JUST EAT

JUST EAT plc

Annual Report & Accounts 2014

JUST EAT operates the world's leading online and mobile marketplace for takeaway food.

Our mission is to empower consumers to love their takeaway experience.

Contents

Strategic Report
1 2014 Highlights
2 At a Glance
4 Strategic Summary
6 Chairman's Statement
8 CEO's Statement
10 History & Development
12 Market Overview
14 Our Business Model
18 Strategic Initiatives
24 Our People
25 Disciplined Approach to M&A
26 Key Performance Indicators
28 CFO Update and Financial Review
36 Principal Risks and Uncertainties
40 Corporate Social Responsibility

Corporate Governance
42 Corporate Governance Report
44 Our Board
46 Report of the Board and Nomination Committee
52 Report of the Audit Committee
58 Report of the Remuneration Committee

Financial Statements
81 Independent Auditors' Report
86 Consolidated Income Statement
87 Consolidated Statement of Other Comprehensive Income
88 Consolidated Balance Sheet
89 Consolidated Statement of Changes in Equity
90 Consolidated Cash Flow Statement
91 Notes to Consolidated Financial Statements
138 Company Balance Sheet
139 Company Reconciliation of Movements in Shareholders' Funds
140 Notes to the Company Financial Statements
146 Directors' Report
150 Four Year Summary
151 Glossary of Terms
153 Company Information

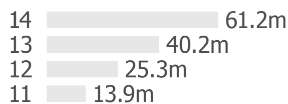
2014 Highlights

Welcome to our first Annual Report as a plc.

In 2014, our platforms processed transactions with a food value of over £1 billion (2013: £0.7 billion) for our restaurant partners.

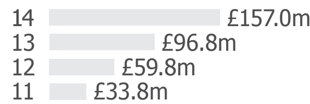
Orders* up 52% to

61.2M



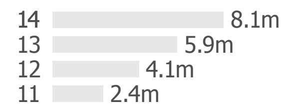
Revenue* up 62% to

£157.0M



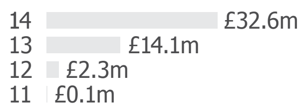
Active Users* up 37% to

8.1M



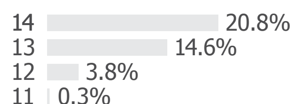
Underlying EBITDA* up 131% to

£32.6M



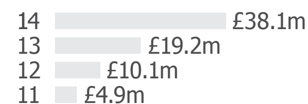
Underlying EBITDA margin up 43% to

20.8%



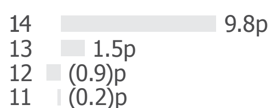
Operating cash flow is 117% of underlying EBITDA

£38.1M



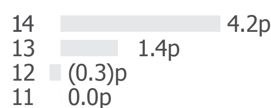
Basic earnings/(loss) per share up 553% to

9.8P



Adjusted basic earnings/(loss) per share up 200% to

4.2P



We have refreshed our brand with the launch of our #minifistpump campaign.

www.just-eat.com

* Highlights that are Key performance indicators as detailed further on page 26.

At a Glance

What we do

At JUST EAT, we operate the world's leading online and mobile marketplace for takeaway food, providing consumers with an easy and secure way to order and pay for food from local takeaway restaurants. Takeaway restaurants who join the JUST EAT platform have their menu made accessible to online consumers. These consumers search for local restaurants using their postcode and any cuisine preference. We transmit the details of their order to the takeaway restaurants via proprietary Just Connect Terminals ("JCTs"), which restaurants use to accept orders and send confirmations to the consumer. Once prepared, the restaurant will deliver the food to the consumer, who can choose to pay securely online at the point of ordering or cash upon delivery.

We derive the vast majority (76%) of our revenue from commission charged to restaurants on the value of successful orders placed. This, plus certain administration fees, typically related to card payments, comprise the B2C order-driven revenue that in total accounts for 89% of all revenues. The remaining 11% of our revenue consists of one-off connection fees paid by restaurants to join JUST EAT, top-placement advertising fees and other revenues.

Our mission is to empower consumers to love their takeaway experience. It's about providing breadth of selection, transparency, security and convenience.

We want to give consumers better information and more choice. With the huge range of cuisines we offer through the 45,700 contracted restaurant partners on our platforms, supported by over seven million reviews, consumers can make more informed choices than ever, whether ordering through online, mobile and apps.

Where we are

Since the first JUST EAT website was launched in Denmark in 2001, we have expanded globally with operations in Belgium, Brazil, Canada, Denmark, France, Ireland, Italy, the Netherlands, Norway, Spain, Switzerland and the UK. In early 2015, we expanded into Mexico with the acquisition of Sindelantal Mexico. We are market leader in the majority of our countries; a key success factor in our sector. The UK, where we are clear market leader, is the largest of JUST EAT's operations in terms of number of takeaway restaurants, orders and medium term opportunity, representing 73% of total Group revenues.

Our team continues to grow with over 1,500 people now working for JUST EAT globally. Our headquarters are in the heart of London, but this is very much a local business and we have teams on the ground in every country including dedicated in-house customer care teams.

How We Generate Value

Technology

Our technology is making life easier for consumers and restaurants. The JUST EAT system enables restaurants to efficiently manage their order process by reducing communication errors that could be made over the phone and reducing the time spent on processing. The JUST EAT websites and apps enable consumers to make informed choices about what food to order in a quick and convenient way.

Scalability

When creating, developing and maintaining our technology, we recognise the importance of scalability. We invest heavily to ensure our platforms and apps are robust, flexible and secure enough to meet increasing peaks of demand from consumers and restaurants.

People

Our people are integral to all that we do at JUST EAT. We have an outstanding central team who are responsible for designing, implementing, maintaining, supporting and promoting our websites and apps, as well as great local teams who lead sales, marketing and operational functions in-country.

Brand

Consumers have the reassurance of ordering from a well-known, trusted brand, receiving customer service through JUST EAT online support or offline through our call centres. Brand association helps restaurants to drive scale in orders by enabling efficient entry to the online market.

Simple, Success-Based Revenue Model

5%

Connection fees revenue

Restaurants pay a one-off fee to join the JUST EAT network. The pricing varies, depending on market maturity and thereafter any compulsory fees are success-based[1].

13%

Payment card/admin fees revenue

This is a small fee typically charged when consumers choose to pay online.

76%

Commission

Commission is charged to restaurants on the value of successful orders placed by consumers. The rate charged varies by country, averaging 11.4% across the Group.

6%

Top-placement fee and other revenue

Restaurants can choose to pay for additional services such as promotional top-placement on the JUST EAT platform and can purchase low-cost branded commodity products.

1 With the exception of Denmark and France, where restaurants pay a small annual subscription fee in addition to commission and admin fees.

See page 14

Strategic Summary

Our strategy is focused on three interlinking areas for business growth: improving the consumer experience, bringing greater choice and ultimately driving channel shift. Given the strategic importance of the UK, our initiatives are first trialled and launched in this geography and then rolled out to our other countries.

Set out below is a summary of our key strategic initiatives, our achievements during 2014, how we measure our progress and what risks could disrupt us from delivering on our strategic initiatives.

Strategic Initiatives	Business Model See page 14	What Have We Been Doing In 2014?
Improving the Consumer Experience See page 18	• Technology • Scalability • People	**Continued innovation** We have started developing and are trialling real-time order tracking, which will enable consumers to track their order through every stage from placement to delivery. **Better information** Alongside adding 2.2 million consumer reviews in 2014, we have added drive distance to our Search Engine Results Page ("SERP"). When using a web browser, drive distance is shown next to the restaurant name and rating. On tablet devices, search results can be shown on a map view. Geo-location is now functional on the iPhone and Android apps and tablets.
Bringing Greater Choice See page 20	• Technology • Scalability • People	**Technology advances** Our purchase of EPOS-technology business Meal2Go, has helped us develop a takeaway-focused central system of order management to provide to our restaurant partners. Aimed predominantly at higher-volume outlets, this will help us to become more fully integrated into how those restaurants operate. **Coverage** We have expanded into the collection market and are developing our collection-specific capability on the JUST EAT platforms.
Driving Channel Shift See page 22	• Technology • Brand • People	**Mobile-led strategy** In the UK, orders can now be made through Android (tablets and phones), iPhone, iPad or Windows 8 mobile, Kindle Fire tablets and, of course, a PC. This has resulted in over 60% of JUST EAT UK orders now being placed using a mobile device (including tablets). **Building the brand** Consumers trust well-known brands with which they identify. In October we refreshed our brand with the launch of our #minifistpump campaign.

Our Mission: Empower consumers to love their takeaway experience.

Principal Risks and Uncertainties

See page 36

- Competition
- Culture
- Data protection
- Technology dependency

- Business growth
- Competition
- Culture
- Regulation and legislation
- Technology dependency

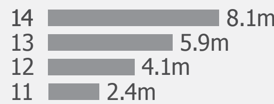
- Competition
- Consumer behaviour
- Corporate regulation
- Culture
- Data protection
- Regulation and legislation

Key Performance Indicators

See page 26

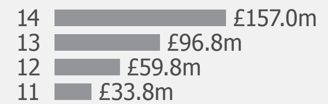
Number of active users

8.1M



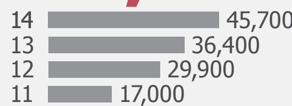
Revenue

£157.0M



Number of restaurants

45,700

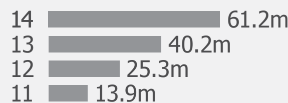


Average revenue per order

£2.29

Number of orders

61.2M



Underlying EBITDA

£32.6M

Chairman's Statement

This has been another excellent year for JUST EAT, with revenue up 62% to £157.0 million and Underlying EBITDA up 131% to £32.6 million, demonstrating the scale of the market opportunity and our ability to drive top and bottom line growth by meeting the needs of consumers and restaurants.

A year of excellent progress

We aim to deliver predictable and transparent financial performance. JUST EAT's significant operational leverage saw margins expand as revenues grew, more than offsetting our substantial ongoing investments in group infrastructure, technology and markets. Furthermore, the business has an attractive cash profile, with a very favourable working capital cycle.

As well as sharply higher order volumes in 2014, which increased 52% year-on-year, we have seen a continuing shift to mobile. Through our mobile-led strategy, this channel now provides over 60% of orders for the UK. We also enhanced our relationship with our restaurant partners, who are embracing the improved tools we offer them.

2014 was a landmark year, with our IPO in April being an important milestone and we were delighted to attract such a high-quality shareholder base. We believe that the investment community is increasingly recognising the value of JUST EAT, as we continue to deliver on our commitments. Our business model delivers value to consumers and restaurants, which in turn creates value for shareholders.

The IPO has given us the financial strength to develop through acquisition if opportunities to buy leading positions in markets of scale present themselves. In the short-term, our strategy is to continue to build our business by extending our leadership in existing markets and to focus on technology and innovation.

Strong governance

Governance is at the heart of the way the Board operates and central to the way the Company behaves. Although at the time of the IPO the Board did not fully comply with the requirements of the Corporate Governance Code, as the financial sponsor shareholders sell down, we are committed to developing a Board that fully complies. By the end of the 2014 financial year we had already ensured that all committees of the Board were and remained fully Code compliant.

This year we have recruited three extremely experienced independent Non-Executive Directors, and I welcome Gwyn Burr, Andrew Griffith and Henri Moissinac to the Board. Their backgrounds in major consumer, food and mobile technology businesses are already proving immensely valuable, and their subject matter expertise highly complements our plans for the Company.

Laurel Bowden stepped down from the Board on 1 October 2014 and I would like to extend my thanks for her invaluable contribution since becoming a Director in 2011.

An outstanding team

JUST EAT has built a senior management team with tremendous depth and understanding of both our business and the market in which we operate. Our ambitions mean we will continue to strengthen our leadership, bringing in the capabilities we need to take full advantage of the opportunities presented to us.

On behalf of the Board, I would like to thank everyone at JUST EAT for their commitment and contribution to our success this year.

Looking ahead

JUST EAT has an extensive opportunity to grow over the coming years. We are determined to grasp that opportunity and to maximise the benefits for our consumers, restaurants, employees and shareholders.

Our prospects are underpinned by our leadership positions, a takeaway food market growing faster than global GDP, and above all, the sizeable potential for channel shifting orders from phone to online, which is still in its early stages.

Over time, our opportunity to continue to build the global leader in this space is clear. The strength of our brand and technology and our ability to innovate will also open up adjacent markets for us, such as collection, giving us access to new sources of growth, revenues and profits.

John Hughes, CBE
Chairman

We are fully committed to Corporate Governance and have added to our already outstanding team during the year:

Andrew Griffith
Senior Independent Non-Executive Director
(Chairman of the Audit Committee)

Gwyn Burr
Non-Executive Director
(Chairman of the Remuneration Committee)

Henri Moissinac
Independent Non-Executive Director

See page 45

CEO's Statement

Order growth is a key measure of JUST EAT's success. It illustrates how well we have executed on our strategy and reinforces the attractiveness of our market for the long-term. In 2014, orders grew by 52% to 61.2 million, worth over £1 billion to our restaurant partners.

Revenue grew 62% to £157.0 million. Underlying EBITDA increased to £32.6 million from £14.1 million, which is an excellent result in a period where we made significant investment in our future growth.

Continued strategic progress

We are committed to leading the industry and improving our consumers' experience. During 2014, we continued our mobile-led product evolution, with our web refresh meaning users see the same product flow, whatever device they are using. We expanded our pilot in real-time order tracking with trials now in 11 restaurants. In the long-term, we believe our ability to innovate at scale will profoundly change the consumer experience and reinforce the benefits of building the leading market place for the fragmented takeaway industry.

Our technology gives us a real competitive advantage in bringing greater choice. JUST EAT has more than a decade of experience in building, operating and enhancing a complex real-time eCommerce platform. At peak, we now process 1,100 orders per minute through our contracted network, demonstrating our ability to reliably deliver scalable solutions to our 45,700 restaurant partners. We have recently worked on expanding into the collection market and have now signed over 1,000 collection-only restaurants in the UK; initial results from this market are positive.

Consumers trust strong brands. We believe that television remains the best way to reach a mass-market audience, to help create and strengthen our brand and accelerate channel shift from telephone to online. We remain strongly committed to building our brand in all of our markets, and we are now a TV brand in the majority of them. This investment increases loyalty and consumer allegiance to JUST EAT, ensuring we remain the clear choice for hungry consumers. In the UK, top-of-mind awareness[1] increased from 39% in December 2013 to 44% in December 2014.

In our business, being market leader is critical for many reasons, crucially to ensure the consumer has a strong single source of information and choice in a highly fragmented sector. We continue to build clear leadership positions wherever we operate. In Brazil, we merged our business with iFood to give us a 25% share of the undisputed market leader, increasing our stake to 30% after year-end. In France we increased our share in market leading alloresto.fr from 50% to 80%. These deals have strengthened our position in two of our key international markets. We also cemented our leadership position in Ireland with the purchase of Eatcity.ie in November 2014.

1 Based on a UK survey conducted by YouGov of adult takeaway users.

Clear priorities

We have a clear focus on delivering on our three strategic initiatives, including completing appropriate M&A and developing our people for the long-term.

We are continuing to increase our investment in engineering and product into 2015, to accelerate the introduction of new features on our platforms. We are driving channel shift through initiatives such as mobile and brand refresh; improving the consumer experience through innovation and improved information whilst expanding choice through restaurant signings.

We completed seven M&A transactions during the year and three post year-end. These delivered on our stated aims of acquiring leaders in markets of scale, making in-market acquisitions and advancing our technology base.

People are integral to what we do and we have an outstanding team of more than 1,500 passionate and dedicated JUST EATers. We are committed to enhancing our team by selective recruitment and developing our existing team through our in-house talent management programmes. We have opened a new office in Bristol with support from Invest Bristol & Bath and are building a relationship with the University of Bristol to attract the best technical engineering graduates in the West Country and Wales, an area with a history of success within the technology sector.

Outlook

Looking forward, we must capitalise on our clear leadership positions both in established markets such as the UK and in large, developing markets such as France, Brazil and Spain, markets of significant scale but in which online ordering is still at an early stage. Building leadership positions in those markets will create great long-term value for shareholders.

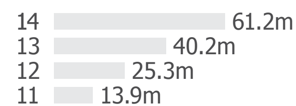
Going into 2015, JUST EAT is in a very strong position. We are on track to deliver on our growth targets and in 2015 we currently expect revenues marginally in excess of £200 million, at current exchange rates.

We will continue to drive channel shift and further strengthen our brand. We will also continue to innovate and then scale that innovation, to ensure new products and features are available to the vast majority of our 8.1 million Active Users, truly empowering them to love their takeaway experience.

David Buttress
CEO

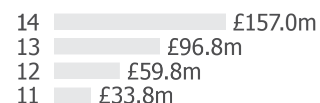
Orders up **52%** to

61.2M



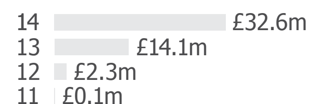
Revenue up **62%** to

£157.0M



Underlying EBITDA up **131%** to

£32.6M



#minifistpump

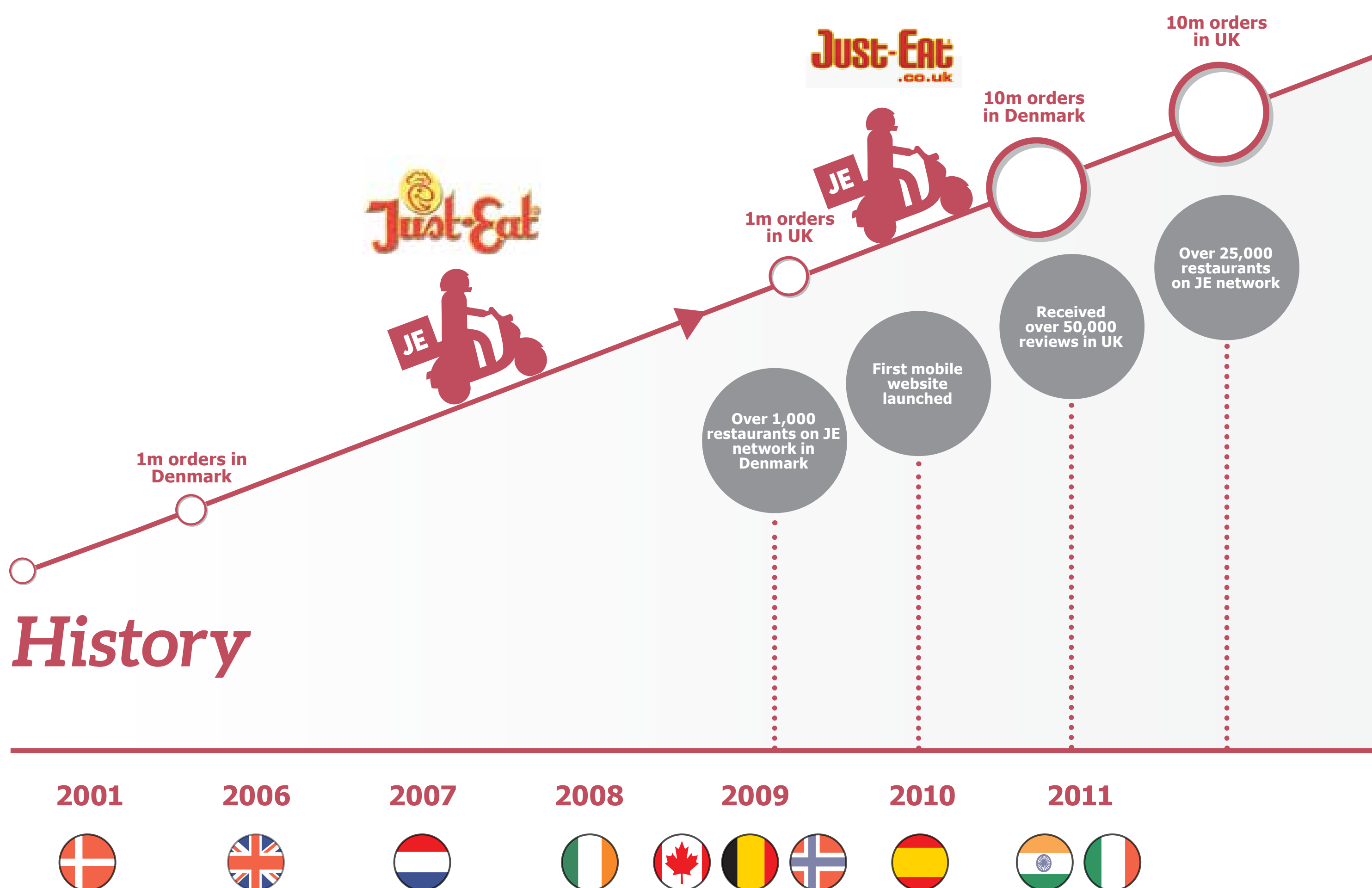
We remain strongly committed to building a brand in all of our markets, further supported by the launch of our #minifistpump campaign this year.

History & Development

The first JUST EAT website was launched in Denmark in August 2001.

Since then, we have expanded globally, signed over 45,700 restaurants and processed more than 150 million orders for hungry consumers.

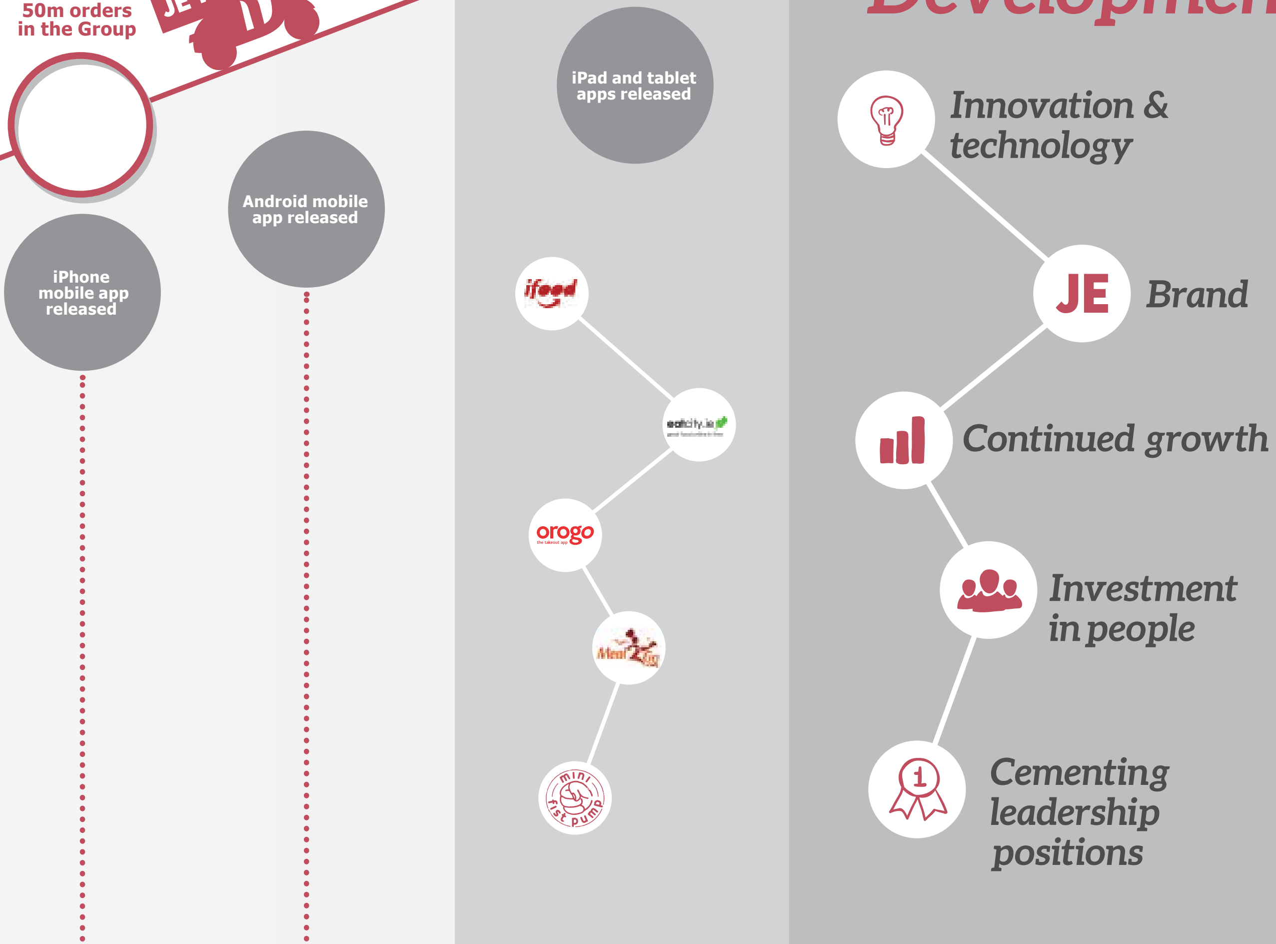
In 2014 alone, over £1 billion of takeaway food was ordered on JUST EAT platforms.



