	94.1
Amounts due to group undertakings	373.8	377.5
Other tax and social security payables	55.6	86.8
Amounts due to restaurants	43.4	34.3
Other creditors	2.5	2.7
	<u>576.4</u>	<u>611.3</u>

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

20 Lease liabilities

Leases included in creditors

	2022	2021
	£ m	£ m
Current portion of long term lease liabilities	6.6	4.8
Long term lease liabilities	25.2	16.8
Total lease liabilities	<u>31.8</u>	<u>21.6</u>

Lease liabilities maturity analysis

A maturity analysis of lease liabilities is reported in the table below:

	2022	2021
	£ m	£ m
Less than one year	7.1	4.7
2 years	6.5	4.5
3 years	6.1	4.0
4 years	5.8	3.5
5 years	5.8	3.3
6 years	2.8	3.3
7 years	1.5	0.2
Less interest	(3.8)	(1.9)
Total lease liabilities	<u>31.8</u>	<u>21.6</u>

Rooffoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

21 Provisions

	2022 £ m	2021 £ m
Legal provision	0.4	0.4
Provision for payment to a related party to settle potential legal & regulatory outflows	71.3	70.9
Dilapidations	2.7	-
	<u>74.4</u>	<u>71.3</u>

	Legal provision £ m	Provision for payment to a related party to settle potential legal & regulatory outflows £ m	Dilapidations £ m	Total £ m
At 1 January 2022	0.4	70.9	-	71.3
Additional amounts provided for	-	0.4	2.7	3.1
At 31 December 2022	<u>0.4</u>	<u>71.3</u>	<u>2.7</u>	<u>74.4</u>

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

21 Provisions (continued)

The Company is involved in a number of ongoing legal and arbitration proceedings with third parties. The amounts provided in the legal provision represent our best estimate of associated economic outflows based on the status of proceedings at the time of approval of these financial statements, and are based on current claims from regulators, even where we dispute the amounts claimed. Court proceedings and investigations are expected to extend for at least 12 months. Depending on the outcomes, the total economic outflow could be different to that currently provided. The Director will review and revise the amounts of such provisions, as necessary, as and when new information becomes available. Provisions assessed during the period are for various regulatory challenges, including markets that we have exited. We are participating in ongoing discussions with relevant authorities as part of official processes. Whilst it is difficult at this time to quantify the probable economic outflow in the event of an adverse outcome, the provision represents our best estimate of the amount that the entity would rationally be willing to settle for, based on the information available to us at this time and taking into account the range of potential outcomes currently apparent. We will continue to refine our assessment as further information is available.

Further to the amounts provided above, the challenges of the new on-demand economy mean that, like other companies in this industry, the Company may eventually be subject to further inspections or litigation of the same nature in the future. Management would assess any such future challenges on a case-by-case basis. We continue to defend ourselves robustly against challenges of this nature, but we recognise that the risk associated with the on-demand economy may be heightened, and we have recognised provisions accordingly. The Director is confident in the operating model and practices, and will take all reasonable steps to defend its position if so challenged. In addition, the Company and its subsidiaries are engaged with relevant stakeholders to seek to bring greater certainty, together with flexibility, for individuals who work within the on-demand economy.

The provision for payment to a related party to settle potential legal & regulatory outflows comprises expected amounts paid to cover associated costs in accordance with Group transfer pricing arrangements.

The Company is required to perform dilapidation repairs to restore properties to agreed specifications prior to the properties being vacated at the end of their lease term. These amounts are based on estimates of repair and restoration costs at a future date and therefore a degree of uncertainty exists over the future outflows, given that these are subject to repair and restoration cost price fluctuations and the extent of repairs to be completed.

Parental Guarantee

The Company has issued a parental guarantee for £7.1m (2021: £nil) on behalf of Deliveroo Netherlands BV as part of an agreement with the Dutch Pension Authority.

22 Amounts due to related parties

	2022	2021
	£ m	£ m
Intercompany loan with Deliveroo plc	<u>1,053.1</u>	<u>1,035.5</u>

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

23 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary	<u>7,395,840</u>	<u>740</u>	<u>7,395,840</u>	<u>740</u>

The Company's share premium account of £1,295.7 million was cancelled and the amount credited to retained earnings, following High Court approval of the share premium cancellation on 11 August 2022.

All shares have a nominal value of £0.0001.

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

24 Share-based payments

Equity-settled share option scheme

Roofoods Ltd maintained the following, equity-settled share-based payment schemes for employees prior to the admission of its parent company to the London Stock Exchange in April 2021:

- EMI Scheme
- Unapproved option scheme
- French free share plan
- Restricted Stock Units ("RSUs")

The 2021 share-based payments charge has been restated to account for a charge in relation to the non-employee options granted in February and March 2021.

As part of the IPO process, share options in Roofoods Ltd were exchanged for equivalent value share options in the Company's immediate parent Company, Deliveroo plc, therefore as at the reporting date, Roofoods Ltd has no options outstanding.

Options under these schemes vest if certain conditions are met, and, for most awards, participants must be employed until the end of the agreed vesting period. Upon vesting, each option allows the holder to purchase one ordinary share at a price determined at grant date, other than the French free share plan and the RSUs, in which the shares are granted for nil cost.

Post IPO, all share option plans are granted to employees of the Company by Deliveroo plc and the Company recognises an expense for share-based remuneration for services received from its employees. Each of these plans is considered substantially similar, and as such, disclosures below are aggregated.

The weighted average share price for share options exercised during the year was £1.00 (2021: £3.76).

The share options outstanding as at 31 December 2022 had a weighted average remaining contractual life of 8.4 years (2021: 8.4 years) and the range of exercise prices was £0.00-£0.08 (2021: £0.00-£0.08).

Roofoods Ltd

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

25 Parent and ultimate parent undertaking

The company's immediate parent is Deliveroo plc.

The most senior parent entity producing publicly available financial statements is Deliveroo plc. These financial statements are available upon request from <https://corporate.deliveroo.co.uk/>.

The ultimate controlling party is Will Shu.

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Deliveroo plc, incorporated in England and Wales.

The address of Deliveroo plc is:

The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE

26 Events after the financial period

There were no significant events noted after the reporting period.