Growth in Orders

100m orders in UK

50m orders in the Group



Development

- *Innovation & technology*
- *Brand*
- *Continued growth*
- *Investment in people*
- *Cementing leadership positions*

2012

2013

2014

Market Overview

Our aggregator model works best in geographies with a fragmented takeaway restaurant market and high eCommerce adoption.

Our current markets

The optimal market for JUST EAT is where eCommerce is established and where the high street is highly fragmented, consisting of lots of independent takeaway restaurants and few chains. This has been key in choosing those territories in which we invest. The UK, Denmark, France, Ireland, Italy and Spain are particularly strong examples of a highly fragmented takeaway market in which aggregators such as JUST EAT should thrive.

As might be expected, we experience some seasonal fluctuations in our order growth rates, particularly in the UK and Northern Europe where the seasons tend to be more pronounced, characterised by long cold winters and short days. When it is cold and wet, more consumers choose to stay inside and order takeaway.

Who are our consumers

The biggest demographic of JUST EAT consumers are families and students. Families tend to place orders of higher value, as opposed to our student consumers who typically order more cheaply and for fewer people. Lifestyles have shifted, with consumers looking for convenience options that fit with their increasingly busy daily routines. This, combined with the growing variety of takeaway food, including increasingly healthier choices becoming available, has resulted in consumers embracing takeaway as a feature of their daily routine.

Current market trends

The markets in which JUST EAT currently operates were estimated to represent a total annual takeaway order value (for delivery) of £20.0 billion in 2013, of which the UK represented the largest amount at £4.4 billion.

This highlights the significant potential of scale in the online takeaway delivery market. In the UK, our core market, the most recent survey from February 2015 now puts the market for the delivery of takeaway food at £5.5 billion. The UK's phone and collect market, which we are only now starting to address, adds an estimated further £2.6 billion, highlighting the scale of opportunity open to JUST EAT.

In recent years, the takeaway food market has been growing faster than GDP, with online ordering growing much faster fuelled by the adoption of eCommerce and increased smartphone/tablet penetration[1]. The online channel shift experienced in the ordering of takeaway food is similar to the migration towards the use of the Internet by consumers in other highly fragmented markets, such as holiday and airline bookings, insurance, tickets for live entertainment, classified advertising and restaurant bookings.

1 According to "Consumer Foodservice in the UK" by Euromonitor and EIU.

Clear Market Leader

Europe

Country	Launched	Market Position
United Kingdom	Mar-06	#1
Denmark	Aug-01	#1
France	Dec-11	#1
Netherlands	Jul-07	#2
Spain	Nov-10	#1
Ireland	Apr-08	#1
Switzerland	Mar-11	#1
Italy	May-11	#2
Norway	Dec-09	#1[2]
Belgium	Apr-09	#2

Americas

Country	Launched	Market Position
Canada	Aug-09	#1[2]
Brazil (30% stake)	Aug-11	#1
Mexico	Feb-15	#1

#1

Source: JUST EAT management estimates excluding very small competitors considered immaterial in-market.

2 Canada and Norway exclude restaurant chains.

Our Business Model

JUST EAT operates a simple success-based business model which has a beneficial cash flow cycle, creating value for consumers, restaurants and shareholders.

Consumers are attracted to the JUST EAT platform due to the brand, choice of restaurants, ordering convenience and the ratings and reviews available. Consumer orders on the platform create benefits for other users by increasing the number of restaurant ratings and reviews. More consumers attracts more restaurants to sign-up, which in turn increases choice and drives more consumers to order takeaway through JUST EAT, completing the virtuous circle.

Success-based revenue model

We have a simple success-based revenue model which is highly scalable. Order-driven ("B2C") revenues account for 89% of total Group revenues, comprising commission paid by the restaurant on successfully fulfilled orders and payment card or admin fees. Commission revenue is driven by the number of orders placed, the average order value ("AOV") and commission rates. Thus, an increase in any one of these three variables will have a positive impact on the B2C revenue. The AOV is principally driven by the demographic of the consumer ordering, such as families or students and increases with food/service inflation. The commission rates are agreed in the contractual terms with the restaurants and vary by country. In January, we successfully raised commission rates in the UK from 11% to 12% with only a handful of restaurants leaving the network as a result.

Five per cent of the Group's revenue consists of connection fees, which is a one-off charge of up to £850 (depending on geography) paid by a restaurant to join the JUST EAT network. It is important to JUST EAT that restaurants are making a conscious decision to join the JUST EAT platform and that they have an interest in treating the orders sent to them from our platforms with the same care and attention as all their other orders.

A restaurant may also pay for additional services such as promotional top-placement on the JUST EAT platform and branded commodity products, which together constitute 6% of the Group's revenue. Top-placement fees are charged to restaurants who want to be listed in one of four clearly-labelled sponsored slots at the top of search results in a particular postcode. By paying this fee, the restaurant secures a top-placement slot for a particular postcode for a period of up to 12 weeks. Our "organic" listings below these top-placement slots are not affected by restaurant payments and are ordered by restaurant ratings and distance from the consumer.

Beneficial cash flow cycle

When a consumer pays online, JUST EAT collects the full order value on behalf of the restaurant. Payment to restaurants of the funds collected, less our fees, is typically made twice per month. As over 60% of orders are paid for by card, JUST EAT operates with a very favourable working capital cycle.

Revenue Journey

Connection fees

Restaurants pay a one-off fee to join the JUST EAT network. The pricing of connection fees varies with geography, depending on market maturity.

Commission

Commission is charged to restaurants on the value of successful orders placed by consumers. The rate charged varies by country. In January 2014, we successfully raised commission rates in the UK from 11% to 12%.

Payment card/ admin fees

A small fee is charged typically on orders paid for by card. Restaurants can choose to pass this fee on to the consumer.

Top-placement fee and other revenue

Restaurants can choose to pay for additional services such as promotional top-placement and branded commodity products, which we can supply at lower prices.

How We Generate Value

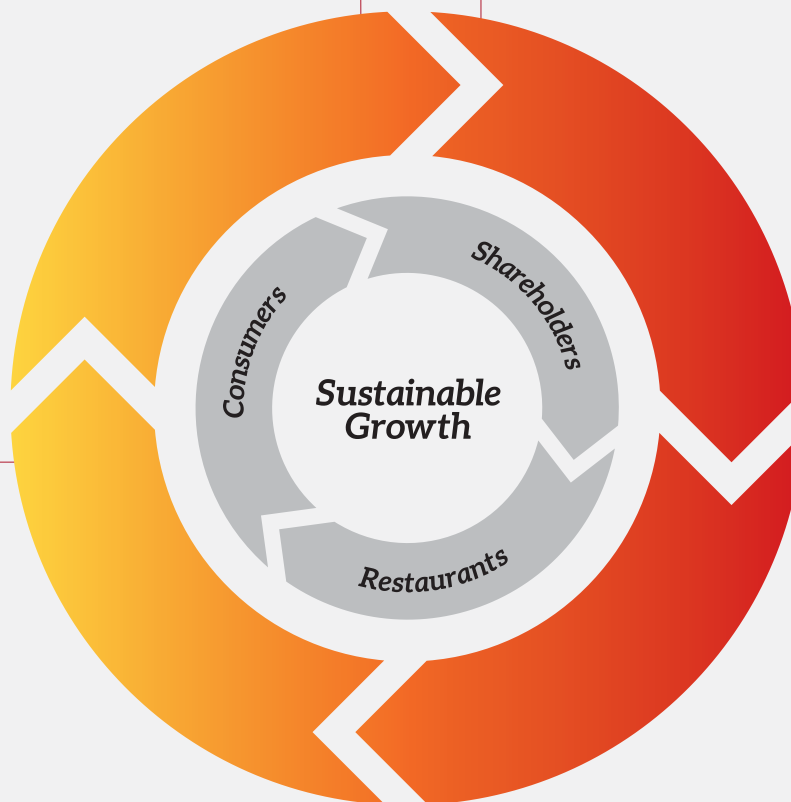
The diagram below summarises the key drivers behind how JUST EAT achieves sustainable growth. It is based on four inter-linking value drivers – scalability, technology, brand and people. Through our focus on these areas, we generate value for our consumers, restaurants and shareholders.

Scalability

When creating, developing and maintaining our technology, we recognise the importance of scalability. We invest heavily to ensure our platforms and apps are robust, flexible and secure enough to meet increasing peaks of demand from consumers and restaurants.

Technology

Our technology is making life easier for consumers and restaurants. The JUST EAT system enables restaurants to efficiently manage their order process by reducing communication errors that could be made over the phone and reducing the time spent on processing. The JUST EAT websites and apps enables consumers to make informed choices about what food to order in a quick and convenient way.



People

Our people are integral to all that we do at JUST EAT. We have an outstanding central team who are responsible for designing, implementing, maintaining, supporting and promoting our websites and apps, as well as great local teams who lead sales, marketing and operational functions in-country.

Brand

Consumers have the reassurance of ordering from a well-known, trusted brand, receiving customer service through JUST EAT online support or offline through call centres. Brand association helps restaurants to drive scale in orders by enabling efficient entry to the online market.

Business Model continued

Who we create value for

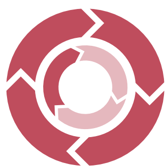
Consumers
Our platform allows consumers to make informed choices about what food to order and then do so in a convenient manner. The consumer can examine the full menu for each takeaway restaurant and read consumer reviews and ratings. In the UK they can also click on a link to the Food Standards Agency ratings.

Consumers can choose to store their card details securely with JUST EAT, along with contact details, favourite restaurants and favourite meals. They can choose to place an order wherever they are using one of our mobile apps or mobile website. The consumer has the reassurance of ordering from a well-known, trusted brand, receiving customer service through JUST EAT online support or offline through our call centres.

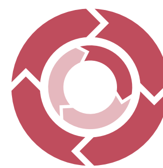
This access to readily accessible relevant and recent information, combined with ordering simplicity helps to drive channel shift, one of our strategic initiatives for growth.

Shareholders
2014 has been a milestone year for JUST EAT on our long-term journey of growth and development. In April, the Group successfully entered the High Growth segment of the London Stock Exchange, subsequently transferring to a Premium Listing in May and joining the FTSE 250 in June.

By delivering value to our consumers and restaurants, we ultimately drive long-term financial value to our shareholders. Given the high growth of the business, the Group intends to retain any earnings generated in the short-term in order to fund development and expansion. As such, despite a 200% increase in adjusted EPS to 4.2p, we have not paid a dividend in 2014 since IPO (one was paid in April 2014 prior to the IPO as part of a capital restructuring) and it is anticipated that dividends will not be paid in the foreseeable future. Our focus remains on driving growth through our strategic initiatives in the medium-term across all our markets.



Consumers



Shareholders

Consumer Journey

Postcode

The local JUST EAT websites and apps enable consumers to search for restaurants in their area using their postcode, sorted by cuisine choice and preference for delivery or collection.

Choose restaurant

Consumers can make an informed choice by reading customer reviews and examining the full menu. There are currently over seven million reviews on JUST EAT.

Delivery method

If the restaurant provides the option, a consumer can choose delivery or to collect the order themselves.

Payment method

The final stage in placing an order is for the consumer to choose to either pay securely online with stored card details or pay cash on delivery/collection.

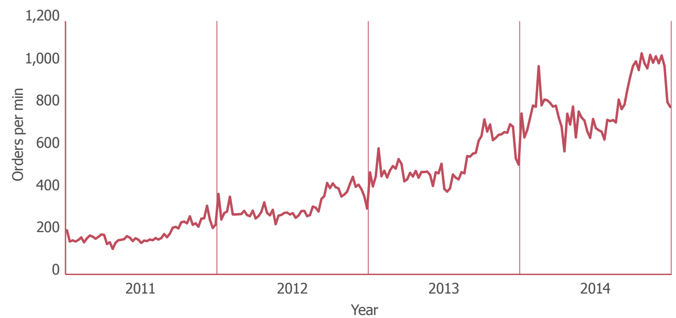
Restaurants
Takeaway restaurants may not have the knowledge or readily available capital to invest in creating their own platform. Additionally, many do not have the time or investment to spend on marketing, particularly dealing with the complexities of online search and promotion or building a broader brand. Brand association helps restaurants to drive scale in orders.

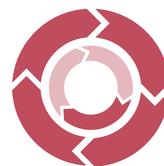
JUST EAT provides an easy solution to these problems, enabling efficient entry to the online market. In addition, takeaway restaurants often see an increase in average order values for online orders as consumers shop the whole menu at their own pace. The JUST EAT platform improves restaurant efficiency; accepting an online order is significantly quicker and more efficient than processing a telephone order.

The receipt of clear print-outs, rather than hand written notes of consumer orders also reduces communication errors. This improvement in speed and efficiency is particularly beneficial during peak ordering times, reducing or eliminating orders lost through an engaged phone line.

We help takeaway restaurants to develop their businesses through feedback for consumer preferences and reviews left on the JUST EAT platform, ultimately helping to drive standards in the takeaway food industry. We also utilise our buying power to offer restaurants JUST EAT branded commodity products at a lower price than is available to them individually.

Peak orders per minute
Demand is highly concentrated at weekends and evenings. Our core platform has maintained high availability whilst managing peak volumes, such as the 1,000 orders a minute processed for the hungry romantics ordering on St. Valentine's Day 2014. The growth in the peak volumes is shown below.





Restaurants

Strong, Active Relationships with Takeaway Restaurants

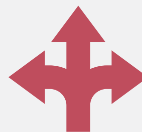
JUST EAT provides:

More orders

An online presence and access to JUST EAT's 8.1 million Active Users, helps restaurants to generate more orders.

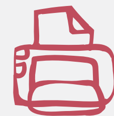
Higher value

Consumers who order online through JUST EAT, on average, tend to spend more than when ordering on the phone.



More efficient order processing

The JUST EAT platform reduces communication errors and enables restaurants to significantly reduce processing time.

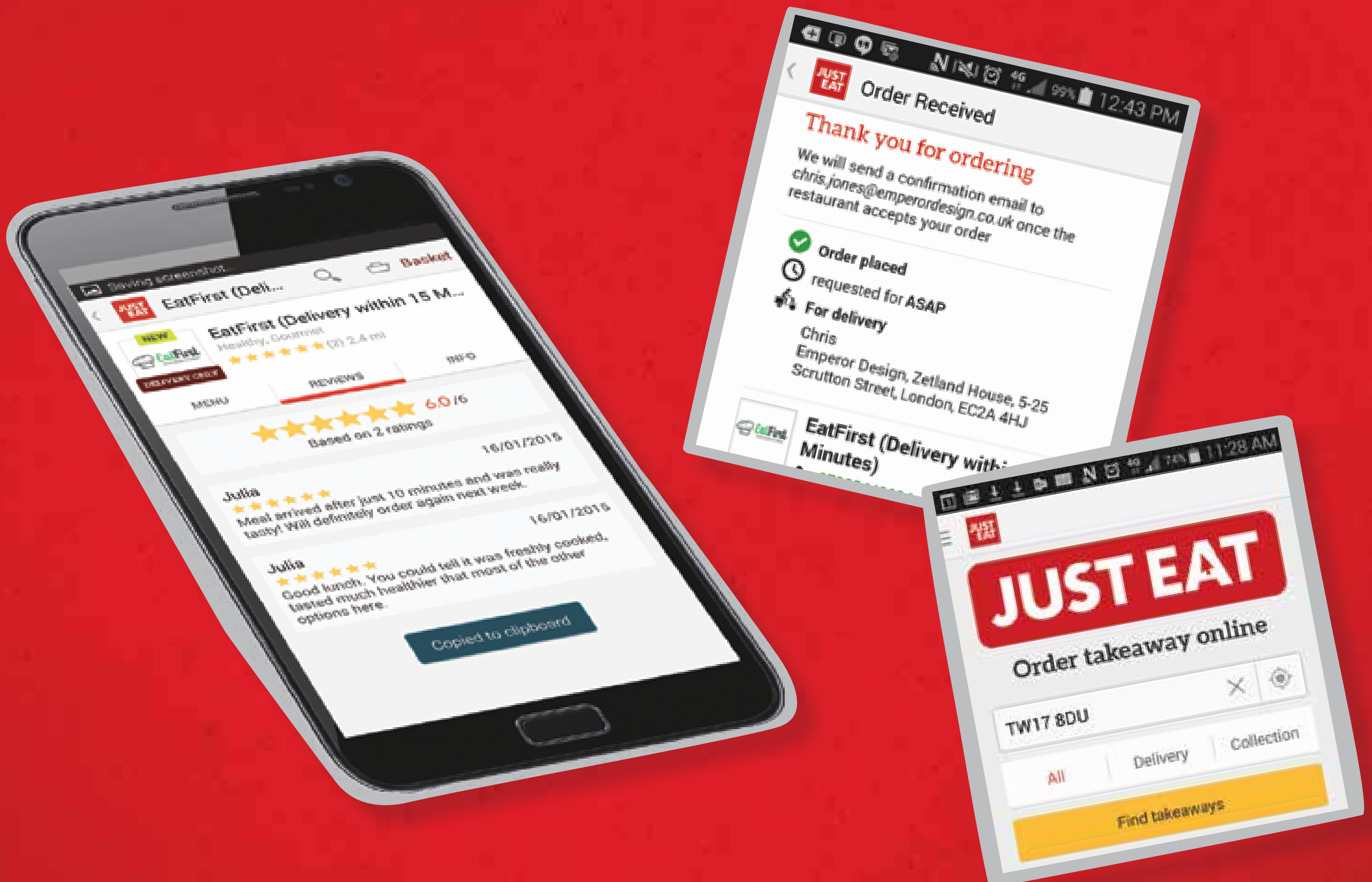


Services

Restaurants have access to other benefits such as cheaper menu printing and branded commodity products, as well as feedback on consumer preferences.

Strategic Initiatives

Improving the Consumer Experience



When ordering takeaway food for delivery, consumers are focused on three aspects: choice, delivery time and the quality of their food.

Continued innovation

We will continue to invest in technology and product, both to ensure our platform scalability and to innovate our consumer offer and restaurant technology platforms. During the year, we have been developing and piloting real-time order tracking, which will enable consumers to track their order through every stage from placement to delivery. We remain excited about how this innovation will fundamentally change the consumer ordering experience and it is now being trialled in 11 restaurants. Our focus in 2015 will be on addressing the challenge of scaling order tracking both technically and operationally across the JUST EAT network.

Better information

Having better information is key in enabling consumers to make empowered choices.

Consumer reviews, which can only be placed by those who have ordered, offer valuable insight into other people's views on food quality, service and delivery. At 31 December 2014, we had 3.7 million reviews on our UK platform. In addition to these reviews which are updated daily, we also include a link to the Food Standards Agency for access to historical regulatory data.

Once a postcode is entered, the Search Engine Results Page ("SERP") lists the restaurants that are available to deliver. There are four clearly labelled top-placement slots at the top of the SERP. All of the restaurants listed below these are ranked based on the consumer rating they have received and distance from the consumer, placing the higher-rated restaurants at the top.

In 2014 we added drive distance to our SERP. When using a web browser, the restaurant distances are shown next to the restaurant name and rating. Those ordering on a tablet device can view the distances on a map. Geo-location is now functional on the iPhone and Android apps and tablets.

Progress elsewhere

Denmark segment

We had over 230,000 restaurant reviews on the Danish platform at the end of 2014.

Other segment

In Spain we successfully implemented saved cards which enables consumers to securely store their credit card details for ease of future ordering.

How this links to our business model

See page 15

Strategic Initiatives continued

Bringing Greater Choice

Enhancing our offering to restaurants will drive loyalty from our existing restaurant partner base and encourage other restaurants to join. Consumers are focused on making informed choices and by increasing our coverage we will attract more consumers to the JUST EAT platform.

Technology advances

Our vision is to be fully integrated into how a takeaway restaurant operates, moving away from traditional transaction methods. This means not just facilitating JUST EAT orders but enabling us to offer our takeaway restaurant partners the right tools to manage their businesses. In order to accelerate this initiative we completed the purchase of EPOS technology business Meal2Go, whose market-leading EPOS technology is specifically designed for the takeaway restaurant industry. We have continued to adapt this technology, now called OrderPoint. This level of technology will only be applicable to a proportion of restaurant partners, as it goes beyond the requirements of a small, independent establishment. For those smaller restaurants, we are developing a less complex, tablet-based order-management platform called Orderpad. Over 300 takeaway restaurants have Orderpad trial units installed and as we develop it further, we plan to expand this number during 2015.

Coverage

With the growing popularity of JUST EAT's mobile apps, we anticipate that ordering for collection will become an increasing part of the Group's business. Entering the collection-only market offers significant growth opportunity. The total phone and collect takeaway market in the UK alone is estimated at £2.6 billion, a significant proportion of which should be addressable by JUST EAT.

During the first half of the year we conducted a collection pilot in Brighton, and based on the findings from this trial, have made several improvements to the collection-specific capability offered on the JUST EAT platform. Discounts have been offered on the connection fees paid by the restaurants to encourage early sign-up by collection-only restaurants as we build our offering to the consumer. We have now signed over 1,000 collection-only restaurants to the JUST EAT platform across the UK and are planning further expansion in 2015.

The total number of contracted takeaway restaurants on JUST EAT platforms has increased by 26% to 45,700 as at 31 December 2014, compared with 36,400 at the end of the prior year. As we continue to broaden our offering to consumers, by adding collection-only restaurants and potentially growing our directory-style listings of restaurant contact details, the number of takeaway restaurants will no longer provide a clear underlying performance benchmark and ceases to be a valid KPI in its own right. There is now a greater focus on consumer order-driven metrics. Further detail is provided within the Key Performance Indicators section on page 26.

Progress elsewhere

Denmark segment

We have focused on the collection market and this now represents 5% of the total Danish estate.

Other segment

We launched an online JUST EAT merchandise store for restaurants in Spain and Ireland.

How this links to our business model

See page 15

Strategic Initiatives continued

Driving Channel Shift

Driving channel shift from traditional telephone to online ordering continues to be the focus for JUST EAT. Even in the UK, one of our more developed markets, over 70% of takeaway orders are still placed using the telephone.

This channel shift represents the main opportunity for JUST EAT. Consumer migration from offline to online ordering remains in its early stages in the vast majority of our geographies.

We expect to see online ordering continue to grow, particularly with the increasing propensity of consumers to use their mobile devices to purchase goods and services.

We believe improving the consumer experience will help to drive further channel shift from traditional telephone to online ordering. During 2014 our Active Users grew by 37% to 8.1 million, up from 5.9 million at 31 December 2013.

Mobile-led strategy

Mobile penetration has increased significantly, due to the rise in popularity of smartphones and tablets. In the UK, smartphone penetration of households has increased to 68% from 51% between 2013 and 2014. Similarly, tablet penetration has increased to 46% from 24% over the same time period[1]. Our mobile-led strategy has resulted in over 60% of JUST EAT UK orders now being placed using a mobile device. This is coupled with evidence that shows that app users order more frequently. We will continue to focus on this throughout 2015. In the UK, orders can now be made through Android (tablets and phones), iPhone, iPad or Windows 8 mobile, Kindle Fire tablets and of course, a PC. The additional benefit of mobiles is that orders coming via app direct to JUST EAT rather than via search engines avoid search engine fees, the chance of competitor redirection and reduces the risks associated with changes in search provider algorithms.

1 Source: Ofcom Technology Tracker.

Building the brand

To encourage migration of consumers from offline to online ordering, we continue to build the JUST EAT brand through innovative campaigns such as the #minifistpump campaign launched in October 2014. Consumers trust well-known brands with which they identify, helping make our business model highly defensible as we become a more established brand in all of our geographies. We now undertake television marketing in the overwhelming majority of our countries.

JUST EAT's spontaneous brand awareness among UK takeaway consumers increased from 39% in December 2013 to 44% in December 2014[2]. This measures the percentage of consumers for whom a given brand is the first that comes to mind in a category and demonstrates how brand investment increases consumer loyalty.

2 Source: YouGov.

Progress elsewhere

Denmark segment

Orders can now be made through Android (phone and tablets), iPhone and iPad.

Other segment

We have increased the amount spent on marketing in Other by 90% during 2014 to build the brand internationally.

How this links to our business model

See page 15

Our People

Our people are an integral part of JUST EAT's ongoing success. They are responsible for helping to design, implement and deliver on our strategic objectives, as well as developing new initiatives to enable us to maintain our growth.

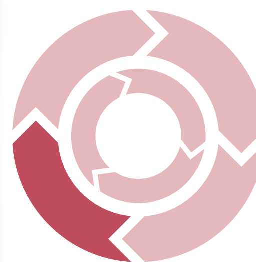
We strive to maintain a high performance, entrepreneurial culture. As part of this, we launched the JUST EAT Academy in 2013. Its flagship course, the JUST EAT Management Stars ("JEMS") programme was fully rolled out in 2014. This is multi-tiered, open to all levels of management and aimed at developing our future leaders. As we transition towards becoming a large company we have started to focus more on staff development and career planning, including formalising our annual review and development process.

As well as developing our existing staff, we seek to attract the best talent in the market. We are introducing a new graduate development programme starting in 2015. We have also opened our technology site in Bristol, with support from Invest Bristol & Bath and are building a relationship with the University of Bristol to attract the best people from the West Country and Wales. We hope that initiatives such as these will enable us to attract talent that fits with the JUST EAT culture and can also be our leaders and innovators of the future.

Losing the Group's culture is considered a principal risk (see page 36). Whilst the Group has been on a growth journey and processes and controls sufficient to manage this have been in place and operating effectively, there is no doubt that the listed environment creates a new dynamic that we are consciously managing.

Please refer to the Corporate Social Responsibility section on page 40 for further details on our employee policies which enable us to attract and retain the highest calibre of employees.

One of the highlights of the Group's calendar is the annual "World Party". Every eligible employee is invited to spend the day with their colleagues from around the world. The day consists of a CEO update, Executive Team briefings and awards to celebrate individual and team successes. This is combined with team building and social activities to ensure the cultural spirit (known as the "JUST EAT JAM") that has driven our success to date is reinforced and spread.



How this links to our business model

See page 15

Disciplined Approach to M&A

There are consumer benefits from having a single, strong brand which brings together the highly fragmented takeaway restaurant market in a single place. This is the key driver for the emergence of clear market leaders by geography in our sector. Network effects such as the breadth of comparable information (from reviews), single branded point of contact, platform scale and efficiency and depth of restaurant relationships all drive these consumer benefits and thus, typically the emergence of a player of scale.

For this reason, our approach to M&A is one that is focused on achieving our strategic objectives whilst remaining financially disciplined. We will continue to focus on building and maintaining our existing market leading positions where we have a proven track record. Acquisitions will either consolidate our existing market positions, or enable our entry into new markets of scale through the acquisition of market leaders.

In 2014 we purchased Meal2Go and Orogo for their technological innovation. We acquired number two player Eatcity.ie in Ireland to consolidate our market position there, and completed the French (alloresto.fr) and Brazilian (iFood) deals to secure market leadership in those markets. Since the year end, we have completed the purchase of Sindelantal Mexico. The Mexican market is one of the most exciting in our portfolio and Sindelantal is the largest online takeaway food provider in the country.

After the year end, as well as the Mexican acquisition, we increased our share in our Swiss business from 64% to 100%.

Acquisition dates

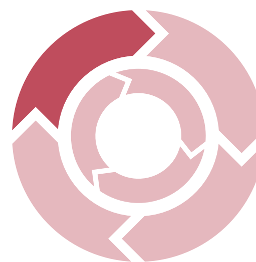
February 2014

July 2014

July 2014

November 2014

November 2014



How this links to our business model

See page 15

Key Performance Indicators

Achievement of our strategic objectives is monitored through a set of carefully selected key performance indicators ("KPIs"). These ensure JUST EAT focuses its resources appropriately.

As we finalise our trials in the collection-only market and directory-style service in order to achieve greater completeness for consumers, the total number of restaurants as a KPI in itself will cease to be a valid measure. We therefore plan to review the appropriateness of this KPI, particularly since its relevance declines as market penetration increases and the focus shifts to more order/consumer centric measures such as our mobile app penetration.

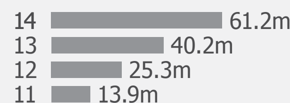
The KPIs used by JUST EAT, together with their performance over the last four years, are shown below.

Orders

Performance 2014

52%

Growth



Strategic initiative measured by this KPI
Driving channel shift

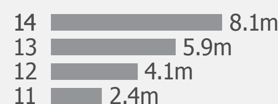
How we calculate
Number of successful orders placed

Number of active users

Performance 2014

37%

Growth



Strategic initiative measured by this KPI
Improving the consumer experience

How we calculate
Number of users who have placed at least one order within the last 12 months

Average revenue per order

Performance 2014

9%

Growth

Strategic initiative measured by this KPI
Bringing greater choice

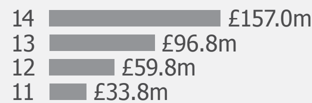
How we calculate
Total of commission revenue plus payment card/admin fees, divided by total orders

Revenue

Performance 2014

62%

Growth



Strategic initiative measured by this KPI
All initiatives

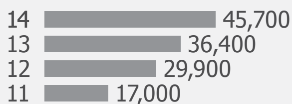
How we calculate
Total revenue from all streams generated by the Group

Number of restaurants

Performance 2014

26%

Growth



Strategic initiative measured by this KPI
Bringing greater choice

How we calculate
The number of restaurant partners capable of taking orders across all JUST EAT platforms at the reporting date

Underlying EBITDA

Performance 2014

131%

Growth

Strategic initiative measured by this KPI
All initiatives

How we calculate
Earnings before interest, tax, depreciation and amortisation, additionally adjusted as disclosed below[1]

1 Underlying EBITDA additionally excludes the Group's share of depreciation and amortisation of joint ventures and associates, long-term employee incentive costs, exceptional items, foreign currency translation differences and "other gains".

CFO Update and Financial Review

The results of the Group for the year ended 31 December 2014 demonstrate the ongoing strength of the JUST EAT business model, with revenue growth of 62% (65% on a forex neutral basis) and continued margin expansion.

This significant increase in revenue and the operational leverage achieved resulted in the Group Underlying EBITDA[1] margin growing to 21% from 15%. This is pleasing in a year in which we delivered a successful IPO, completed seven M&A transactions and continued to drive long-term growth through further investment in staff, marketing, technology and product.

Summary and outlook

The Group delivered excellent revenue growth of 62% in 2014, with all segments trading ahead of expectations. These results are a tangible demonstration of the continued hard work and commitment from all the teams across the JUST EAT business.

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m	**2014 growth %**	2013 growth %
Revenue	**157.0**	96.8	**62%**	62%
Underlying EBITDA	**32.6**	14.1	**131%**	513%
Operating profit	**19.0**	6.8	**179%**	N/A
Operating cash flow	**38.1**	19.2	**98%**	90%
Adjusted basic EPS (p per share)	**4.2**	1.4	**200%**	N/A

The growth in 2014 was delivered alongside an increase in Underlying EBITDA in the UK and Denmark and, as planned, our Other segment losses were in line with 2013 but generated 83% more revenue. The returns generated in the UK and Denmark more than offset the ongoing investment in Other and Head Office resulting in the Underlying EBITDA for the Group increasing by 131% to £32.6 million.

Underlying EBITDA converts strongly to operating cash flow due to the beneficial working capital cycle inherent in the business model. In 2014, operating cash flow represented 117% of Underlying EBITDA (2013: 136%).

The investment seen during 2014 is expected to continue in 2015 as we strengthen our team, expand our marketing activities and develop existing and new products. This investment is expected to deliver long-term growth and for 2015, the Board currently expects revenues to marginally exceed £200 million (at current exchange rates).

1 Underlying EBITDA is defined as earnings before finance income and costs, taxation, depreciation and amortisation and additionally excludes the Group's share of depreciation and amortisation of the joint venture and associates, long-term employee incentive costs, exceptional items, foreign exchange gains and losses and "other gains".

Group result

The Group's Income Statement is shown below. All key metrics on the Income Statement, including revenue, operating profit, profit before tax, basic and adjusted EPS have improved year-on-year.

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Continuing operations		
Revenue	**157.0**	96.8
Cost of sales	**(16.1)**	(10.0)
Gross profit	**140.9**	86.8
Long-term employee incentive costs	**(4.9)**	(1.7)
Exceptional items	**(2.7)**	(1.0)
Other administrative expenses	**(113.5)**	(77.3)
Total administrative expenses	**(121.1)**	(80.0)
Share of results of JV and associates	**(0.8)**	–
Operating profit	**19.0**	6.8
Other gains	**38.2**	3.4
Finance income	**0.4**	0.2
Finance costs	**(0.2)**	(0.2)
Profit before tax	**57.4**	10.2
Taxation	**(5.6)**	(3.4)
Profit for the year	**51.8**	6.8

The Income Statement includes some significant fluctuations that are not considered part of normal business operations. These include the "other gains", long-term employee incentive costs, exceptional items (such as the IPO costs and acquisition costs) and foreign exchange. These are removed from the measure of profit before tax, along with interest, depreciation and amortisation to arrive at Underlying EBITDA. This is the measure we use to assess our operational and segmental performance. We believe this Underlying EBITDA measure more accurately reflects the key drivers of long-term profitability for the Group and removes those items (both positive and negative), which are mainly non-cash and do not impact underlying trading performance.

A reconciliation between Operating Profit and Underlying EBITDA is shown below.

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Operating profit	**19.0**	6.8
Depreciation – Subsidiaries	**3.3**	2.7
Depreciation and amortisation – JV and associates	**0.2**	0.4
Amortisation – Acquired intangible assets	**2.1**	0.8
Amortisation – Other assets	**0.6**	0.1
Long-term employee incentive costs	**4.9**	1.7
Exceptional items	**2.7**	1.0
Foreign currency gains and losses	**(0.2)**	0.6
Underlying EBITDA	**32.6**	14.1

Segmental review

The Group reports its results under three operating segments, the UK, Denmark and Other. The UK and Danish operations are shown separately as they are our most established markets in terms of market penetration and maturity. The Other segment contains all other controlled businesses, which are at various stages of growth and development. Some are profitable whilst others are still at an earlier stage requiring significant investment relative to their size, particularly in sales and marketing. To ensure appropriate measurement of success by segment, the results of each segment include its fully allocated share of central technology, product and head office costs, as explained below.

Technology and Product continue to be areas of significant additional investment, with head count in 2014 increasing to 206 from 126. It is predominantly run as a single integrated team to improve efficiency and speed up internationalisation of products. The individual trading segments are allocated the full cost of this support and development (including all servers, maintenance, innovation and engineering) on a per fixed order fee basis for those nine countries on our "core" platform representing 95% of orders. During 2014, only a small proportion of specific project costs were not allocated which were either included as part of Head Office costs or capitalised. As we move to further develop the innovative technology referred to in the CEO statement, we expect some of the additional investment in technology development to be capitalised in 2015 and beyond.

CFO Update and Financial Review continued

Head office costs include both the ongoing central costs of operating the Group as a whole and those functions required for efficiency of shared expertise, such as Search Engine Marketing ("SEM"), finance, legal and HR. Those Head Office costs that can be reasonably attributed to individual segments are allocated on a consistent basis and therefore, the reported Head Office costs are the true central costs remaining after such allocations.

The results from Joint Ventures are equity accounted and presented separately since the Group does not control these operations.

	Year ended 31 December 2014 million	Year ended 31 December 2013 million
Segment orders		
United Kingdom	**45.5**	29.1
Denmark	**4.5**	4.2
Other	**11.2**	6.9
	61.2	40.2

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Revenue		
United Kingdom	**114.1**	68.8
Denmark	**12.8**	11.6
Other	**29.8**	16.3
Total segment revenue	**156.7**	96.7
Head Office	**0.3**	0.1
	157.0	96.8
Underlying EBITDA and result		
United Kingdom	**45.9**	25.5
Denmark	**5.1**	4.6
Other	**(11.8)**	(11.7)
Total segment Underlying EBITDA	**39.2**	18.4
Head Office	**(6.0)**	(4.7)
Share of equity accounted JV and associates[1]	**(0.6)**	0.4
	32.6	14.1

1 Excluding depreciation and amortisation.

United Kingdom

Revenue

66% YoY growth

Underlying EBITDA

80% YoY growth

The UK business had another excellent year and continues to be the main driver of revenue growth in the Group. The order-driven revenues (predominately commission) continued to grow, both in absolute terms and as a percentage of revenue. These represented 92% of total UK revenue (2013: 88%).

The key drivers of UK order growth (up 56% to 45.5 million) include:

- expansion of the restaurant partner network where we added over 4,500 new takeaway restaurants to the platform during the year (2013: 4,700). Included within this number for the first time are over 1,000 new restaurants signed as part of our trial to expand our offering to include collection-only restaurants (i.e. those who do not offer delivery services). Expansion of this trial will continue in 2015 and our focus will be on driving consumer adoption;
- an overall increase in Active Users in the UK to 5.5 million at 31 December 2014 from 3.9 million at 31 December 2013;
- continuous improvement of our mobile offering, including the launch of iPad and Android tablet apps. During the year total mobile orders (including tablets) in the UK accounted for almost 61% of total orders (2013: 43%) and orders via our apps now account for 55% of these mobile orders (up from 43%);

- investment in marketing, which continued to grow with an increase in total spend of 42%, all of which was expensed to the income statement. 2014 saw a number of new initiatives, namely the refresh of our brand and launch of our #minifistpump campaign, along with sponsoring ITV's Take Me Out and becoming the main shirt sponsor for Derby County Football Club. These complemented our ongoing activities in digital, trade and brand marketing. Despite the size of the increase in marketing investment, spend as a percentage of revenue reduced to 18% from 21% last year; and
- year-on-year order growth comparatives can be impacted by particularly hot or cold and wet weather. However, the very wet spell in the UK at the end of 2013 and into early 2014 has had little overall effect on the year-on-year growth rates as the positive impact in January/February 2014 was offset by tougher prior year comparatives for December 2014.

The UK continued to break daily order records through the year and in November reached the milestone of processing its 100 millionth UK order since it started trading in March 2006.

On 1 January 2014 the commission rate charged to restaurants on orders increased to 12% from 11%, the first increase in three years. Only a handful of restaurants left the network following this price change, which we feel supports the work we have done in building relationships with our restaurant partners and in demonstrating the value JUST EAT brings to their businesses. This commission increase was the major driver in the 10% increase year-on-year in UK Average Revenue per Order ("ARPO"). This is up from the 2013 year-on-year ARPO growth of 2.4% that was driven just by food/service price inflation.

Underlying EBITDA margin (the segment result) in the UK grew to 40% (2013: 37%). Our belief in the scale of the opportunity in the UK means that we will continue to invest in UK sales, marketing, technology and new products to drive long-term growth.

Denmark

Revenue

10% YoY growth

16% on a forex neutral basis

Year	Revenue
14	£12.8m
13	£11.6m
12	£10.0m
11	£8.8m

Underlying EBITDA

11% YoY growth

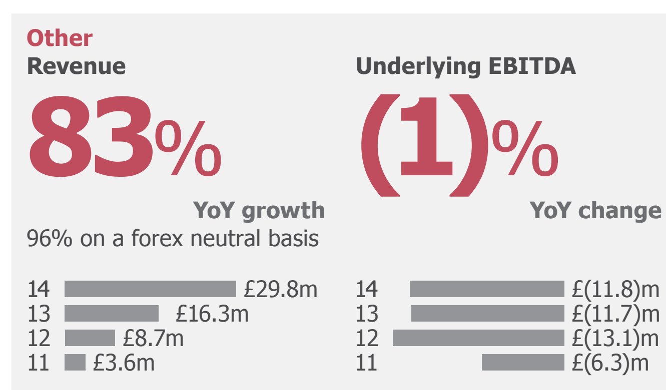
Year	Underlying EBITDA
14	£5.1m
13	£4.6m
12	£4.0m
11	£3.2m

The Danish business has continued to perform well in the relatively mature Danish online takeaway market, a credit to the team. Revenue, up 10% (2013: 16%) to £12.8 million (2013: £11.6 million), was driven mainly by an increase in orders up 7% to 4.5 million (2013: 4.2 million) and conversion of top-placement advertising.

On a forex neutral basis, revenue growth in Denmark would have been 16% (2013: 10%).

The Underlying EBITDA margin in Denmark was maintained at 40% (2013: 40%) generating £5.1 million of Underlying EBITDA (2013: £4.6 million). As with revenues, the weakness of the Danish Kroner reduced the reported 2014 EBITDA on conversion to Pound Sterling compared with 2013. We continue to believe there remains steady revenue growth prospects in the Danish market and as such we will manage margins in Denmark to maximise such growth rather than optimise for short-term profitability.

CFO Update and Financial Review continued



This segment consists of the trading entities we control outside the core UK and Danish businesses, including our higher potential growth opportunity countries of France, Canada and Spain. Our French business became part of this segment in July 2014 when we obtained control by increasing our shareholding from 50% to 80%. Brazil ceased to be consolidated from November following that businesses' merger with iFood when JUST EAT's stake reduced to 25%. We increased this stake to 30% post year-end.

Progress in this segment remains good with total revenue up 83% to £29.8 million in 2014, up 96% on a forex neutral basis. This growth includes the impact of consolidating the French business from July but having to exclude the Brazilian business from November. Adjusting for these changes, the growth would have been 64% on a forex neutral basis. Additionally, the contraction of our Dutch business has a notable detrimental impact on our reported growth in this segment.

This segment represents a blend of growth rates across the nine geographies. Spain and Italy are amongst the fastest growing countries, with slightly slower growth in our more mature markets such as the now profitable Irish business. The only outlier is the highly competitive Benelux region, which contracted slightly during the year and where we remain the number two in the market.

Orders remain the key driver of growth in this segment, growing by 62% year-on-year (2013: 60%). On a like for like basis (adjusting for the changes in control), orders grew 51%. The Other segment also benefitted from rising food prices and commission rates being gradually increased in some territories, leading to an ARPO increase of 8.7% (2013: 15.7%).

With continued investment in growth full-year Underlying EBITDA losses in the Other segment remain in line with 2013 at £11.8 million, although reducing significantly as a percentage of revenues. Initiatives including the launch of television advertising in Spain and the expansion of French sales activities outside Paris, were planned and delivered with considerable success. The additional revenue generated by these initiatives was reinvested to build long-term growth potential. This, combined with the low levels of online penetration for takeaway ordering in the majority of these geographies, provides substantial runway for JUST EAT and we will continue our investment to drive consumer channel shift and secure market share.

Share of profits from the joint venture and associates

The Indian associate remained in this category all year and was the main driver of the reported JV losses. It was classified as Held for Sale in the balance sheet as it was sold after the year-end (see note 20).

The results of the French business moved from being classed as a Joint Venture into being a subsidiary in the Other segment in July 2014.

The joint venture and associates continue to perform strongly. We are delighted to have merged our business with iFood to create the undisputed market leader in Brazil in which we owned 25% at the year-end. Following the merger, this business has become one of the fastest growing geographies in the Group and now has over 480,000 orders per month. Given the market potential in Brazil we expect to continue to invest heavily in this associate.

Head Office Costs

Head Office costs, after recharges, have significantly increased year-on-year due to the expenses of being a publicly listed company and the impact of further investment in people, technology and product. The vast majority of technology and product costs are expensed as incurred. As described above, technology and certain Head Office costs are allocated to the Group's operational businesses such that segmental EBITDAs include all appropriate costs.

The Group has opened a second UK technology site in Bristol in order to attract talent from the West Country and Wales.

Items between Underlying EBITDA and Operating Profit

Depreciation

The depreciation charges mainly relate to the JCT terminals that are in situ in the vast majority of the 45,700 restaurants on the JUST EAT network. These are depreciated over three years.

Amortisation

The amortisation charge principally relates to the intangibles acquired as a result of the many acquisitions completed by the Group. The assets principally acquired are the restaurant contracts, the brand of the acquired company and any intellectual property, typically relating to the underlying technology platform. The increase in the charge in 2014 compared to 2013 (up £1.8 million to £2.7 million excluding the joint venture and associates) is principally a result of the intangible assets recognised as part of the Meal2Go purchase in February 2014 and the French step-up in July 2014. The full year impact of this additional amortisation will be felt in 2015.

Long-term employee incentive costs

Long-term employee incentive costs of £4.9 million (2013: £1.7 million) primarily relate to share awards granted to employees, recognised over the vesting period of the awards. The increased charge reflects the additional awards granted at or around the time of the IPO, including the free share award granted to all qualifying employees in April 2014. As a rapidly growing technology business, we expect equity participation to remain an important element of attracting and motivating the right people.

Exceptional items

Exceptional items of £2.7 million (2013: £1.0 million) included £2.3 million of costs relating to the IPO and £0.4 million of acquisition costs.

Foreign currency translation

A foreign currency transaction gain of £0.2 million (2013: loss of £0.6 million) arose due to retranslating monetary assets and liabilities in foreign currencies.

Items below operating profit

Other gains

The business has recorded a significant non-cash gain on two deemed disposals in relation to our French and Brazilian operations.

The Group increased its stake in the French business from 50% to 80%. This resulted in a change in control and so the business was no longer treated as a joint venture, but as a subsidiary. The transaction resulted in a non-cash gain of £32.0 million, of which £17.8 million was the gain on the deemed disposal of the Joint Venture and £14.2 million resulted from the fair value gains on the Group's option to acquire the remaining shares.

The control of the Brazilian business also changed in the year. The business changed from being classified as a subsidiary to an associate, resulting in a further non-cash gain of £5.8 million.

The 2013 comparative comprised £3.4 million non-cash gains on control changes in our Swiss and Indian businesses.

These non-cash gains are considered to be non-operational and so are excluded from Operating Profit and Underlying EBITDA. The gains recorded in 2014 are substantial, but are not taxable as they do not arise in the local books of the business.

Net finance income

The finance income results from interest on deposits held. This is offset by the unwinding of the present value of the deferred consideration due on the French business, where an annual charge of c.£0.1 million is expected through to 2017.

Profit before tax

Profit before tax for the year of £57.4 million (2013: £10.2 million) mainly included the operational profits of the Group, plus the non-cash gains made on the disposal of the French and Brazilian operations.

CFO Update and Financial Review continued

Taxation

The income tax expense was recognised at the tax rate prevailing in the respective jurisdictions on the estimated taxable profits for the year. The Group's tax charge has increased to £5.6 million (2013: £3.4 million) but the Effective Tax Rate ("ETR") has fallen to 9.8% from 33.3% last year. The Adjusted ETR, after adjusting for the impact of the other gains, exceptional items, long-term employee incentive costs, foreign currency translation differences, amortisation in respect of acquired intangibles and their associated tax impact, is 22.6% (2013: 37.6%).

The reduction in the Adjusted ETR results primarily from the recognition of deferred tax assets in the UK and Switzerland, and the reducing corporate tax rates in the UK and Denmark.

The Group pays significant tax on profits made in the UK and Denmark, but as losses generated in other jurisdictions cannot be offset against these profits, the Group's ETR is higher than the prevailing UK corporate tax rate of 21.5%. We expect the Group's ETR to trend towards this rate over time.

Earnings per share

Basic earnings per share were 9.8p (2013: 1.5p), representing a 553.3% year-on-year increase.

Adjusted earnings per share were 4.2p (2013: 1.4p), up 200%. This excludes the impact of non-trading items that fluctuate from year to year, many of which have no cash impact. The Directors believe that this adjusted measure more appropriately reflects the underlying performance of the Group. Adjusted earnings per share is calculated using the adjusted profit attributable to the holders of Ordinary shares as set out in the table below.

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Profit attributable to the holders of Ordinary shares in the parent	**52.0**	7.0
Long-term employee incentive costs	**4.9**	1.7
Exceptional items	**2.7**	1.0
Other gains	**(38.2)**	(3.4)
Foreign currency gains and losses	**(0.2)**	0.6
Amortisation – Acquired intangible assets	**2.1**	0.8
Tax impact of the adjusting items	**(0.9)**	(0.7)
Adjusted profit attributable to the holders of Ordinary shares in the parent	**22.4**	7.0
Adjusted EPS excluding acquired amortisation	**4.2**	1.4

The movement year-on-year on both measures is due to the higher Group profit, partly offset by dilution arising predominantly on the primary issue of shares on IPO.

Balance sheet

The relatively straightforward business model and low operational capital expenditure requirements of JUST EAT results in a simple balance sheet at an operating level. The consolidated balance sheet is more complex due to the impact of business combinations.

	As at 31 December 2014 £m	As at 31 December 2013 £m
Non-current assets		
Goodwill	**51.2**	10.2
Property, plant and equipment	**7.2**	5.5
Other non-current assets	**28.4**	12.1
	86.8	27.8
Current assets		
Cash and cash equivalents	**164.4**	61.6
Other current assets	**12.4**	4.9
	176.8	66.5
Current liabilities	**(65.6)**	(38.5)
Net current assets	**111.2**	28.0
Non-current liabilities		
Provisions for liabilities	**(9.3)**	(0.1)
Other long-term liabilities total	**(4.9)**	(2.1)
	(14.2)	(2.2)
Total liabilities	**(79.8)**	(40.7)
Net assets	**183.8**	53.6
Equity		
Share capital & share premium	**126.2**	55.8
Other reserves	**(6.3)**	1.3
Retained earnings/(accumulated losses)	**63.1**	(3.9)
Equity attributable to owners of the Company	**183.0**	53.2
Non-controlling interests	**0.8**	0.4
Total equity	**183.8**	53.6

The non-current assets of the Group have increased by £59.0 million to £86.8 million. This is a result of the M&A completed in the year, which resulted in the recognition of goodwill, other intangible assets and increased interests in associates.

Cash balances have increased mainly due to trading, the net proceeds from the IPO in April 2014 and the increase in cash held on behalf of restaurants due to order growth. Restaurant cash of £27.7 million was paid across to them shortly after the year-end.

Other current assets increased primarily due to the loans issued to employees and directors in relation to recent Joint Share Option Plan ("JSOP") grants. There is a corresponding entry in share capital and share premium, and overall the cash impact on the Group from this transaction was nil.

Current liabilities increased due to growth in our operations, which increases trade payables and also results in a higher balance owed to restaurants at the year-end. The Group acquired borrowings of £0.5 million as a result of the French acquisition. Of these borrowings, £0.2 million has since been repaid and the remaining £0.3 million will be repaid during 2015.

Non-current liabilities increased by £12 million to £14.2 million, primarily due to forward contracts to acquire non-controlling interests as explained in note 26 to the financial statements.

Cash flow

The Group continued its high level of cash conversion, benefiting from collecting the gross order value ahead of making twice-monthly net payments to restaurants. In 2014, cash generated from operations was £38.1 million (2013: £19.2 million).

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Underlying EBITDA	**32.6**	14.1
Net change in working capital	**12.3**	11.6
JSOP loans	**5.2**	–
Tax cash out flow	**(4.4)**	(4.2)
Other	**0.3**	(0.8)
Free cash flow before exceptional items	**46.0**	20.7
IPO costs	**(2.3)**	(1.4)
Acquisition costs	**(0.4)**	(0.1)
Free cash flow	**43.3**	19.2
JSOP loans	**(5.2)**	–
Net cash flow from operating activities	**38.1**	19.2

When compared to underlying EBITDA, this represents a conversion of 117%. Adjusting for the operational cash flow impact of the Joint Share Option Plan ("JSOP") which has no impact on the Group's overall cash flow, this conversion would have been 133%.

Cash flow statement

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Net cash from operating activities	**38.1**	19.2
Net cash used in investing activities	**(19.3)**	(7.7)
Net cash from financing activities	**84.2**	–
Net increase in cash and cash equivalents	**103.0**	11.5
Cash and cash equivalents at beginning of year	**61.6**	50.0
Effect of changes in foreign exchange rates	**(0.5)**	0.1
Net cash and cash equivalents at end of year	**164.1**	61.6

The Group invested £19.3 million in investing activities during the year. Of this, £13.2 million (2013: £3.7 million) was spent acquiring subsidiaries and associates. The £3.7 million Meal2Go acquisition in February enabled us to acquire the market-leading EPOS technology for the UK takeaway sector and later in 2014 we acquired the collection-app business Orogo. The Group strengthened its position in Ireland by buying number the two operator, Eatcity.ie; in France by acquiring a further 30% stake in Alloresto for £5.8 million; and in Brazil through its merger with iFood.

The Group raised £95.7 million (net of fees) through the primary proceeds of the IPO and paid a pre-IPO dividend of £18.1 million. At the balance sheet date, the Group had cash balances totalling £164.4 million (2013: £61.6 million) and borrowings of £0.3 million (2013: £nil).

The Board has not recommended a dividend since the IPO, as in order to deliver longer term value, the Group intends to retain any earnings to invest in development and expansion as opportunities arise.

Post balance sheet events

The Group has completed three M&A transactions since the year end (Mexico, India and Switzerland) and has signed a facility agreement with a syndicate of banks consisting of Barclays Bank plc, HSBC plc and RBS plc, for a revolving credit facility for £90 million. This has a one-off fee and will result in an increase in interest costs for the Group in 2015, depending on the amount drawn down. As at the date of signing, the facility is unused.

Mike Wroe
CFO

Principal Risks and Uncertainties

The Board is responsible for leading the development of a comprehensive risk framework and a system of internal controls. This is to ensure the Group properly identifies, evaluates, prioritises and addresses the principal risks and uncertainties.

There are general business risks faced by JUST EAT, which are those generally faced by other comparable online businesses. However, there are also more concentrated risks and uncertainties that affect our specific industry. The principal risks presented below are those risks considered by the Board to have a potentially material impact on the Group not achieving its long-term strategic objectives. There may be other risks that affect the Group's performance.

As this is our first Annual Report as a listed Group, the change in the risk status has not been presented. In the future we plan to report the year on year change in risk status.

Risk description	Strategic initiative potentially impacted
Competition *The Group faces competition and potential new entrants to the industry and to the markets in which the Group currently operates.*	**Improving the consumer experience** **Bringing greater choice** **Driving channel shift**
Regulation and legislation *Regulation and legislation for the food industry in key markets around the world can change, sometimes at short notice.*	**Bringing greater choice** **Driving channel shift**
Culture *The Group's culture may change detrimentally as the business grows.*	**Improving the consumer experience** **Bringing greater choice** **Driving channel shift**

Impact	Controls to mitigate
Demand for the Group's services and thereby its prices, revenues, margin and ultimately its market share could be affected.	• In line with our strategic initiatives, we will continue building on and maintaining our existing market leading positions. This includes focusing on our consumers, our restaurants and new innovation. • The Group continues to expand its restaurant network and Active Users in order to satisfy the increasing consumer demand.
Costs could be incurred in ensuring compliance with any new laws or regulations. Non-compliance could be damaging to the Group's reputation, and result in penalties and heightened risk in the industry. New regulation or legislation could materially impact the behaviour of restaurants and/or consumers in our sector to our detriment.	• As part of their Continuing Professional Development each member of the legal team regularly attends training sessions at external law firms which are Law Society accredited courses, in order to ensure they remain abreast of developments in legislation and case law which could potentially affect our areas of practice. This enables us to identify, assess and adapt to changes in the regulatory and legal environment. • In key markets, regular communication is maintained, in conjunction with the commercial functions of the business, with different regulatory authorities such as trading standards and other Government agencies.
Loss of culture may cause key employees to leave or operate differently within the business, resulting in a loss of crucial knowledge and/or our competitive advantage.	• We focus on reinforcing the cultural JUST EAT "JAM" values in all manner of activities that staff are engaged in from work to social events. Further information on the JUST EAT culture is provided in the CSR section on page 40. • Specially appointed employees are engaged to ensure the JUST EAT culture is promoted throughout the business led proactively by senior management where appropriate. • We recognise the importance of attracting and retaining our highly qualified employees and strive to maintain a positive working environment which encourages innovation.

Principal Risks and Uncertainties continued

Risk description	Strategic initiative potentially impacted
Technology dependency *High dependency on technology and advanced information systems and the risk that such technology or systems could fail or could not be scaled rapidly to meet business needs.* *In particular, any damage to, or failure of online systems and servers via external attack (such as DDOS), access to JCT terminals and other restaurant systems, could result in interruptions to consumer services.*	**Improving the consumer experience** **Bringing greater choice**
Data protection *The risk of consumer data being accessed without authorisation.*	**Improving the consumer experience** **Driving channel shift**
Business growth *Challenges in growing the business both organically and through mergers and acquisitions and scaling those operations.*	**Bringing greater choice**
Consumer behaviour *Consumer behaviour can change over time.*	**Driving channel shift**
Corporate regulation *Non-compliance with corporate regulation such as the Listing Rules, especially as these requirements are new to the Group following our listing this year.*	**Driving channel shift**

Impact	*Controls to mitigate*
The inability to satisfy changing consumer demand will result in reputational damage and financial loss.	• The Group has invested and committed considerable resources into upgrading its existing technology, IT infrastructure, communication systems, as well as developing and acquiring new platforms and products. • A continuous testing programme is employed to ensure that a continued high-quality of product offerings and services are maintained. • Continual monitoring of the market is performed by a dedicated team to ensure all new developments are assessed for their impact on our operations. • The Group has a business recovery plan to minimise the disruption experienced during any potential service interruption. • The Group carefully monitors all new products in development and invests in high-calibre support when required.
Reputational damage and financial losses arising from penalties and fines.	• Security systems are deployed to protect transactional data and sophisticated security mechanisms are used to ensure all sensitive and confidential data is fully encrypted. • The Group has established processes and systems to detect misuse of systems in order to reduce the likelihood of data loss. • We employ a dedicated team led by our Head of Information Security who is responsible for mitigating IT security violation risks.
Fragmentation of new or expanded operations, which are not aligned with the Group's strategy. Loss of control resulting in financial or reputational damage.	• We have a dedicated mergers and acquisitions team who focuses on completion and integration planning for acquisitions. • We have a proven track record for successfully integrating our previous acquisitions in France and Switzerland, as well as in-market acquisitions in Spain and Canada.
The potential reduction in existing consumer loyalty and an inability to attract new consumers.	• The Group continues to focus on building market leading services to improve its proposition to its consumer base. • We also remain engaged with both our consumers and the restaurant estate to understand any changes in the way they use the Group's services, through such tools as consumer reviews.
If the Group's does not comply with required regulation we could face regulatory censure and potential penalties.	• The Group employs an experienced Company Secretary to ensure that all Listing Rules are applied. • All employees complete online compliance courses and further training is provided where required. We continuingly evolve the compliance programme to ensure it is appropriate for our industry and size. • Senior staff with previous experience working within a listed Group, have been recruited and training provided to existing senior staff, to ensure we have the relevant knowledge in-house.

Corporate Social Responsibility

At JUST EAT we recognise our wider responsibility to manage and conduct our business in a socially responsible and ethical manner.

We are progressing with a comprehensive review of the Group's Corporate Social Responsibility policies, with the aim to integrate this as part of our broader corporate values and strategy.

People policies

The Group's employment policies are designed to ensure that the Group is able to attract the best people from all sectors of the communities in which it operates, enabling JUST EAT to compete at the highest level. We value diversity in the workplace and are committed to providing equality of opportunity to all current and potential employees.

Our focus on advanced technologies requires a high level of technical expertise, and management works closely with vendors to ensure that employees are trained appropriately. We are committed to building an environment where each employee can fulfil their potential and encourage continuous training and skill development. Our multi-tiered in-house JUST EAT Management Stars programme ("JEMS") is aimed at identifying and developing our leaders of the future. We also create a training schedule each year in order to meet our wider employee development needs as identified during their personal development reviews. External suppliers create bespoke courses based on these needs and individuals can choose to sign up online in order to manage their own development.

Our personnel practices ensure that every employee, wherever they work, whatever their role, is treated equally, fairly and respectfully at all times. Adherence to health and safety standards ensures that our people are properly protected and cared for, wherever they operate.

To support our commitment to open communication, we discuss with employees, through briefings and an international portal, matters likely to affect employees' interests. Information on matters of concern is given through notices, meetings and reports, including information to help employees achieve a common awareness of the factors affecting the performance of the Group. We strive to achieve this whilst continuing to maintain a fun and energetic environment.

The Group's whistleblowing policy is available to all employees on the Company intranet. This details how employees can raise concerns surrounding risk, malpractice or wrongdoing that may affect our employees, consumers, restaurants, or which may be of public interest.

We conduct an externally managed annual employee satisfaction survey in order to gain insight into our people's opinions on working at JUST EAT. We use this insight to continuing making JUST EAT great place to work. We have used this external consultancy company for two years, and have been listed in the top quartile of the 250 companies they survey.

Supporting graduates

Over the course of the year we have been developing new graduate development programmes which are due to commence in September 2015. The roles will include time spent in sales, operations, marketing, finance and HR, gaining exposure to all parts of the business.

Diversity

We maintain consistent and transparent diversity policies across all our markets. We firmly believe that career opportunity, recognition and reward should be determined by a person's capabilities and achievement, not their age, sex, race, religion or nationality.

Our policy for the employment of disabled persons is to provide equal opportunities compared with other employees, having regard to the maintenance of a safe working environment.

Gender

A breakdown of our Board, senior managers and all employees by gender at 31 December 2014 is provided below:

	Number		%	
	Male	Female	Male	Female
Directors	8	1	89%	11%
Senior managers	27	4	87%	13%
All employees	901	584	61%	39%

We have determined that those members of management within the General Management Team ("GMT") meet the definition of a senior manager.

At JUST EAT we remain committed to gender diversity and acknowledge the Davies report recommendations that at least 25% of Board members should be female by 2015. We firmly believe in recruiting the right people but recognise we must progress a longer-term succession plan process to improve the gender balance in senior management positions.

Culture

The JUST EAT culture goes hand-in-hand with the success of our business, helping our people around the world work together harmoniously to grow the business, whilst remaining a fun and energetic place to work. Our culture is driven by four key values known as "The JAM"; being frank, innovate, passionate and working as a team. It governs all that we do, and we believe it's important that our people live and work by our values as this is what makes JUST EAT a unique, engaging and fun place to work.

Frank:
- Listen carefully
- Challenge honestly
- Laugh about it afterwards

Passionate:
- Love what you do
- Push yourself
- Inspire others by your example

Innovative:
- Try new things
- Create the future
- Keep improving

Working as a team:
- Help each other
- Share success
- Put the team before the player

Community

In 2014 we chose Starlight to be our nominated charity partner. Starlight is a charity who helps grant wishes for seriously and terminally ill children. They also provide entertainment, fun, laughter and distraction in every children's hospital ward and hospice throughout the UK. All of their activities are aimed at distracting children from the pain, fear and isolation they can often feel as a result of their illness.

A total of 93% of funds raised by Starlight are put back into charitable spending, which was one of the factors used to select them. Since becoming our nominated charity, employees at JUST EAT have helped raise over £7,000 which has been matched by the Company and has gone towards granting wishes.

Human rights issues

Whilst the Group has no specific policy in place regarding human rights, we have an equal opportunities and a Code of Ethics policy that governs how all employees, officers, consultants, contractors, volunteers, interns, casual workers and agency workers are treated. We remain mindful of the spirit of any regulation when conducting our business.

Greenhouse gas emissions

Greenhouse Gas ("GHG") emissions for the financial year ending 31 December 2014 have been measured as required under the Large and Medium-Sized Companies and Groups (Account and Reports) Regulations 2008 as amended in 2013. There is no comparative data as this is the first year for the Group to present such information. The main activities which release GHG include usage of purchased electricity, waste disposal, business travel, usage of vehicles, and staff commuting.

We have used the GHG Protocol Corporate Accounting and Reporting standards (revised edition), data gathered to fulfil the requirements under the CRC Energy Efficiency scheme, and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2014 to calculate the disclosures.

	tCO_2e
Emissions from operations (scope 1)	1,154
Emissions from energy usage (scope 2)	1,058
Emissions from employee travel (scope 3)	432
Total	2,644
Intensity ratio (tCO_2e/£m)	16.84

Scope 1 comprises vehicle emissions in relation to operational visits to restaurants.
Scope 2 comprises our energy consumption in buildings.
Scope 3 comprises other business travel.

Intensity ratio

We have chosen to present our total emissions in relation to revenue in order to represent how our emissions are impacted by the growth of the business.

Environmental policies

We are striving to make our ways of working as environmentally friendly as possible. We are now using paper which has been made from agricultural waste rather than from trees, which has a lower carbon footprint in transportation when compared to recycled paper.

Approval of the Strategic Report

Pages 1 to 41 of the Annual Report form the Strategic Report.

On behalf of the Board

David Buttress
CEO
16 March 2015

Corporate Governance Report

Bringing a company to the public markets provides its Board with an ideal opportunity to look afresh at its governance arrangements. Transparency is both welcomed and expected. Independent Board representation is mandatory. Directors' remuneration arrangements are often amended.

In the case of JUST EAT, although a relatively young company, we already had good governance practices in place before our IPO. There were regular and structured Board meetings with active participation by Executive and Non-Executive Directors alike. We had active Audit and Remuneration Committees comprised solely of Non-Executive Directors. We had a commitment to good practice in corporate governance as an essential part of creating shareholder value over the long-term. These were not adjuncts to the success of the business – they were right at the core of that success being achieved.

Building on these firm foundations, we took the opportunity of the Company's IPO to refresh our Board and Committee governance arrangements and bring them into line with recognised good practice for fully-listed companies based on the UK Corporate Governance Code (the "UK Code"). This has included:

1. Appointing three new independent Directors, Gwyn Burr and Andrew Griffith, in advance of our IPO, and Henri Moissinac following the IPO. They provide diverse, valuable and fully independent representation to our Board.
2. Reconstituting the Audit and Remuneration Committees with our new independent Directors and with updated terms of reference, and appointing a new Nominations Committee on a similar basis. Each of these Committees is now fully compliant with the recommendations of the UK Code.
3. Appointment of Andrew Griffith as our Senior Independent Director in addition to his role as Chairman of the Audit Committee.
4. Formalising other governance arrangements such as the division of responsibilities between David Buttress as CEO and me as Chairman and expanding the matters specifically reserved for the decision of the Board (reported on more fully in the report of our Board commencing on page 46).
5. Moving the remuneration of our Executive Directors towards more typical practice for listed companies (reported on more fully in the report of our Remuneration Committee commencing on page 58).

We view these developments as part of an ongoing process. Our view is that achieving best practice in corporate governance is a journey rather than a destination. In the same way as JUST EAT in the past year completed its IPO so it will continue to evolve in

other ways that will require ongoing development of its governance arrangements. Our commitments to high standards of corporate governance and business integrity will allow us to continue to set the tone as well as the direction of the management of the Group. This will remain an important contributor to the continued creation of value for shareholders on a sustained basis over the long-term.

UK Code compliance

This Corporate Governance Report, including the sections that follow, sets out how the Company has applied the main principles of good governance contained in the UK Corporate Governance Code for the period from the date of the Company's IPO to December 2014. The Board considers that the Company has been compliant with the Code provisions that applied during this period, and will comply with those that apply after, with the following exceptions:

1. Code Provision B.1.2 recommends that at least half the members of the Board, excluding the Chairman, should comprise Non-Executive Directors determined by the Board to be independent. For the purposes of assessing compliance with the Code, the Board considers that Gwyn Burr, Andrew Griffith, and Henri Moissinac are independent of management and free from any business or other relationship that could materially interfere with the exercise of their judgement. The Board also considers that I, as Chairman of the Company, was independent at the time of appointment.

   As well as our two Executive Directors, we have three other Non-Executive Directors who were nominated by major shareholders and are therefore not considered to be independent for the purposes of the Code. Whilst the Board is therefore not fully compliant with this part of the Code, we believe its current membership works well, and intend to move to full compliance as the Board changes under the terms of the Board Representation Agreement, details of which are given in the Directors' Report on page 146.

2. Although the memberships of our Audit and Remuneration Committees were not fully compliant with Code Provisions C.3.1 and D.2.1 respectively immediately following IPO, the Remuneration Committee became fully compliant as soon as Henri Moissinac was appointed as its third independent member; and the Audit Committee became fully compliant when Fredric Coorevits stepped down from this following the transition period to its new Chairman.

I look forward to reporting to you next year on how our governance arrangements continue to develop. This will include a report on the evaluation to be undertaken of the effectiveness of our Board in the first year since the Company's IPO and on any actions we undertake in response to this. We view measurement of performance, targeting improvement and reporting results to be important for us as a Board as it is for our business.

On behalf of the Board

John Hughes, CBE
Chairman
16 March 2015

Later in this corporate governance report:

1. An introduction to our Board is given in the biographies of our Directors on the next pages.
2. More detail on the role and activities of the Board and our Nomination Committee starts on page 46.
3. Andrew Griffith, the Chairman of our Audit Committee, reports on its work commencing on page 52.
4. Gwyn Burr reports on the remuneration of our Directors in her capacity as Chairman of our Remuneration Committee, commencing on page 58.

Our Board

Our Board comprises a diverse range of directors with a wide variety of complementary skill sets and experience.

A: Audit Committee **N:** Nomination Committee **R:** Remuneration Committee
I: Independent Non-Executive Director **S:** Nominee of a Major Shareholder

John Hughes, CBE N
Non-Executive Chairman (Chairman of the Nomination Committee)

John joined as Chairman in December 2011. He has more than 30 years' experience leading complex, high technology businesses operating at a global level. This has included senior executive positions at Thales Group, Lucent Technologies and Hewlett Packard. John currently serves as Chairman of the Board for Sepura plc, Spectris plc and Telecity Group plc; and as a Non-Executive Director of CSG Systems International, Inc. John holds a Bachelor of Science in Electrical and Electronic Engineering from University of Hertfordshire (formerly Hatfield Polytechnic) from which he was, in 2014, awarded an honorary Doctor of Science in recognition of his contribution to the communications and technology sector and to the wider business community. He was awarded the CBE for services to international telecommunications in the Queen's 2011 New Year Honours List.

David Buttress
Group Chief Executive Officer

Appointed to the Board as Chief Executive Officer in July 2013, David originally joined JUST EAT in March 2006 to launch its UK business. David started his career with Coca-Cola Enterprises at the start of 1998. During his time at Coca-Cola he had a variety of senior sales roles before moving into the internet world with JUST EAT. He won the prestigious Account Manager of the Year award when he was managing the key national restaurant customers in the UK for Coca-Cola. David holds a Bachelor of Arts (Hons.) in Law & Business from Middlesex University Business School. He was named Male Entrepreneur of the Year in 2014 by Growth Business, and one of the top 500 most influential people in Britain in 2015 by Debretts.

Mike Wroe
Group Chief Financial Officer

Appointed a director of the Company in October 2013, Mike originally joined JUST EAT in October 2008 as Chief Financial Officer. Prior to joining JUST EAT, his roles included Chief Financial Officer of listed Radio Frequency Identification (RFID)/Near Field Communication (NFC) chip design business Innovision Research and Technology plc, which he took public in 2001. Mike now has over 20 years' commercial experience having qualified as a chartered accountant in 1993 with Deloitte. He holds a Joint Honours Bachelor of Science in Chemistry and Management Studies from The University of Nottingham and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Gwyn Burr A, R, N, I
Independent Non-Executive Director (Chairman of the Remuneration Committee)

Gwyn was appointed a Director in March 2014. Gwyn is also Non-Executive Director of Sainsbury's Bank plc, Hammerson plc DFS Furniture Holdings plc, Metro AG, the Financial Ombudsman Service Limited and Wembley National Stadium Limited. From May 2005 to March 2013, Gwyn was Customer Director and a member of the operating board for J Sainsbury plc, with responsibility for brand, own brand customer service, corporate communications and corporate and social responsibility and also, from 2010, human resources. Gwyn holds a Bachelor of Science in Economics and History from The University of Bradford.

Frederic Coorevits S
Non-Executive Director

Fred was appointed a director in July 2009. Fred is an advisor for SM Trust for which he has been working for more than ten years. He manages SM Trust's portfolio of investments which focus on the areas of eCommerce and cloud computing. Prior to this, Fred worked as a finance director for i-spire plc and as a senior manager for PricewaterhouseCoopers transaction services in London. Fred holds a Masters in Business Administration and a Masters in Organic Chemistry from Louvain (Belgium).

Andrew Griffith A, R, N, I
Senior Independent Non-Executive Director (Chairman of Audit Committee)

Andrew was appointed a director in March 2014. Andrew has served as Chief Financial Officer of BSkyB since April 2008 where, since 2012, he has also had executive responsibility for BSkyB's commercial businesses, having originally joined BSkyB in 1999 from Rothschild, the investment banking organisation. Andrew is a member of the 100 Group of Finance Directors and he serves on the Advisory Board of the Oxford University Centre for Business Taxation and a number of BSkyB associate companies. Andrew is a qualified Chartered Accountant and holds a Bachelor of Law from The University of Nottingham.

Benjamin Holmes S
Non-Executive Director

Ben was appointed a Director of the Company in July 2009. Ben is a partner at Index Ventures and is based in the London office. He joined Index Ventures in 2002, having worked previously as an investment manager at NewMedia Spark and as a consultant at OC&C Strategy Consultants. At Index Ventures, Ben focuses on commerce and consumer investments and played a key role in building the portfolio of games investments. Ben holds a Masters in Engineering Economics and Management from Oxford University.

Henri Moissinac A, R, N, I
Independent Non-Executive Director

Henri was appointed an independent Non-Executive Director of the Company in August 2014. Henri brings with him a wealth of international experience in consumer digital, mobile and e-commerce. Henri leads Mobile Business Development at Uber for Europe, Middle East and Africa after spending six years with facebook, leading mobile partnerships across the world and helping facebook to grow its mobile users to almost a billion. Previously, he led eBay mobile and was co-founder and CTO of iBazar, an e-commerce marketplace, in Europe and South America, acquired by eBay. Henri is a graduate of École Normale Supérieure and holds a PhD in Computer Science from Télécom ParisTech.

Michael Risman S
Non-Executive Director

Mike was appointed as a director of the Company in March 2014. Mike also acted as the primary representative of the former corporate director of the Company, Vitruvian Directors I Limited, from April 2012 to March 2014. Mike is a Managing Partner at Vitruvian and one of the founders of the firm. He is currently Chairman of the Board for Benity (Linnealex AB), Snow Software (Iglu Intressenter AB) and Universal Utilities (Etihad Topco Limited) and also serves as a Director on the Board of CRF Health (Chelsea TopCo Limited), FarFetch.com Limited, JAC Travel (Sebco TopCo Limited), and Inenco (Energy Services TopCo Limited) for the Vitruvian funds. Mike holds a MBA from Harvard Business School and a Masters ("MA") in Electrical Engineering and Management from Cambridge University. He is Chairman of the Venture Partnership Foundation, a charity that supports social entrepreneurs.

Report of the Board and Nomination Committee

Our Board provides leadership to the Group, sets and monitors implementation of its strategy and, with its standing Committees, oversees controls, risk management and senior remuneration in the Group. It aims to ensure that the Group has in place appropriate people, financial and other resources to enable value to be maximised for shareholders and other stakeholders over the long-term.

As part of its role, our Board provides both support and constructive challenge to management in the review of proposals, in the monitoring of performance and in the targeting of achievement of the Group's aims, over the both the long and shorter terms.

Later in this Governance Report are specific reports from our Audit and Remuneration Committees. This report summarises the role and activities of our Board and its Nomination Committee.

Membership of the Board

The Board currently has nine members:

- its Non-Executive Chairman, John Hughes, who was independent on appointment;
- two Executive Directors, David Buttress (Chief Executive Officer) and Mike Wroe (Chief Financial Officer);
- three independent Non-Executive Directors, Gwyn Burr, Andrew Griffith and Henri Moissinac, each appointed shortly before or shortly after the Company's IPO; and
- three non-independent Non-Executive Directors, Frederic Coorevits, Ben Holmes and Michael Risman, each of whom have been nominated by a major shareholder and served since before the Company's IPO.

Further details of our Directors are provided on pages 44 and 45.

The diversity of our Directors provides the Board with a broad range of experience of both the Group's business and of other businesses, including in the publicly listed environment. This enables high quality, diverse and relevant input into Board discussions, enriching debates and allowing carefully considered judgements to be reached, consensus arrived at, and decisions then taken.

All Directors have a deep interest in helping the Group achieve its long-term objectives. They all devote sufficient time and attention to their Board duties and responsibilities. They take collective responsibility for the Board's performance. A proper balance of influence is maintained without one person or separate group of people having undue powers of decision-making. All the Non-Executive Directors bring strong and valuable judgement to bear on the Board's deliberations and decision-making process.

The Board believes that its current structure and membership is appropriate for this stage in the Group's development and represents a good balance of skills and experience necessary to manage the Company and its business in an effective and successful manner.

Role of the Board

Key activities of our Board include the following:

Agrees the Group's strategic aims after considering recommendations from the Executive Directors.	The Board reviews matters of strategic importance at each of its main meetings. This is usually done in the context of a presentation on a specific matter of strategic interest by a member of senior management. In the past year, this has included consideration of improvements to the consumer experience, increasing the choice available to consumers and driving channel shift. It also includes review and, where considered appropriate, approval of acquisitions and other new business opportunities. As part of Board discussions of strategic proposals Non-Executive Directors constructively challenge matters when they feel appropriate as part of reaching an overall consensus. In addition, the Board reviews and seeks to identify risks at a strategic level.
Aims to ensure that the Group has the necessary financial strength and human resources in place to pursue the agreed strategy.	This includes regular reviews of the financial performance and requirements of the Group. It also includes regular updates from the CEO on plans for the ongoing development of the management team in the context of the growth of the Group.
Reviews Group performance against the agreed strategy and considers any variations that may become appropriate to this strategy.	As well as financial performance, the Board reviews the operational development of the Group and its markets to ensure its strategy remains appropriate and to consider and decide upon any adjustments that may improve this.
Where appropriate, works with the operating management to assist in the achievement of the strategy.	As well as regularly reviewing presentations at Board meetings, Directors have open and constructive relationships with members of senior management who can draw on their wide business experience.
Sets the tone as well as overseeing implementation of the Group's values and standards.	The Board leads the Group in a way that is intended to maximise business integrity and allow its people and other stakeholders to operate in a transparent and ethical way as an important part of ensuring the long-term success of the Group.

Report of the Board and Nomination Committee continued

Board and Committee meetings

The Board meets at regular intervals through the year both at scheduled meetings and other meetings as required. At these meetings, it reviews:

- Progress against previously agreed actions;
- Business Performance;
- Shareholder communications and feedback;
- The Group's industry and M&A activity;
- Operational matters of particular note for the Board;
- Strategic considerations; and
- Reports of proceedings of Board Committees.

Further details of the meetings of the Board and of our Directors' attendance at these are given in the adjoining table. Where a Director is unable to attend a particular meeting, full documentation for the meeting is issued to them, their views sought in advance and briefings are provided subsequent to the meeting as appropriate.

Members of management in addition to the Executive Directors may be invited to present relevant matters to the Board where considered appropriate. Executive Directors and members of management may also attend and present on relevant matters at Committee meetings at the invitation of the Committee Chairmen.

Directors have the right to request that any concerns they may have are recorded in the appropriate Board or Committee minutes (although no such requests were made during the period). Minutes are circulated for comment by all Directors before being formally approved at the next relevant meeting.

Support to Directors

The Directors have free access to the Company's management and advisors and to visit the Company's operations. When new Directors are appointed, they receive a comprehensive induction facilitated by the Company Secretary. This induction includes meetings with key members of management together with briefings on the Group's business, its industry and public company duties generally. Directors have access to ongoing training as required.

All Directors also have access to the advice and services of the Company Secretary. The Company Secretary acts as Secretary to each of the Board Committees reporting in these roles directly to their Chairmen, and advises through their Chairmen on compliance with Board and Committee procedures and applicable laws and regulations on governance matters. Directors are able to take external advice at the expense of the Company, should they feel this is necessary.

Attendance at Meetings

The numbers of and attendance of current Board and Committee members at meetings and calls during the period after IPO is shown below:

Total meetings in period	Board (9 meetings)	Audit Committee (5 meetings)	Remuneration Committee (2 meetings)	Nomination Committee (1 meeting)
John Hughes	9/9[1]	–	–	1/1[1]
David Buttress	9/9	–	–	–
Mike Wroe	9/9	5/5	–	–
Gywn Burr	7/9	3/5	2/2[1]	0/1
Frederic Coorevits	9/9	4/4[3]	–	–
Andrew Griffith	7/9	5/5[1]	2/2	1/1
Benjamin Holmes	9/9	–	–	–
Henri Moissinac[2]	5/5	4/4	1/1	1/1
Michael Risman	8/9	–	–	–

Laurel Bowden also served as a Board member until the end of September 2014, until which time she attended all Board meetings.

1 Denotes Chairman status.
2 Appointed to the Board and Audit, Nomination and Remuneration Committees in August 2014.
3 Served as a member of the Audit Committee until October 2014 to assist with the transition to its new membership.

Division of Responsibilities

Whilst the Directors take collective responsibility for the management of the Group, the effective operation of the Board in conjunction with management benefits from a clarity of responsibilities. Key elements of this are set out below:

Matters reserved to the Board

The Board has adopted a formal schedule of matters specifically reserved for its or its Committees' decision which include:

- the Group's strategy, which is reviewed by the Board and management when appropriate during the year;
- the business plan and annual operating budget;
- internal controls and risk management, which are reviewed regularly by the Audit Committee;
- major investments and capital projects, in which the Board monitors their subsequent performance;
- accounting policies, which are reviewed in detail by the Audit Committee;
- shareholder communications, such as announcements of results, this annual report and the accompanying notice of AGM to shareholders;
- the Board structure, composition and succession planning, which are handled in more detail by the Nomination Committee;
- Executive remuneration policy and the remuneration of the Chairman, which are handled by the Remuneration Committee; and
- the remuneration of the Non-Executive Directors.

Subject to such reserved matters, and any other matters which the Board determines are appropriate for its specific decision as they arise, authority for the operation of the Group is delegated to Executive and other management within a system of defined authority limits. The matters reserved for the Board's decision are reviewed periodically and updated as considered appropriate.

The Chairman, CEO and SID

Another important aspect of the division of responsibilities in any listed company is between the roles of Chairman and the CEO. In JUST EAT, these roles are separate and distinct with a clear division of responsibilities at the head of the Company established, agreed and set out in writing at the time of the IPO:

1. The Chairman is primarily responsible for managing the Board, facilitating the effective contribution of all Directors, and ensuring effective communication with shareholders, and that all Board members are aware of the views of major investors.
2. The CEO, together with the CFO, has been delegated appropriate responsibilities and authorities for the effective leadership of the senior management team in the day-to-day running of the business, for carrying out the agreed strategy and for implementing specific Board decisions relating to the Group's operations.

In addition, Andrew Griffith, as Senior Independent Director, is available to fellow non-executive directors, either individually or collectively, should they wish to discuss matters of concern in an alternative forum.

Standing Board Committees

In addition, certain matters have been delegated to three principal Board Committees within clearly defined terms of reference which were approved at the time of the IPO. These remits, together with the composition of each Committee, will be reviewed periodically. The current terms of reference for the Audit, Remuneration and Nominations Committees are available on the Company's website at www.just-eat.com/investors. Summaries of the roles of each of these Committees are included later in this Corporate Governance Review.

Report of the Board and Nomination Committee continued

Nomination Committee

The Nomination Committee comprises John Hughes, its Chairman, who was considered independent on appointment, and our three independent Non-Executive Directors. The Committee is responsible for evaluating the balance of skills, knowledge and experience of the Directors. It also reviews the composition and structure of the Board and makes recommendations to the Board on retirements and appointments of additional and replacement Directors, including succession planning. The appointment of our current independent Non-Executive Directors followed a formal, rigorous and transparent recruitment process with the assistance of The Zygos Partnership, a leading external recruitment firm with no other connection with the Company, after assessing the skills and character profile that would be required. This included candidates meeting ongoing Directors prior to their recommendation for appointment by the Board.

One of the key considerations on any appointment to the Board relates to diversity. Gender and international experience are two important aspects of diversity. In this context, the Board was particularly pleased to welcome its three new independent Directors since among them both genders and broad international experience are represented. The Board policy is to continue to seek diversity, including with regard to gender, as part of the overall selection of the best candidate for Non-Executive Director roles. Any appointments to Executive Director roles will also be made within the Group's aims set out in our CSR Report on page 40.

In accordance with the provisions of the Code, all our Directors will retire at each AGM and, if decided appropriate by the Board, may be proposed for reappointment. In reaching its decision the Board acts on the advice of the Nominations Committee. Following evaluation of the performance, the Chairman confirms that the performance of each of the Non-Executive Directors continues to be effective and to demonstrate commitment to their role. The Board considers that they each provide distinct and valuable input to the overall operation of the Board.

The Committee has already started discussions regarding the expected ongoing evolution of the Board and has considered matters in relation to the senior management team.

Performance reviews and Directors' development

An evaluation of the performance of the Board, its individual Directors and its Committees, and of the Chairman, will be undertaken following the first full year after the Company's IPO. This will be reported on further in next year's Annual Report. Part of the evaluation of the Board will assess the training activities and needs of Directors. Directors receive regular briefings on matters in relation to the Group and more generally.

During the period the Chairman held both formal and informal discussions with the Non-Executive Directors without the Executive Directors being present.

Shareholder relations

The Board is committed to maintaining good communications with existing and potential shareholders based on the mutual understanding of objectives. A comprehensive investor relations programme underpins this commitment. The Chairman, Chief Executive Officer and Chief Financial Officer have regular dialogue with institutional shareholders in order to develop an understanding of their views which is communicated back to, and discussed with, the Board.

Presentations given to analysts and investors covering the annual and interim results, along with all results and other regulatory announcements and further information for investors are included on the Company's website at www.just-eat.com/investors. Additional Shareholder Information is also set out on pages 150 and 153.

Shareholders are able to contact the Company through the Company Secretary or Head of Investor Relations.

Andrew Griffith, the Senior Independent Director, serves as an additional point of contact for shareholders should they feel that any concerns are not being addressed properly through the normal channels. He may be contacted through the Company Secretary.

Annual General Meetings

All shareholders are encouraged to attend, and have the opportunity to ask questions at, the Company's Annual General Meetings and at any other times by contacting the Company. As well as the Chairman, CEO and CFO, the Chairmen of the Audit, Nominations and Remuneration Committees will be available at the Annual General Meeting to answer questions relating to the responsibilities of those Committees. All Directors will retire at every AGM and, where considered appropriate by the Board, be proposed for reappointment by shareholders.

The Notice convening the 2015 AGM to be held on 13 May 2015 will be issued along with this Annual Report at least 20 working days in advance of the meeting to provide shareholders with the appropriate time to consider matters. Separate resolutions will be proposed on each substantially separate matter. The results of the proxy votes on each resolution will be collated independently by the Company's registrars and will be published on the Company's website after the meeting.

On behalf of the Board

John Hughes, CBE
Chairman
16 March 2015

Report of the Audit Committee

As the Audit Committee, we assist the Board in its oversight of financial reporting, internal control and risk management. This report summarises our membership and activities during 2014 since the IPO.

Membership

Our committee comprises three independent Directors, Gwyn Burr, Henri Moissinac and myself, Andrew Griffith. During the period from the Company's IPO until October last year, Frederic Coorevits also served as a member of the Committee to assist with the transition to the new membership, having been its Chairman before the IPO. We are grateful to Fred for his valuable input during this period.

Role and activities

We met five times as a Committee after the IPO during the year, and three times subsequently since the year-end. We considered this frequency of meetings appropriate during JUST EAT's first year as a public company although anticipate less frequent meetings in the coming year. Mike Wroe, our Chief Financial Officer, and senior representatives of the financial management team also attend our meetings as do representatives of the external auditors as appropriate. At our meetings in the past year, we received presentations on, and reviewed and considered the following matters:

- the remuneration and proposed reappointment of our external auditors;
- the framework for the engagement of the external auditors in non-audit services;
- the independence, objectivity and effectiveness of the external auditors;
- the plans for and outcome of the preparation and review of the Group's half year results and audit of the full year accounts including presentations from both management and the external auditors on these;
- the Group's accounting policies, procedures and its financial control environment;
- the Group's system of internal controls, including financial, operational and risk management, supplementing at a more granular level the Board's consideration of strategic risks;
- key internal policies including anti-bribery and related policies and whistleblowing arrangements which include an externally managed hotline;
- the establishment of and reports from the internal audit function in the Group reporting directly to the Committee and drawing on and developing control and risk management procedures already being undertaken; and

- whether the Annual Report taken as a whole provides a fair, balanced and understandable assessment of the Group's position and prospects and whether it provides the necessary information to assess the Group's performance, business model and strategy, the ultimate decision on which is taken by the Board, as set out in the Directors' responsibility statement in the Directors' report on page 149.

The Committee also meets privately with the external auditors at least once per year and did so prior to its recommendation to the Board on approval of the Annual Report.

Significant Issues

Prior to each meeting of the Audit Committee at which they are to be considered, management produces a paper providing details of any significant accounting, tax, HR and legal issues. Management are also invited to attend these meetings where further guidance is required. The significant issues considered by the Audit Committee in respect of the 2014 Annual Report are as follows.

Significant issues the Committee has considered	How the issue was addressed
Business combinations There were a number of changes to the Group structure during the year, including a number of acquisitions and the merger of our Brazilian subsidiary with iFood. The total cash consideration paid during the year was £14.4 million, which resulted in an increase in the Group's goodwill and acquired intangible assets balances. In the Income Statement a gain has been recognised in respect of the step acquisition of FBA Invest SaS. In addition, a gain was recognised on the disposal of JUST EAT Brazil Services Online Ltda following the merger with iFood. These two gains were based on business valuations performed by management. Provisions have been established in respect of the buy-out of the minority shareholders of FBA Invest SaS and Orogo Limited.	The valuations and accounting papers prepared by management were reviewed and considered by the Audit Committee, to confirm that the valuations and accounting treatments adopted are appropriate. This included: 1. considering the cash flows and discount rates used in the business valuations and the calculations minority buy-out provision calculations; 2. considering the key inputs used on the intangible assets valuations; 3. reviewing and considering the other fair value adjustments made by management to arrive at the fair values of the assets and liabilities acquired; and 4. reviewing the approach taken to identifying acquired intangible assets and challenging the balance of goodwill as compared with intangible assets. The Committee was satisfied that management used a consistently applied model for identifying and valuing assets that are core to the existing business model. Independent valuation experts were consulted when required such as for the Meal2Go acquisition where additional insight was required. Please refer to notes 33 and 34 to the financial statements for information on the business combinations.

Report of the Audit Committee continued

Significant Issues (continued)

Significant issues the Committee has considered	How the issue was addressed
Long-term employee incentive costs Several share-based incentive schemes are in place for the Directors and employees of the Group. The total charge for long-term employee incentive costs in the year was £4.9 million. The charge relates to grants made prior to the Group's listing on the London Stock Exchange. As a result the fair value of the options granted could not be based on the Company's listed share price, but had to be based on other valuations available or determined by management. In addition, the plans are bespoke and are accounted for accordingly.	The valuations of the Group prepared by management, that supported the fair values of the latest grants made in February 2014 were presented to the Audit Committee. The accounting for each of the various schemes was considered by the Audit Committee. Further details regarding the schemes are disclosed within note 37 to the financial statements. The main judgement area concerning share based payments was with regards to the valuation of the business. As this was concluded upon IPO, this is now less of a judgement area.
Potential impairment of goodwill and intangible assets At 31 December 2014, the Group had goodwill balances totalling of £51.2 million and other intangible assets totalling £12.7 million.	Impairment reviews have been performed by management on the Group's cash generating units ("CGUs") to which goodwill and other intangible assets have been allocated. The cash flow forecasts used were based on the budgets approved by the Board together with assumed growth rates, thereafter. The key assumptions around future growth rates and discount rates used were reviewed and considered by the Audit Committee. In addition, the Committee reviewed management's sensitivity analyses regarding these assumptions. The Committee has been satisfied that there was no impairment of goodwill and other intangible assets as at 31 December 2014. Please refer to notes 16 to the financial statements for further information.
Meeting the new reporting requirements of being a listed entity In April 2014 JUST EAT listed on the London Stock exchange, bringing with it additional regulatory and reporting requirements. Being a listed entity brings with it additional reporting requirements and the Group's 2014 Annual Report is the first prepared under such requirements.	Management have employed experienced individuals to ensure all reporting requirements are met. The Audit Committee reviewed the disclosures in the Annual Report, including those included for the first time, and discussed them with management and the Group's auditors.

Internal controls and risk management environment

The Board is ultimately responsible for the operation of an effective system of internal control and risk management appropriate to the business.

The Company has complied with the FRC's revised Internal Control Guidance for Directors on the Code published in 2005 (the Turnbull guidance) throughout the period and up to the date on which these financial statements were approved.

Day-to-day operating and financial responsibility rests with senior management and performance is closely monitored on a monthly basis.

Set out below is further comment on the areas of internal control and risk management.

Internal control environment

The following key elements comprise the internal control environment which has been designed to identify, evaluate and manage, rather than eliminate, the risks faced by the Group in seeking to achieve its business objectives and ensure accurate and timely reporting of financial data for the Company and the Group:

- an appropriate organisational structure with clear lines of responsibility;
- a comprehensive annual strategic and business planning process;
- systems of control procedures and delegated authorities which operate within defined guidelines, and approval limits for capital and operating expenditure and other key business transactions and decisions;
- a robust financial control, budgeting and rolling forecast system, which includes regular monitoring, variance analysis, key performance indicator reviews and risk and opportunity assessments at Board level;
- procedures by which the Group's consolidated financial statements are prepared, which are monitored and maintained through the use of internal control frameworks addressing key financial reporting risks arising from changes in the business or accounting standards;
- an experienced and commercially focused legal function that supports the Group's operational and technical functions;
- established policies and procedures setting out expected standards of integrity and ethical standards which reinforce the need for all employees to adhere to all legal and regulatory requirements;
- an experienced and qualified finance function which regularly assesses the possible financial impact of the risks facing the Group; and
- an ongoing risk management programme, including a comprehensive disaster recovery and business interruption plan.

An Internal Audit function was established during the year to carry out regular reviews of the Group's systems of internal control and risk management. The aim of the Internal Audit function is provide assurance that the system of internal controls is operated correctly in the Group.

How we manage risk

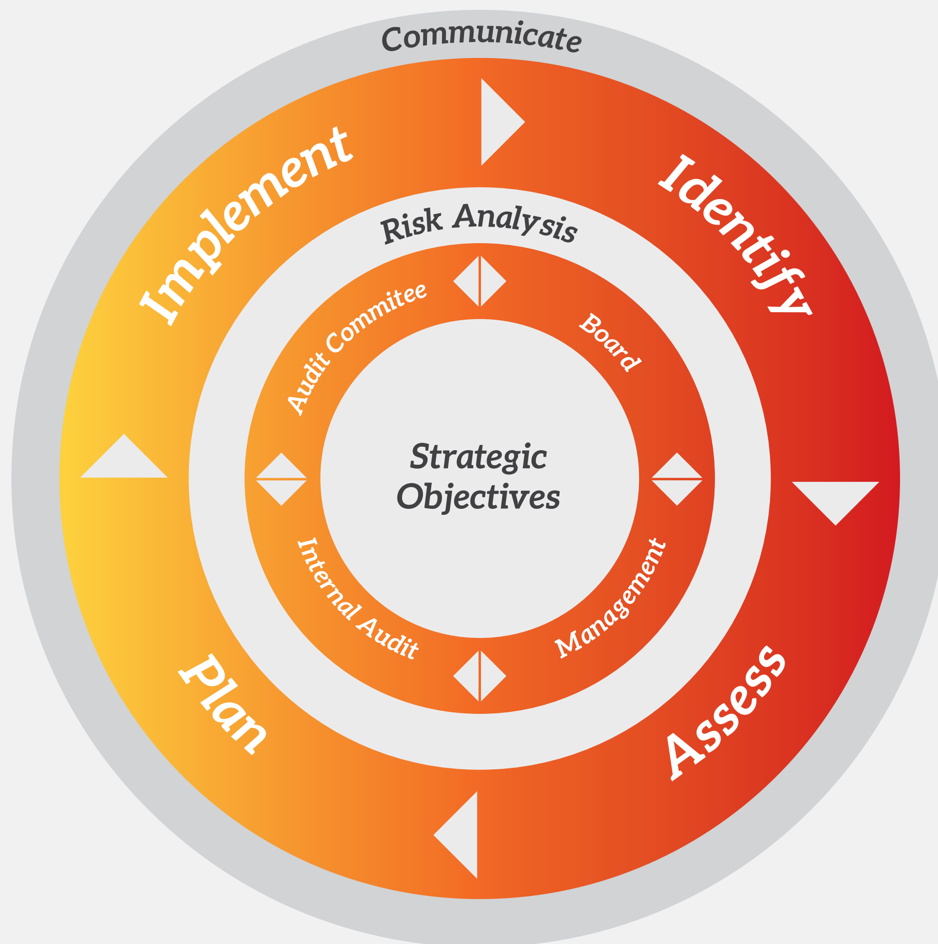
As shown on the following page, the Company has a robust risk management process that follows a sequence of risk identification, assessment of probability and impact, and assigns an owner to manage mitigation activities. A register is kept of all corporate risks and is monitored by senior management and reported to the Audit Committee.

Throughout the period of review, the risk register and the methodology applied is the subject of continuous review by senior management and updated to reflect new and developing areas which might impact business strategy.

The Audit Committee actively review the risk register and assess the actions being taken by senior management to monitor and mitigate the risks. Those risks which are considered to be the principal risks of the Group are presented on pages 36 to 39.

Report of the Audit Committee continued

Risk management framework



This approach to risk management helps to facilitate top-down and bottom-up perspectives across key business risks within the organisation. The corporate risk register is presented to, and reviewed by, the Audit Committee on a regular basis.

Review of effectiveness

The Audit Committee, on behalf of the Board, has reviewed the effectiveness of the internal control systems and risk management processes in place during the period, taking account of any material developments since the financial period end. The Committee has not identified, nor been advised, of any failings or weaknesses that it has determined to be significant.

Independence and performance of the auditors

The Audit Committee has set a policy which is intended to maintain the independence and integrity of the Company's Auditors when acting as auditor of the Group's accounts. The policy governs the provision of audit, audit-related assurance and non-audit services provided by the auditor and, in summary, requires approval by the Committee for all projects with an expected cost in excess of £50,000.

During the year, the audit-related assurance services provided by the Auditors to the Group mainly comprised the review of the half-year results. Other services performed by the Auditors in 2014 related mainly to their work as Reporting Accountants in connection with the Company's IPO, and subsequent step-up to the Main Market from the High Growth Segment. They also included, tax compliance and tax advisory work. Primarily due to their role as Reporting Accountants for the IPO and Main Market step-up the non-audit fees have exceeded the audit fees in the 2014 financial year.

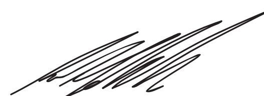
The fees paid for these other services during the year represented 239% of the fees paid for the statutory audit and audit-related assurance services together. However, excluding the fees in relation to their role as Reporting Accountants, this proportion was 54%. Further details of these amounts are included in note 10 of the accounts. The Company intends to comply with the new EU rules in relation to non-audit fees to the Auditors which are to come into force in 2016 (which excludes work carried out as Reporting Accountants).

The external Auditors are not permitted to provide internal auditor services to the Group. PwC have been selected as the co-sponsor for our Internal Audit work. Before any former employee of the external or internal audit team may be employed by the Group, careful consideration must be given as to whether the independence of the Auditors will be adversely affected, and approval of the Audit Committee is required. This particular circumstance has not arisen since the IPO.

Deloitte were appointed as the Group's Auditors in 2009 and the most recent partner rotation took place in 2013. Whilst we do not consider it necessary to have a policy for the rotation of the external audit firm immediately following the Company's IPO, we plan to keep this possibility under review in the coming years and will continue to comply with the audit tender rules applying to the Company. The Auditors are required regularly to report on and confirm their independence in their role.

The Audit Committee has assessed the performance and effectiveness of the 2014 external audit process in the past year primarily through dialogue with the senior members of the finance and company secretarial teams. A detailed follow-up will be scheduled upon completion of the audit process (including the individual subsidiary statutory accounts audit process) where additional feedback will be sought from senior managers around the business (not limited to the finance team) through the use of audit quality questionnaires. The initial results of the assessment were discussed with the Group finance team, before being presented to the Committee, to inform our recommendation to the Board for the annual re-appointment of the external auditors. We believe that the Group's procedures as summarised above safeguard the objectivity and independence of the Auditors.

On behalf of the Audit Committee



Andrew Griffith
16 March 2015

Report of the Remuneration Committee

2014 was a very significant year for JUST EAT, covering its IPO in April. During the first nine months of trading as a publicly listed company, the Company generated a circa. 19% total return to its shareholders (from the Placing Price to the closing price on 31 December 2014) compared with a 0.2% return for the FTSE 250 as a whole. As set out more fully earlier in this Annual Report, our operating and financial performance remained strong and provides a good platform for future growth.

The year-on-year increase in all of our KPIs (as presented on page 26 and 27) demonstrate how successful this first year as a listed business has been for the Group. The 2014 Directors' annual bonus scheme was based around two of these KPIs (revenue and Underlying EBITDA) as well as personal/strategic objectives. The weighting and achievement of these targets, along with the total bonus earned, is set out in further detail later in this report (see page 75). Looking forward over the longer term, in 2015 we plan to grant performance share awards that vest based on EPS and Total Shareholder Return based performance conditions over the next three years as summarised on pages 64 and 65. This aligns to our underlying commitment to deliver sustainable, above market, returns to our shareholders.

By reporting on a financial year during which the Company undertook its IPO, our Remuneration Report for this year inevitably shows a position of transition in terms of the payments made to Directors. However, recognising our new status as a listed company, we are also using the Remuneration Report to set out our future Directors' Remuneration Policy which, if approved at our 2015 AGM, will apply to all payments made to our Directors for three years from that date.

Our Directors' Remuneration Policy

At the point of IPO the Company concluded that, as its pre-existing long-term incentive arrangements did not fully vest on IPO (as was the position with the majority of other IPO's in 2014), it was unnecessary to distract the IPO process by focusing on senior executive remuneration. Instead, and as referred to in the Prospectus, the Company decided it was more appropriate for the newly appointed Remuneration Committee (consisting of the independent directors appointed at IPO) to undertake its own review of remuneration following the IPO with a view to putting in place a clear, robust, fair and not excessive policy to be applied for the future.

To achieve this, the Committee selected its own independent adviser, commissioned a review of both the underlying policy and the more detailed remuneration arrangements and consulted with the Company's principal shareholders. The resulting policy is set out in the appropriate detail over the following pages, with the key points being:

- The overall remuneration policy is to set Executive Directors' total pay by reference to (but by no means solely driven by) the median of data for companies with an equivalent market capitalisation ("market cap").
- While the generally accepted main input into remuneration benchmarking is market cap, the Committee was conscious of the Company's relatively high market cap to revenue ratio and felt that some level of discount was appropriate. Accordingly, for the three year life of this policy, it is currently envisaged

that a discount should be applied to the indicative benchmark data of approximately 20%, which is in line with our advisers' assessment of the typical level of discount in less mature businesses with a high market cap to revenue ratio. The Committee noted that not all such companies apply a discount and, particularly as the Company itself matures, it may not be appropriate to retain such a discount factor during the entire three year period or beyond.

- The current adjusted median salary levels for the CEO and CFO are considered to be £465,000 and £320,000 respectively, which the Committee will move to in two tranches with effect from January 2015 and January 2016. The second tranche will be subject to adjustment – up or down – based on the circumstances prevailing at the time (e.g. the Company's performance and size).
- While the Company's benefits and pension arrangements are felt to be modest, with the latter currently capped at a 5% contribution, no change is proposed.
- Recognising the continued growth aspirations for the Company to deliver ongoing superior returns for all shareholders, the below market level of benefits and size-adjusted salaries should be offset with moderately above median bonus and LTIP opportunity with:
  - a bonus maximum for the CEO and CFO of 150% and 120% of salary respectively, which will now be subject to newly introduced clawback provisions to reflect best practice;
  - an annual long-term incentive award under the Performance Share Plan ("PSP") (which was established at IPO) over shares worth 200% and 160% of salary respectively. The first awards at this level will only be granted in 2016, with the 2015 grants (the first post-IPO) set at half the policy level to further provide a smooth transition towards a market-reflective package. To reflect emerging best practice, we are also introducing a two-year post vesting holding period into the PSP, with clawback also applying; and
  - both plans subject to appropriately demanding performance hurdles linked to the future success of the Company.
- Overall, this produces a target package consistent with the adjusted benchmark median albeit with a bias to performance-related pay through a size-adjusted market salary, and below market benefits which are offset by a moderately higher performance-related pay opportunity. We are also increasing our share ownership guidelines for the Executive Directors to 400% of salary (from the current 200%).

Designing a pay structure, particularly for the first time following our IPO, involves various judgements. We believe that, on behalf of all shareholders, we have fulfilled our objectives of developing an appropriate, robust, performance-orientated and not excessive approach, by transitioning to a size-discounted market median positioning over two years.

Format of the Report and matters to be approved at our AGM

The regulations governing the directors' remuneration reports of listed companies require that we split our report into two sections: the Policy Report sets out the Company's forward-looking Directors' Remuneration Policy which provides the appropriate level of detail of the points explained in the preceding section. The separate Implementation Report provides details of the payments made to Directors in 2014, as well as other required disclosures.

At our 2015 AGM, we will be holding two votes on remuneration matters:

- a vote on the Directors' Remuneration Policy as set out in the first part of this Report; and
- a vote on the remaining implementation sections of this Report.

I do hope we can rely upon your support at the AGM.

On behalf of the Remuneration Committee and Board

Gwyn Burr
Chairman, Remuneration Committee
16 March 2015

Report of the Remuneration Committee continued

Directors' Remuneration Policy

The Directors' Remuneration Policy as set out in this section of the Remuneration Report will take effect for all payments made to Directors from the date of the AGM, which is expected to be held on 13 May 2015. The policy has been developed mindful of the new Corporate Governance Code and is felt to be appropriate to support the long-term success of the Company while ensuring that it does not promote inappropriate risk-taking.

Executive Directors

Element and purpose	Policy and operation
Base salary This is the core element of pay and reflects the individual's role and position within the Group with some adjustment to reflect their capability and contribution.	Base salaries will be reviewed each year by the Committee. The Committee does not strictly follow data but uses the median position as a reference point in considering, in its judgement, the appropriate level of salary having regard to other relevant factors including corporate and individual performance and any changes in an individual's role and responsibilities. Base salary is paid monthly in cash.
Benefits[1, 2] To provide benefits valued by recipients.	The Executive Directors are reimbursed for their commuting costs and associated tax liabilities (up to a value of £12,000). Additionally, they receive a car allowance or company car (in the case of the CEO), private medical cover and insurance benefits. The Committee reserves discretion to introduce new benefits where it concludes that it is appropriate to do so, having regard to the particular circumstances and to market practice. Where appropriate, the Company will meet certain costs relating to Executive Director relocations and (if necessary) expatriate benefits.

1. Travel and hospitality
While the Committee does not consider it to form part of benefits in the normal usage of that term, it has been advised that corporate hospitality (whether paid for by the Company or another) and business travel for Executive Directors, Non-executive Directors and the Chairman (and exceptionally their families) may technically come within the applicable rules and so the Committee expressly reserves the right for the Committee to authorise such activities within its agreed policies.

2. Deemed benefits from JSOP participation
Payments to any Director in respect of the deemed cost of interest on loans relating to participation in the JSOP and, if relevant, the writing off of any such loans are benefits within the scope of the Directors' Remuneration Policy. The value of any such amounts is in addition to the maximum amounts stated in the table above for Benefits for Executive Directors and for Chairman and Non-executive Directors' fees.

Maximum	Performance measures	Implementation of policy 2015 (for information purposes; not part of the Directors' Remuneration Policy)
The Executive Directors' salaries will not be increased so as to exceed the median for the equivalent roles in companies listed on the London Stock Exchange with a market capitalisation ranking which places them within 30 above and 30 below that of the Company at or about the time when the Committee obtains such benchmark data. In practice, the Company envisages, for the three-year life of this policy, further discounting the data by 20% to reflect the Company's high market cap to revenue ratio but reserves the right not to apply such discount should it consider that to be necessary to retain or recruit appropriate executives. Once a suitable market level is achieved, further increases would not normally be increased by more than the average awarded to staff generally.	N/A	Base salaries from Admission were as follows: £300,000 for David Buttress, and £250,000 for Mike Wroe. With effect from 1 January 2015, these were increased to £420,000 and £300,000 respectively. Subject to reviewing the benchmark data in light of circumstances prevailing at the time, these will further increase with effect from 1 January 2016 to £465,000 and £320,000 respectively which will broadly position them at the adjusted (i.e. discounted to reflect the Company's relatively high ratio of market cap to revenue) median against listed companies of an equivalent size.
It is not possible to prescribe the likely change in the cost of insured benefits or the cost of some of the other reported benefits year-to-year, but the provision of benefits will operate within an annual limit of £100,000 (plus a further 100% of base salary in the case of relocations and expatriate benefits). The Committee will monitor the costs of benefits in practice and will ensure that the overall costs do not increase by more than the Committee considers appropriate in all the circumstances.	N/A	Details of the benefits received by Executive Directors are set out on page 75. There is no intention to introduce additional benefits in 2015.

Report of the Remuneration Committee continued

Executive Directors

Element and purpose	Policy and operation
Pension To provide retirement benefits.	Executive Directors can receive pension contributions to personal pension arrangements or the equivalent amount can be paid as a cash supplement in lieu of pension contributions (reduced for the impact of employers' NICs).
Annual Bonus Plan To motivate executives and incentivise delivery of performance over a one-year operating cycle, focusing on the short/medium-term elements of our strategic aims.	Annual Bonus Plan levels and the appropriateness of measures are reviewed annually at the commencement of each financial year to ensure they continue to support our strategy. Once set, performance measures and targets will generally remain unchanged for the year, except to reflect events such as corporate acquisitions or other major transactions where the Committee considers it to be necessary in its opinion to make appropriate adjustments. Annual Bonus Plan outcomes are paid in cash following the determination of achievement against performance measures and targets. The Committee will keep under review whether it is appropriate for bonuses to be partly deferred into shares. Where such arrangements are operated, individuals would be able to receive a dividend equivalent in cash or shares equal to the value of dividends which would have accrued during the vesting period. Clawback provisions apply to the Annual Bonus Plan as explained in more detail in the notes to the policy table.

Maximum	Performance measures	Implementation of policy 2015 (for information purposes; not part of the Directors' Remuneration Policy)
The maximum employer's contribution is limited to up to 10% of base salary, although it is not currently anticipated that this will increase above the current 5% level for the three-year life of this policy.	N/A	Contributions rates for Executive Directors are 5% of salary which is not envisaged to change during the life of this policy.
The maximum level of Annual Bonus Plan outcomes is 150% of base salary p.a. for the CEO and 120% for any other Executive Director for the duration of this policy.	The performance measures applied may be financial or non-financial and corporate, divisional or individual and in such proportions as the Committee considers appropriate. Attaining the threshold level of performance for any measure will not produce a pay-out of more than 25% of the maximum portion of overall Annual Bonus attributable to that measure, with a sliding scale to full pay-out for maximum performance. However, the Annual Bonus Plan remains a discretionary arrangement and the Committee retains a standard power to apply its judgement to adjust the outcome of the Annual Bonus Plan for any performance measure (from zero to any cap) should it consider that to be appropriate.	The proposed performance measures and targets for the financial year to 31 December 2015 will be based on a mix of Group financial measures (currently Revenue (40% weighting) and PBT (40% weighting)), as well as the achievement of personal/strategic objectives (20% weighting). The Committee selected these performance measures for the Annual Bonus Plan for 2015 as they represent a balanced approach to recognising success against defined objectives. Given the competitive nature of the Company's sector, the specific performance targets for the Annual Bonus Plan are considered to be commercially sensitive and accordingly are not disclosed. The Committee currently intends to disclose the financial (e.g. Revenue and PBT) performance targets for the year ended 31 December 2015 on a retrospective basis in the 2015 Directors' Remuneration Report, and will consider whether the personal/strategic targets may also be disclosed.

Report of the Remuneration Committee continued

Executive Directors

Element and purpose	Policy and operation
Long-Term incentives[3] To motivate and incentivise delivery of sustained performance over the long term, and to promote alignment with shareholders' interests, the Group intends to operate the Performance Share Plan ("PSP"). The Company also has the ability to grant market value options under an Employee Share Option Scheme ("ESOS"), although it is not currently intended that Executive Directors will receive awards under the ESOS.	Awards under the PSP may be granted as nil-cost options, conditional awards and forfeitable shares which vest to the extent performance conditions are satisfied over a period of at least three years. Under the PSP plan rules, vested awards may also be settled in cash. The PSP rules allow that the number of shares subject to vested PSP awards may be increased to reflect the value of dividends that would have been paid in respect of any ex-dividend dates falling between the grant of awards and the expiry of any vesting and holding period for awards. Vested awards will be subject to a two-year holding period during which time awards may not be exercised or released but are no longer contingent on future employment. Clawback provisions apply to PSP awards and are explained in more detail in the notes to the policy table. The Company will honour the vesting of all awards granted under previous policies in accordance with the terms of such awards; in particular outstanding JSOP awards (and related loans) will continue on their terms.

3. Performance conditions for PSP awards in 2015 (for information and not part of the Directors' Remuneration Policy)
The performance measures and targets for the PSP awards to be made in 2015 will be based on adjusted EPS and relative TSR performance, summarised as follows:

2017 EPS (adjusted as set out below, 50% of award)	% of that part of the award that vests
10.5 pence or more	100%
Between 8.5 pence and 10.5 pence	Pro-rata on straight-line basis between 20% and 100%
8.5 pence	20%
Less than 8.5 pence	0%

Maximum	Performance measures	Implementation of policy 2015 (for information purposes; not part of the Directors' Remuneration Policy)
The PSP allows for awards over shares with a maximum value as at the date of award of 200% of base salary per financial year, which may be increased to 300% in exceptional circumstances. The ESOS allows for market value options over shares with a maximum value as at the date of award of 300% of base salary per financial year, which may be increased to 400% in exceptional circumstances. The Committee expressly reserves discretion to make such awards as it considers appropriate within these limits (although, as stated above, it is not currently intended that Executive Directors will receive awards under the ESOS).	The Committee may set such performance conditions on PSP awards as it considers appropriate (whether financial or non-financial and whether corporate, divisional or individual). Once set, performance measures and targets will generally remain unaltered unless events occur which, in the Committee's opinion, make it appropriate to alter the performance conditions in such manner as the Committee thinks fit. Performance periods may be over such periods as the Committee selects at grant, which will not normally be less than (but may be longer than) three years. No more than 20% of awards vest for attaining the threshold level of performance conditions.	Annual award levels are proposed at 200% and 160% of base salary for the CEO and CFO respectively. For 2015 only, the awards will be made at half this level.

TSR (50% of award) relative to the constituents, as at the 1 January prior to grant, of the FTSE250 excluding investment trusts	% of that part of the award that vests
Upper quintile or more	100%
Between median and upper quintile	Pro-rata on straight-line basis between 20% and 100%
Median	20%
Below median	0%

Performance conditions will be measured over three financial years to 31 December 2017. The EPS condition looks at the EPS achieved in the final year only based on the reported fully diluted EPS (subject to such adjustments as the Committee considers appropriate) and TSR compares the TSR over the three months prior to the start of the financial year in which the grant is made with the three months prior to the end of the third financial year.

The Committee selected these performance conditions as they provide a suitable balance between absolute growth (through EPS) and relative out-performance (through TSR) which are key measures of success for the Company.

Report of the Remuneration Committee continued

Executive Directors

Element and purpose	Policy and operation
Share ownership guidelines To further align the interests of Executive Directors with those of shareholders.	Executive Directors are expected to retain 50% of the ordinary shares vesting under all share plans, after any disposals for the payment of applicable taxes, until they have achieved the required level of shareholding (currently 400% of salary).
All-employee share plans To encourage share ownership by employees, thereby allowing them to share in the long-term success of the Group and align their interests with those of the shareholders.	Company-operated Sharesave scheme and Share Incentive Plan. These are all-employee share plans established under HMRC tax-advantaged regimes and follow the usual form for such plans. Executive Directors are able to participate in all-employee share plans on the same terms as other Group employees.

Clawback
Clawback (being the ability of the Company to claim repayment of paid amounts as a debt within two years of payment) provisions apply to the Annual Bonus Plan and PSP in certain circumstances (e.g. misstatement of accounts, miscalculation of vesting/payouts and an act/omission that justifies summary dismissal for misconduct (which has no time limit)).

Stating maximum amounts for the remuneration policy
The Directors' Remuneration Report regulations and related Investor guidance encourages companies to disclose a cap within which each element of the Directors' Remuneration Policy will operate. Where maximum amounts for elements of remuneration have been set within the Directors' Remuneration Policy, these will operate simply as caps and are not indicative of any aspiration.

Differences between the policy on remuneration for Directors from the policy on remuneration of other employees
While the appropriate benchmarks vary by role, the Company seeks to apply the philosophy behind this policy across the Company as a whole. Where JUST EAT's pay policy for Directors differs from its pay policies for groups of employees, this reflects the appropriate market rate position for the relevant roles. The Company takes into account pay levels, bonus opportunity and share awards applied across the Group as a whole when setting the Executive Directors' Remuneration Policy.

Variations in share capital
The LTIP and ESOS contain standard provisions that allow for the adjustment of awards to take account of variations in share capital, demergers, special dividends, etc.

Maximum	Performance measures
400% of base salary for all Executive Directors. The Committee reserves the power to amend (but not reduce) these levels in future years.	N/A
The maximum participation levels for all-employee share plans will be the limits for such plans set by HMRC from time to time.	Consistent with normal practice, such awards are not subject to performance conditions.

Report of the Remuneration Committee continued

Chairman and Non-Executive Directors

Element and purpose	Policy and operation
Chairman and Non-Executive Director fees[1, 2] To enable the Company to recruit and retain a Chairman and Non-executive Directors of the highest calibre, at the appropriate cost.	The fees paid to the Chairman and to Non-Executive Directors aim to be competitive with other fully-listed companies of equivalent size and complexity. The fees payable to the Non-Executive Directors are determined by the Board. The fees payable to the Chairman are determined by the Remuneration Committee. All fees will be subject to periodic review. For Non-Executive Directors the fee structures may involve separate fees for chairing or for membership of Board committees. Non-Executive Directors will not participate in any new cash or share incentive arrangements from Admission. No benefits are envisaged for the Non-Executive Directors (including the Chairman) but the Company reserves the right to provide benefits (including travel and office support) within the prescribed limits.

1. Travel and hospitality
While the Committee does not consider it to form part of benefits in the normal usage of that term, it has been advised that corporate hospitality (whether paid for by the Company or another) and business travel for Executive Directors, Non-executive Directors and the Chairman (and exceptionally their families) may technically come within the applicable rules and so the Committee expressly reserves the right for the Committee to authorise such activities within its agreed policies.

2. Deemed benefits from JSOP participation
Payments to any Director in respect of the deemed cost of interest on loans relating to participation in the JSOP and, if relevant, the writing off of any such loans are benefits within the scope of the Directors' Remuneration Policy. The value of any such amounts is in addition to the maximum amounts stated in the table above for Benefits for Executive Directors and for Chairman and Non-executive Directors' fees.

Maximum	Performance measures	Implementation of policy 2015 (for information purposes; not part of the Directors' Remuneration Policy)
Fees are paid monthly in cash. The aggregate fees (and any benefits) of the Chairman and the Non-Executive Directors will not exceed the limit from time to time prescribed within the Company's Articles of Association for such fees (currently £2 million p.a. in aggregate). Any increases actually made will be appropriately disclosed.	N/A	The Chairman currently receives a fee of £100,000. A breakdown of Non-executive Directors' current annual fees is as provided below.

	Base fee £	Committee chair fee £	Senior independent director fee £	Total £
Andrew Griffith	50,000	7,500	5,000	62,500
Gwyn Burr	50,000	7,500	–	57,500
Henri Moissinac	50,000	–	–	50,000

As each of the independent Non-Executive Directors was appointed in 2014, a full annual fee has not been earned during the year.

The base fee for Non-Executive Directors was increased from £45,000 effective from 1 January 2015. The fee levels remain in line with those of peer companies.

Fee levels will remain subject to periodic review throughout the term of the Directors' Remuneration Policy.

Report of the Remuneration Committee continued

Service contracts

Executive Directors

The Committee's policy is that each Executive Director's service agreement should be of indefinite duration, subject to termination by the Company on 12 months' notice or 6 months' notice by the individual. The service agreements of all Executive Directors comply with that policy.

The service agreements reserve the right for the Company to make a payment in lieu of notice to an Executive Director for the amount of 1.2 and 1.1 times (for the CEO and CFO respectively) of base salary for the notice period if notice is served on or after 1 January 2015. The small premium to base salary reflects the Company's estimate of fixed benefits costs. Such sums may be paid in instalments and would cease or be reduced if the individual finds an alternative role. Contracts do not contain change of control provisions but do contain provisions allowing for summary termination.

The Committee reserves flexibility, for an appropriate candidate in exceptional circumstances only, to introduce a longer initial notice period (of up to two years) reducing over time.

The date of each Executive Director's contract is:

	Contract date
David Buttress	8 April 2014
Mike Wroe	8 April 2014

The service agreements of the Executive Directors are available for inspection at the Company's registered office during normal business hours and at the Company's AGM including during the fifteen minutes preceding this.

Chairman and Non-Executive Directors

Each Non-Executive Director and the Chairman is engaged for an initial period of two years, subject to annual renewal at the AGM. For Non-executive Directors, other than the Chairman, these engagements can be terminated by either party on three months' notice.

The Non-Executive Directors cannot participate in new awards under the Company's incentive plans from Admission, are not entitled to any pension benefits and are not entitled to any payment in compensation for early termination of their appointment beyond the three months' notice referred to above.

For the Chairman and each Non-Executive Director the effective date of their latest letter of appointment is:

Name	Date of Appointment	Term
John Hughes CBE	15 December 2011	2 years
Benjamin Holmes	10 July 2009	2 years
Michael Risman[1]	12 March 2014	2 years
Frederic Coorevits	10 July 2009	2 years
Andrew Griffith	12 March 2014	2 years
Gwyn Burr	12 March 2014	2 years
Henri Moissinac	1 August 2014	2 years

The letters of appointment of the Non-Executive Directors are available for inspection at the Company's registered office during normal business hours and at the Company's AGM including during the fifteen minutes preceding this.

1 Mr. Risman also acted as the primary representative of the former corporate director of the Company, Vitruvian Directors I Limited, from April 2012 to March 2014.

Recruitment Remuneration Policy

The Company's recruitment remuneration policy aims to give the Committee sufficient flexibility to secure the appointment and promotion of high-calibre executives to strengthen the management team and secure the skill sets to deliver our strategic aims. However, as an external recruitment at director level has not yet taken place, the preparation of this policy is challenging as it provides for an event which has not been the Company's practice.

In terms of the principles for setting a package for a new Executive Director, the starting point for the Committee will be to apply the general policy for Executive Directors as set out above and structure a package in accordance with that policy. Consistent with the Directors' Remuneration Report Regulations, the caps contained within the policy for fixed pay do not apply to new recruits, although the Committee would not envisage exceeding these caps in practice.

The Annual Bonus Plan and long-term incentives will operate (including the maximum award levels) as detailed in the general policy in relation to any newly appointed Executive Director. Any recruitment-related long-term incentive awards which are not buy-outs will be subject to the limits as stated in the general policy (e.g. 300% in the PSP). Details of any recruitment-related awards will be appropriately disclosed.

For an internal appointment, any variable pay element awarded in respect of the prior role may either continue on its original terms or be adjusted to reflect the new appointment as appropriate.

For external and internal appointments, the Committee may agree that the Company will meet certain relocation expenses as it considers appropriate.

For external candidates, it may be necessary to make additional awards in connection with the recruitment to buy-out awards forfeited by the individual on leaving a previous employer. For the avoidance of doubt, buy-out awards are not subject to a formal cap.

For any buy-outs the Company will not pay more than is, in the view of the Committee, necessary and will in all cases seek, in the first instance, to deliver any such awards under the terms of the existing Annual Bonus Plan and long-term incentives. It may, however, be necessary in some cases to make buy-out awards on terms that are more bespoke than the existing Annual Bonus Plan and long-term incentives.

All buy-outs, whether under the Annual Bonus Plan, long-term incentives or otherwise, will take account of the service obligations and performance requirements for any remuneration relinquished by the individual when leaving a previous employer. The Committee will seek to make buy-outs subject to what are, in its opinion, comparable requirements in respect of service and performance. However, the Committee may choose to relax this requirement in certain cases (such as where the service and/or performance requirements are materially completed, or where such factors are, in the view of the Committee, reflected in some other way, such as a significant discount to the face value of the awards forfeited) and where the Committee considers it to be in the interests of shareholders.

A new Non-Executive Director would be recruited on the terms explained above in respect of the main policy for such Directors.

Report of the Remuneration Committee continued

Termination Policy Summary

It is appropriate for the Committee to consider treatments on a termination having regard to all of the relevant facts and circumstances available at that time. This policy applies both to any negotiations linked to notice periods on a termination (see Service Contracts above) and any treatments that the Committee may choose to apply under the discretions available to it under the terms of the Annual Bonus Plan and PSP plans. The potential treatments on termination under these plans are summarised in the table below.

Incentives	If a leaver is deemed to be a "good leaver"; for example, leaving through death or otherwise at the discretion of the Committee	If a leaver is deemed to be a "bad leaver"; for example, leaving for disciplinary reasons or to join a competitor	Other exceptional cases; e.g. change in control
Annual Bonus Plan	Committee has discretion to determine Annual Bonus which will typically be limited to the period actually worked.	No awards made.	Committee has discretion to determine Annual Bonus.
Performance Share Plan	Will receive a pro-rated award subject to the application of the performance conditions at the end of the normal performance period. Committee retains standard discretions to either vary time pro-rating or to accelerate vesting (and release any holding period) to the earlier date of cessation (determining the performance conditions at that time).	All awards will normally lapse.	Will receive a pro-rated award subject to the application of the performance conditions at the date of the event, subject to standard Committee discretions to vary time pro-rating.

Under the Joint Share Ownership Plan, "good leavers" will retain the rights to any vested portions of their awards for a period and "bad leavers" will have their awards repurchased at cost.

SIP and Sharesave provides treatments for leavers in line with HMRC rules for such plans.

The Company has the power to enter into settlement agreements with Directors and to pay compensation to settle potential legal claims. In addition, and consistent with market practice, in the event of the termination of an Executive Director, the Company may pay a contribution towards that individual's legal fees and fees for outplacement services as part of a negotiated settlement. Any such fees will be disclosed as part of the detail of termination arrangements. For the avoidance of doubt, the policy does not include an explicit cap on the cost of termination payments.

External appointments

The Company's policy is to permit an Executive Director to serve as a Non-Executive Director elsewhere when this does not conflict with the individual's duties to the Company, and where an Executive Director takes such a role, they will be entitled to retain any fees which they earn from that appointment. No Executive Director currently holds such an appointment.

Statement of consideration of employment conditions elsewhere in the Group

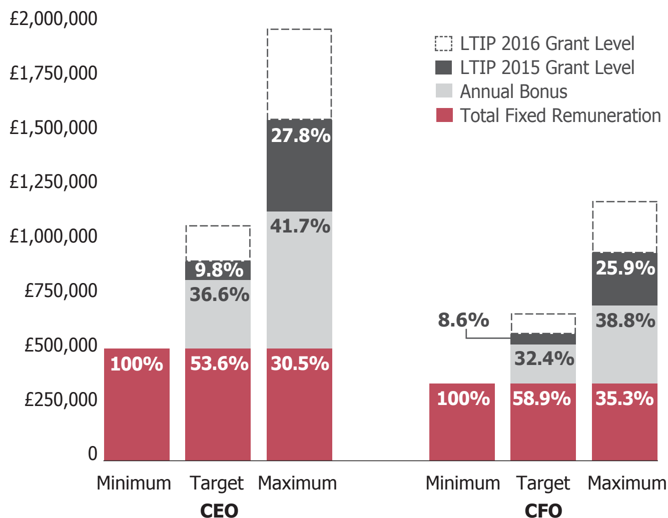
Pay and employment conditions generally in the Group are taken into account when setting Executive Directors' remuneration. The Committee receives regular updates on overall pay and conditions in the Group, including (but not limited to) changes in base pay and any staff bonus pools in operation. There is also oversight of the all-employee share schemes which Executive Directors and all other Group employees can participate in on the same terms and conditions.

Reflecting standard practice, the Company did not consult with employees in drawing up this Remuneration Report.

Statement of consideration of shareholder views

The 2015 AGM is the first occasion on which the Company will seek the support of its shareholders for matters relating to the remuneration of Executive Directors. The Committee will ensure that it considers all of the feedback which it receives from its shareholders during this process.

Illustrations of application of remuneration policy



The charts above aim to show how the remuneration policy for Executive Directors is applied using the following assumptions, as detailed to the right.

Minimum

- Consists of base salary, benefits and pension.
- Base salary is the salary to be paid in 2015.
- Benefits measured as benefits paid in the year ending 31 December 2014 as set out in the single total figure table.
- Pension measured as the defined contribution or cash allowance in lieu of Company contributions of 5% of salary.

£'000	Base Salary	Benefits	Pension	Total Fixed
David Buttress	420	74	21	515
Michael Wroe	300	38	15	353

Target

Based on what the director would receive if performance was on-target (excl. share price appreciation and dividends):

- Annual Bonus: consists of the on-target bonus of 50% of maximum opportunity.
- PSP: consists of the threshold level of vesting (20% vesting).

Maximum

Based on the maximum remuneration receivable (excl. share price appreciation and dividends):

- Annual Bonus: consists of maximum bonus of 150% of base salary for the CEO and 120% for the CFO.
- PSP: consists of the face value of awards (100% of salary for the CEO and 80% for the CFO although the policy in subsequent years will be two times this level and so these grant levels are also indicated in the charts).

Report of the Remuneration Committee continued

Implementation Report

Single total figure table (audited)

The remuneration for the Executive and Non-Executive Directors of the Company who performed qualifying services during the year is detailed below. With the exception of the Chairman, John Hughes, the Non-Executive Directors received no remuneration other than their annual fee during the financial year.

As the Group listed in April 2014, part of the 2014 and all of the 2013 remuneration relates to when JUST EAT was a privately-owned Group.

For the year ended 31 December 2014:

	Salary and fees £	Taxable benefits £	Bonus scheme[3] £	Long-tern incentives[4] £	Pension[5] £	Other[6] £	Total remuneration £
John Hughes	**89,692**	**20,691**	**–**	**844,668**	**–**	**184,136**	**1,139,187**
David Buttress	**285,101**	**66,624**	**303,967**	**2,204,682**	**2,847**	**961,244**	**3,824,465**
Mike Wroe	**235,809**	**35,165**	**143,237**	**1,069,590**	**4,788**	**466,336**	**1,954,925**
Andrew Griffith[1]	**47,917**	**–**	**–**	**–**	**–**	**–**	**47,917**
Gwyn Burr[1]	**43,750**	**–**	**–**	**–**	**–**	**–**	**43,750**
Henri Moissinac[2]	**18,750**	**–**	**–**	**–**	**–**	**–**	**18,750**

1 Non-Executive director appointed with effect from 12 March 2014.
2 Non-Executive director appointed with effect from 1 August 2014.
3 The bonus numbers above include the Executive Director annual bonus scheme and cash bonuses paid to cover the tax arising on the reimbursement of taxable expenses relating to ordinary commuting.
4 The long-term incentives column includes interests granted under the 2014 JSOP tranche 2. These interests have performance conditions attached to vesting, along with continued employment, as detailed within the JSOP section. These interests have been included in the single total figure table in the year in which the performance condition is measured and valued at the average share price during the last quarter of 2014, which was determined to be £3.06, less the hurdle price.
5 The pension numbers represent employer contributions to the defined contribution pension plan which was introduced during 2014.
6 The Other column includes interests granted under the 2014 JSOP tranche 1. This interest has no performance conditions other than continued employment and is therefore reported at the date of grant. The interest has been valued at the share price at the date of grant as agreed with HMRC, less the hurdle price.

For the year ended 31 December 2013:

	Salary and fees £	Taxable benefits £	Bonus scheme[3] £	Pension £	Other[4] £	Total remuneration £
John Hughes	53,333	10,853	–	–	–	64,186
David Buttress[1]	230,684	20,373	116,162	–	–	367,219
Mike Wroe[2]	167,684	12,501	56,862	–	–	237,047

1 David Buttress was formally appointed as CEO on 9 July 2013, although he was acting CEO prior to this. His remuneration for the 12 months ended 31 December 2013 has been included above in order to provide comparative data to his 2014 remuneration.
2 Mike Wroe was formally appointed to the Board on 17 October 2013. His remuneration for the 12 months ended 31 December 2013 has been included above in order to provide comparative data to his 2014 remuneration.
3 The bonus numbers above include the Executive Director annual bonus scheme.
4 The Other column includes interests granted under the JSOP 2013. This interest has no performance conditions other than continued employment and is therefore reported at the date of grant. The interest has been valued at the share price at the date of grant as agreed with HMRC, less the hurdle price, which in this instance were the same.

The three non-independent Non-Executive directors, Frederic Coorevits, Benjamin Holmes and Michael Risman, received no remuneration during 2014 or 2013. Laurel Bowden received no remuneration for her services prior to stepping down from the Board in October 2014.

Taxable benefits (audited)

Until the Joint Ownership Awards are sold, the Company makes annual payments to participants, the net amount of which will reimburse the participants for the annual income tax charge that arises on such proportion of the outstanding beneficial loan amount as is attributable to the remaining jointly-owned shares. The annual payment made to the Directors and the taxable benefit arising on the outstanding loan amount are included within the taxable benefits column in the single total figure table. The taxable benefit arising on the outstanding loan amounts is detailed below:

	Taxable benefit arising on the JSOP loans	
	2014 £	2013 £
John Hughes	**14,358**	6,387
David Buttress	**43,199**	8,294
Mike Wroe	**22,410**	5,858

Further detail on the Joint Ownership Awards is provided on page 76.

The Executive Directors are reimbursed for commuting costs and David Buttress receives a car allowance of £7,900 per annum.

The Executive Directors are non-contributory members of the Company's private health scheme which provides cover for them and their immediate family currently defined as their spouse/partner and dependant children aged under 21.

Although not a taxable benefit, the Executive Directors participate in the Company's life assurance scheme which pays their dependants a sum equal to four times salary if they die during their term of employment by the Company.

Short-term incentives (audited)

Bonus scheme

During the year, the Remuneration Committee decided bonuses were payable based on certain personal/strategic and financial performance targets which had been agreed at the start of the year.

	David Buttress			Mike Wroe		
	Weighting as % of bonus	**% achieved in 2014**	**Total bonus earned £**	**Weighting as % of bonus**	**% achieved in 2014**	**Total bonus earned £**
Personal/strategic targets	**40%**	**100%**	**120,000**	**40%**	**100%**	**56,000**
Financial targets						
Revenue targets*	**32.5%**	**100%**	**97,500**	**32.5%**	**100%**	**45,500**
Underlying EBITDA targets*	**27.5%**	**100%**	**82,500**	**27.5%**	**100%**	**38,500**
Total bonus achieved		**100%**	**300,000**		**100%**	**140,000**

* This element of Executive bonus is linked to a Group KPI.

The specific performance targets for the Annual Bonus Plan for 2014 are considered to be commercially sensitive and accordingly are not disclosed. However, following the conclusion of the year ended 31 December 2015, the Committee will disclose the financial performance targets for 2015 on a retrospective basis and will consider whether it is feasible to disclose the personal/strategic targets.

Report of the Remuneration Committee continued

Long-term incentives and Other (audited)

Awards granted under long-term incentive plans with performance conditions attached are included in the single total figure table within the long-term incentive column in the year in which performance conditions are measured.

Awards granted under long-term incentive plans with no performance conditions other than continued employment are included in the single total figure table within the Other column in the year they are granted.

Joint Share Ownership Plan ("JSOP")

Joint ownership awards have been made under the JSOP consisting of a joint interest in the shares subject to certain terms and conditions. The Ordinary Shares subject to Joint Ownership Awards are already in issue and are held by an Employee Benefit Trust ("EBT").

Under the terms, the participant's interest in the jointly-owned shares entitles the participants to share in the proceeds of sale of the jointly-owned shares up to the aggregate of the participant's subscription amount and the value in excess of a set hurdle. Each participant was required to pay a subscription amount for the jointly-owned shares equal to the market value of the participant's interest as determined by HMRC. In accordance with the terms of the JSOP, such amount was left outstanding as a liability to the Company.

As a preparatory step to Admission, the Company called all outstanding subscriptions amounts on the jointly-owned shares to be paid up in full. In order to facilitate this, the Company has made a loan to the Chairman, Executive Directors and other participants, the amount of which was equal to their outstanding subscription. The loans become due for repayment at the latest by the date on which the jointly owned shares are disposed of and termination of continued employment. When the shares vest, if the value of the participants interest is less than the outstanding beneficial loan amount, the balance remaining on the loan once the participants interest has been deducted is no longer payable. As detailed in the taxable benefits section on page 75, the Company makes annual payments to reimburse participants for the income tax charge that arises on the outstanding beneficial loan amount each year.

The Joint ownership awards vest over time, with 25% on the specified date established on grant and then equally on a quarterly or monthly basis until becoming fully vested on the fourth anniversary of the vest start date. Once vested, the participant can require the shares subject to the Joint ownership award to be sold and the net amount they will receive will equal the proportion of the sale proceeds that exceed the hurdle amount for their shareholding.

During the year, before the Company's IPO, the following awards under the JSOP were made:

	Scheme	Number of shares over which interest is held	Hurdle price £	Face value[1] £	Share valuation at grant £	Grant date	Vesting start date	Length of vesting period
John Hughes	2014 JSOP tranche 1	352,350	0.5767	182,700	1.0993	31.01.2014	01.07.2013	4 years
	2014 JSOP tranche 2	352,350	0.6633	152,685	1.0993	31.01.2014	01.07.2014	4 years
	2014 JSOP tranche 3	352,350	0.7626	117,450	1.0993	31.01.2014	01.07.2015	4 years
David Buttress	2014 JSOP tranche 1	1,839,375	0.5767	953,750	1.0993	31.01.2014	01.01.2013	4 years
	2014 JSOP tranche 2	919,674	0.6633	398,525	1.0993	31.01.2014	01.01.2014	4 years
	2014 JSOP tranche 3	919,701	0.7626	306,567	1.0993	31.01.2014	01.01.2015	4 years
Mike Wroe	2014 JSOP tranche 1	892,350	0.5767	462,700	1.0993	31.01.2014	01.07.2013	4 years
	2014 JSOP tranche 2	446,175	0.6633	193,343	1.0993	31.01.2014	01.07.2014	4 years
	2014 JSOP tranche 3	446,175	0.7626	148,725	1.0993	31.01.2014	01.07.2015	4 years

1 The face value of the JSOP awards has been calculated using the value of the interest in the share at the date of grant as agreed with HMRC.

The 2014 JSOP tranches have the following vesting conditions:

Scheme	Vesting period	Vesting performance conditions[1]	Amount vesting if minimum performance achieved
2014 JSOP tranche 1	25% one year after the vesting start date and then equally on a monthly basis for remaining three years	None	100%
2014 JSOP tranche 2	As above	Underlying EBITDA must be greater than £13.5 million for the year ended 31 December 2014	100%
2014 JSOP tranche 3	As above	Underlying EBITDA must be greater than £15.5 million for the year ended 31 December 2015	100%

1 Underlying EBITDA is defined as excluding any costs of fundraising (including an IPO) and excluding any costs associated with acquisitions.

Dividends payable on the jointly-owned shares are split between the participant and the Employee Benefit Trust, in proportion to the value of their respective interests at such time. There are currently no dividends accrued.

The following table summarises the shares over which the Chairman and Executive Directors had an interest in under the JSOP and those interests that have vested and been exercised during the year:

		Number granted		Number vested		Number exercised		Number of shares over which interest is held at
	Scheme	Prior to 2014	During 2014	Prior to 2014	During 2014	Prior to 2014	During 2014	31 December 2014
John Hughes	JSOP 2011	1,620,000	–	708,750	405,000	–	506,250	1,113,750
	JSOP 2013	540,000	–	–	202,500	–	–	540,000
	2014 JSOP tranche 1	–	352,350	–	124,767	–	–	352,350
	2014 JSOP tranche 2	–	352,350	–	–	–	–	352,350
	2014 JSOP tranche 3	–	352,350	–	–	–	–	352,350
David Buttress	2014 JSOP tranche 1	–	1,839,375	–	881,361	–	–	1,839,375
	2014 JSOP tranche 2	–	919,674	–	–	–	–	919,674
	2014 JSOP tranche 3	–	919,701	–	–	–	–	919,701
Mike Wroe	JSOP 2011	720,900	–	360,450	180,225	–	–	720,900
	2014 JSOP tranche 1	–	892,350	–	316,035	–	–	892,350
	2014 JSOP tranche 2	–	446,175	–	–	–	–	446,175
	2014 JSOP tranche 3	–	446,175	–	–	–	–	446,175

The gain made on exercise of JSOP interests in the year was £1,255,313.

Report of the Remuneration Committee continued

Enterprise Management Incentive ("EMI") Share Option Plans (audited)
Under the terms of the EMI Schemes, the Executive Directors as detailed below have options to purchase shares in the Company.

Options are no longer being granted under this scheme and no grants were made during 2014. All remaining options held by Executive Directors were exercised during 2014.

	Exercise price £	Share options at 31 December 2013	Number vested but unexercised	Number exercised	Share options at 31 December 2014
David Buttress	0.0463	677,700	–	677,700	–

The EMI options exercised during the year ended 31 December 2014 were done so prior to the IPO and as such, the market value of the shares at the date of exercise is not easily ascertainable. Assuming the share price at date of exercise was equal to the share price at IPO, the gain made on exercise of the EMI options in the year would have been £1,730,645.

Statement of directors' shareholding and share interests (audited)
The table below details for each Executive Director and the Chairman, the total number of Directors' interests in shares at 31 December 2014. There were no performance measures attached to the EMI share options or shares held. There are no shareholdings or share interests held by the Non-Executive Directors.

	Number of shares over which interest is held (JSOP)						EMI share options		
	With performance conditions			Without performance conditions			Without performance conditions		
	Unvested	Vested but unexercised	Exercised during the year	Unvested	Vested but unexercised	Exercised during the year	Unvested	Vested but unexercised	Exercised during the year
John Hughes	704,700	–	–	1,071,333	934,767	506,250	–	–	–
David Buttress	1,839,375	–	–	958,014	881,361	–	–	–	677,700
Mike Wroe	892,350	–	–	756,540	856,710	–	–	–	–

	Number of shares held	Total of all interests held[1]	Total
John Hughes	135,000	2,710,800	2,845,800
David Buttress	2,216,511	3,678,750	5,895,261
Mike Wroe	1,107,945	2,505,600	3,613,545

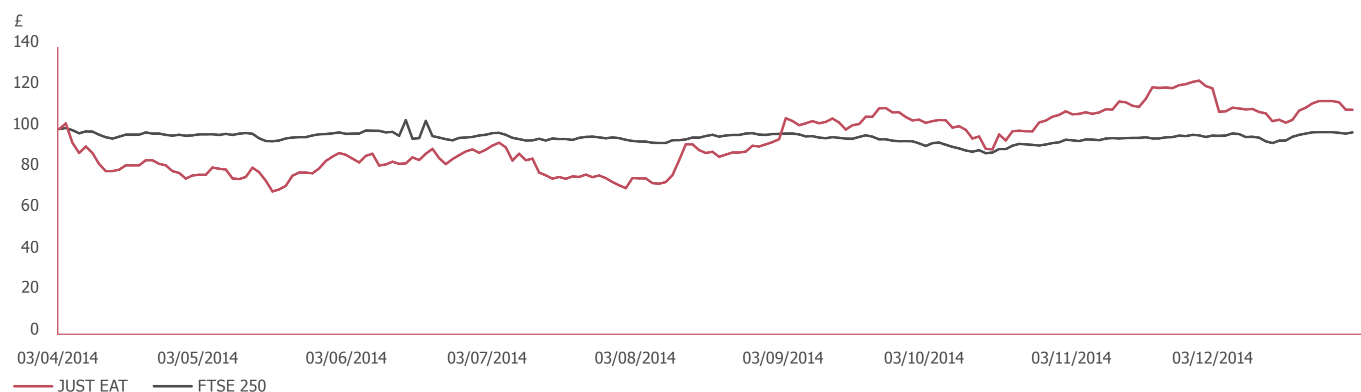
1 Includes those unvested and vested but unexercised interests.

The shareholdings and awards set out above include those held by Directors and their respective connected persons.

Under share ownership guidelines implemented by the Remuneration Committee, Executive Directors are required to build and then maintain a shareholding (excluding shares held conditionally under any incentive arrangements but including a number of shares to the value of any vested and exercisable interest under the Company's Joint Share Ownership Plan) equivalent to at least 400% of base salary. At the 2014 year end, the Executive Directors complied with this requirement.

Performance graph and CEO remuneration table (unaudited)

The following graph shows the TSR performance of an investment of £100 in JUST EAT plc's shares from its listing in April 2014 to the end of the period, compared with a £100 investment in the FTSE 250 Index over the same period. The FTSE 250 Index was chosen as a comparator because it represents a broad equity market index of which the Company is a constituent. The TSR was calculated by reference to the movements in share price. The Company has not paid a dividend since April 2014 and therefore the Company's TSR does not include a dividend amount.



The table below details the CEO remuneration over the same period as presented in the TSR graph.

	Single figure of total remuneration	Annual bonus pay-out against maximum %	Long-term incentive vesting rates against maximum opportunity %
2014	3,824,465	100%	100%

As the Group listed in April 2014, part of the 2014 remuneration relates to when JUST EAT was a privately owned group.

Percentage change in remuneration of Director undertaking the role of CEO (unaudited)

The below table presents the year-on-year percentage change in remuneration received by the CEO, compared with the change in remuneration received by all UK employees. All UK employees was chosen as a suitable comparator group as this includes the UK call centre employees and excludes senior management and international employees who are on different pay structures.

	Percentage increase in remuneration between 2013 and 2014	
	CEO	All colleagues
Salary and fees	24%	18%
Short-term incentives	162%	113%
All taxable benefits	227%	–

The rise in taxable benefits for the CEO reflects benefits relating to the JSOP as described on page 76.

Klaus Nyengaard resigned as CEO on 31 January 2013 and David Buttress was formally appointed to the role of CEO on 9 July 2013. In order to calculate the percentage increase in CEO remuneration, the remuneration for Klaus Nyengaard for the one month he was in position in 2013 has been included and 11 months of the 2013 remuneration for David Buttress. As the Group listed in April 2014, part of the 2014 and all of the 2013 remuneration relate to when JUST EAT was a privately owned group.

Report of the Remuneration Committee continued

Relative importance of spend on pay (unaudited)

The table below details the change in total employee pay between 2013 and 2014 as detailed in note 9 of the financial statements. In line with our strategic plans, earnings have been retained for growth and development of the business and therefore no dividends have been paid since the one paid in April 2014 prior to the IPO as part of a capital restructuring. Underlying EBITDA and Revenue have been used as comparative measures as these KPIs are used by the Directors to measure performance. These measures have been calculated in line with those in the audited financial statements.

	% change	**2014 £m**	2013 £m
Total gross employee pay	44%	**52.0**	36.1
Underlying EBITDA	131%	**32.6**	14.1
Revenue	62%	**157.0**	96.8

Consideration by the Directors of matters relating to Directors' remuneration

The following Non-Executive Directors were members of the Remuneration Committee during the year:

- Gwyn Burr, Chairman;
- Andrew Griffith; and
- Henri Moissinac.

FIT Remuneration Consultants LLP ("FIT") were selected by the Committee last year as their remuneration advisers, after a tender and presentation process involving four leading firms. FIT exclusively advise the Committee and do not provide any other advice to the Group nor do they advise management. This has, the Committee believes, ensured their objectivity and independence. FIT are members of the Remuneration Consultants Group and comply with its voluntary code of conduct in relation to executive remuneration consulting in the UK.

FIT have provided advice on the benchmarking and structuring of executive and senior management remuneration together with assistance in the Committee's consultations with shareholders and the Company's Directors' Remuneration Policy and Report. Fees payable to FIT in respect of their work for the year totalled £48,500.

Statement of voting at general meeting

As the Company listed in April 2014, there has not yet been an Annual General Meeting ("AGM") where a resolution to pass each of the Directors' Remuneration Policy and Directors' Remuneration Report has been put forward for voting. In next year's Annual Report this section will have the voting breakdown of those two resolutions from this year's AGM.

Independent Auditor's Report

Opinion on financial statements of JUST EAT plc

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2014 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The financial statements comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, the Company Reconciliation of Movements in Shareholders' Funds, and the related notes 1 to 48. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 2 to the Group financial statements, in addition to complying with its legal obligation to apply IFRSs as adopted by the European Union, the Group has also applied IFRSs as issued by the International Accounting Standards Board ("IASB").

In our opinion the Group financial statements comply with IFRSs as issued by the IASB.

Going concern

As required by the Listing Rules we have reviewed the directors' statement on page 146 that the Group is a going concern. We confirm that:

- we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Independent Auditor's Report continued

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team:

Risk	How the scope of our audit responded to the risk
Business combinations As noted in the Report of the Audit Committee on page 53, there have been several changes in ownership of Group entities and acquisitions during the year. As detailed in notes 33 and 34, the total cash consideration for the acquisitions paid during the year was £14.4 million and a total of £10.9 million of intangible assets and £43.1 million of goodwill has been recognised on acquisition. A gain of £32.0 million has been recognised on the deemed disposal of FBA Invest SaS ("FBA") and a gain of £5.8 million has been recognised on the partial disposal of Just Eat Brazil Services Online Ltda. Provisions totalling £9.1 million have been recorded in respect of the buy-out of minority shareholders. The accounting for these transactions is complex due to the judgements taken in the application of accounting standards, for example in the valuation of the businesses, options and forward contracts; the recognition and valuation of consideration; and the identification and valuation of intangible assets. The associated judgements and estimates are described further in notes 4e and 4f to the financial statements and in the Report of the Audit Committee report on page 53.	We have performed the following procedures on the key judgement areas: • considared management's assessment of the nature of the combination, when control passed and the level of control existing and compared that assessment with the provisions within IFRS 3 'Business Combinations'; • examined signed sales and purchase agreements and associated contractual agreements to understand the terms and conditions of the transactions including the appropriateness of the fair value of consideration determined by management; • assessed the valuation models prepared by management to value the FBA Invest SAS and IF-JE Participações Ltda businesses, the FBA option arrangements, and the intangible assets identified in the acquired businesses, using our specialists within the audit team to challenge the assumptions and methodology used by management; • examined the inputs within the valuation models, including the future growth patterns to the historical trends achieved in more developed markets; and • assessed whether the disclosures presented in note 33 and 34 to the financial statements are in line with the requirements of IFRS 3.
Impairment of goodwill and intangible assets The Group holds goodwill of £51.2 million and intangible assets of £12.7 million on its Balance Sheet at 31 December 2014. As described in the Report of the Audit Committee report on page 54, and note 4e to the consolidated financial statements, the impairment review process to test the recoverability of goodwill and intangible assets arising on acquisitions involves the application of judgements and estimates by management. There are particular risks regarding the judgements to determine the recoverable amount, including the growth rates underlying projected future cash flows, the discount rates applied to those forecasts and the scenarios applied to test the sensitivity of the calculations to reasonably possible changes in key assumptions.	We tested the assumptions used by management within their annual impairment assessment to support the recoverability of the carrying value of goodwill and intangible assets. Our work included: • considering the projected future cash flow growth patterns to the historical trends achieved in more developed markets and comparing long-term growth rates to market data; • engaging valuation specialists within the audit team to provide additional challenge regarding the calculations of the discount rate applied to these cash flows; and • assessing the appropriateness of the sensitivities applied by management including considering whether the scenarios represented reasonably possible changes in key assumptions. We also considered whether that disclosures on the impairment test performed by management in the financial statements are in line with those prescribed in accounting standards.

Risk	How the scope of our audit responded to the risk
Share-based payments The Group provides share based incentive plans for Directors and employees. During the year, there were certain new grants, schemes and arrangements made. As detailed in note 37 to the Consolidated Financial Statements, the total charge to the profit and loss account for the year relating to share-based payments was £4.4 million. The selection and application of accounting policies in accordance with IFRS 2 "Share-based payments" (as explained in note 4b to the financial statements) is complex due to the bespoke nature of the arrangements in place. Further they require significant judgement regarding the assumptions which are applied in calculating the fair value of the options, particularly the value of shares at grant date as explained in the Report of the Audit Committee on page 54.	To assess the appropriateness of the application of accounting standards and the assumptions and judgements made by management we performed the following procedures: • examined the documents setting out the scheme rules and terms of the schemes to determine the appropriateness of accounting policies made by management; • assessed the inputs included in the fair value calculations, using valuation specialists within the audit team to consider the reasonableness of assumptions made and the methodology followed; • performed recalculations and sample-testing the source documentation to check the accuracy of the calculations provided; and • considered the disclosures in the financial statements regarding the schemes, including the related disclosures in the Report of the Remuneration Committee and the related parties disclosure in note 39 to the financial statements.

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on pages 53 and 54.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Independent Auditor's Report continued

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be £1.0 million, which is below 5% of pre-tax profit adjusted for IPO costs and the gains on business combinations due to their one-off nature in the current year.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £20,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. Based on this assessment we focused on the Group's UK and Danish operations, which were subject to a full audit for the year ended 31 December 2014. They were also selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified above. The remaining entities were subject to a limited scope audit of specific account transactions and account balances, where the extent of our testing was based on our assessment of the risks of material misstatement and of the materiality of the Group's operations at those locations. Our audit work was executed at levels of materiality applicable to each individual entity which were lower than Group materiality and ranged from £433,000 to £850,000. At the parent entity level we performed audit procedures on material transactions and consolidation adjustments.

As a consequence of the audit scope determined, we achieved full scope coverage of £127.2 million out of £157.0 million of the Group's revenue, £145.1 million out of £183.8 million of the Group's net assets and £67.2 million out of £57.4 million of the Group's profit before tax (which excludes £9.8 million losses in limited scope entities).

In the current year the Group audit team visited the operations in Denmark, due to its financial significance to the Group, and met with the local management team in France, as a result of the increase in ownership in the year.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns. We have nothing to report arising from these matters.

Corporate Governance Statement

Under the Listing Rules we are also required to review the part of the Corporate Governance Statement relating to the company's compliance with ten provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

Our duty to read other information in the Annual Report
Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of Directors and Auditor
As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

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.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Anna Marks FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, United Kingdom
16 March 2015

Consolidated Income Statement

Year ended 31 December 2014

	Notes	**Year ended 31 December 2014 £m**	Year ended 31 December 2013 £m
Continuing operations			
Revenue	5	**157.0**	96.8
Cost of sales		**(16.1)**	(10.0)
Gross profit		**140.9**	86.8
Long-term employee incentive costs	6	**(4.9)**	(1.7)
Exceptional items	7	**(2.7)**	(1.0)
Other administrative expenses		**(113.5)**	(77.3)
Total administrative expenses		**(121.1)**	(80.0)
Share of results of joint venture and associates	19, 20	**(0.8)**	–
Operating profit	5	**19.0**	6.8
Other gains	11	**38.2**	3.4
Finance income	12	**0.4**	0.2
Finance costs	12	**(0.2)**	(0.2)
Profit before tax	5	**57.4**	10.2
Taxation	13	**(5.6)**	(3.4)
Profit for the year		**51.8**	6.8
Attributable to:			
Owners of the Company		**52.0**	7.0
Non-controlling interests	32	**(0.2)**	(0.2)
		51.8	6.8
Earnings per Ordinary Share (pence)	14		
Basic		**9.8**	1.5
Diluted		**9.4**	1.4
Earnings per B Ordinary Share (pence)	14		
Basic		**–**	–
Diluted		**–**	–
Adjusted earnings per Ordinary Share (pence)	14		
Basic		**4.2**	1.4
Diluted		**4.0**	1.4
Underlying EBITDA			
Operating profit		**19.0**	6.8
Depreciation – Subsidiaries		**3.3**	2.7
Amortisation – Acquired intangible assets		**2.1**	0.8
Amortisation – Other assets		**0.6**	0.1
Depreciation and amortisation – Joint venture and associates		**0.2**	0.4
Long-term employee incentive costs	6	**4.9**	1.7
Exceptional items	7	**2.7**	1.0
Foreign exchange gains and losses		**(0.2)**	0.6
Underlying EBITDA	5	**32.6**	14.1

Underlying EBITDA is the main measure of profitability used by the Group and is defined as earnings before finance income and costs, taxation, depreciation and amortisation and additionally excludes the Group's share of depreciation and amortisation of joint venture and associates, long-term employee incentive costs, exceptional items, foreign exchange gains and losses and "other gains".

Consolidated Statement of Other Comprehensive Income

Year ended 31 December 2014

	Notes	**Year ended 31 December 2014 £m**	Year ended 31 December 2013 £m
Profit for the year		**51.8**	6.8
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	30	**(2.7)**	0.1
Exchange differences on translation of foreign operations reclassified to income statement on disposal		**3.5**	–
		0.8	0.1
Items that will not be reclassified subsequently to profit or loss			
Tax on share options		**2.3**	–
Other comprehensive income for the year		**3.1**	0.1
Total comprehensive income for the year		**54.9**	6.9
Attributable to:			
Owners of the Company		**55.1**	7.1
Non-controlling interests	32	**(0.2)**	(0.2)
Total comprehensive income for the year		**54.9**	6.9

Consolidated Balance Sheet

31 December 2014

	Notes	As at 31 December 2014 £m	As at 31 December 2013 £m
Non-current assets			
Goodwill	16	**51.2**	10.2
Other intangible assets	17	**12.7**	3.4
Property, plant and equipment	18	**7.2**	5.5
Investment in joint venture	19	**–**	7.4
Investments in associates	20	**13.2**	0.4
Deferred tax assets	21	**2.5**	0.9
		86.8	27.8
Current assets			
Inventories	22	**0.9**	0.8
Trade and other receivables	23	**10.2**	3.9
Current tax assets		**0.7**	0.2
Cash and cash equivalents	38	**164.4**	61.6
Associate held for sale	20	**0.2**	–
Derivative financial instrument	38	**0.4**	–
		176.8	66.5
Total assets		**263.6**	94.3
Current liabilities			
Trade and other payables	24	**(59.1)**	(33.4)
Current tax liabilities		**(2.0)**	(1.1)
Deferred revenue	25	**(4.0)**	(4.0)
Provisions for liabilities	26	**(0.2)**	–
Borrowings	38	**(0.3)**	–
		(65.6)	(38.5)
Net current assets		**111.2**	28.0
Non-current liabilities			
Deferred tax liabilities	21	**(2.9)**	(0.4)
Deferred revenue	25	**(1.3)**	(1.2)
Provisions for liabilities	26	**(9.3)**	(0.1)
Other long-term liabilities	27	**(0.7)**	(0.5)
		(14.2)	(2.2)
Total liabilities		**(79.8)**	(40.7)
Net assets		**183.8**	53.6
Equity			
Share capital	28	**5.7**	–
Share premium account	29	**120.5**	55.8
Other reserves	30	**(6.3)**	1.3
Retained earnings/(accumulated losses)	31	**63.1**	(3.9)
Equity attributable to owners of the Company		**183.0**	53.2
Non-controlling interests	32	**0.8**	0.4
Total equity		**183.8**	53.6

The consolidated financial statements on pages 86 to 137 were authorised for issue by the Board of Directors and signed on its behalf by:

David Buttress
Chief Executive Officer

Mike Wroe
Chief Financial Officer

JUST EAT plc
Company Registration Number 06947854 (England and Wales)
16 March 2015

Consolidated Statement of Changes in Equity

Year ended 31 December 2014

	Notes	Share capital £m	Share premium account £m	Shares to be issued £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
1 January 2013		0.1	55.6	0.1	1.4	(10.4)	46.8	(0.3)	46.5
Profit for the year		–	–	–	–	7.0	7.0	(0.2)	6.8
Other comprehensive income	30	–	–	–	0.1	–	0.1	–	0.1
Issue of capital	28	–	0.1	(0.1)	–	–	–	–	–
Share based payment charge	37	–	–	–	–	1.7	1.7	–	1.7
Adjustments arising from changes in NCI	31,32	–	–	–	–	(2.2)	(2.2)	0.9	(1.3)
Treasury shares		–	–	–	(0.2)	–	(0.2)	–	(0.2)
Transfer to share premium		(0.1)	0.1	–	–	–	–	–	–
31 December 2013		–	55.8	–	1.3	(3.9)	53.2	0.4	53.6
Profit for the year		**–**	**–**	**–**	**–**	**52.0**	**52.0**	**(0.2)**	**51.8**
Other comprehensive income	30	**–**	**–**	**–**	**(2.7)**	**–**	**(2.7)**	**–**	**(2.7)**
Reclassified to income statement	19,34	**–**	**–**	**–**	**3.5**	**–**	**3.5**	**–**	**3.5**
Issue of capital (net of costs)	28	**0.5**	**96.7**	**–**	**(0.6)**	**–**	**96.6**	**–**	**96.6**
Share-based payment charge	37	**–**	**–**	**–**	**–**	**4.4**	**4.4**	**–**	**4.4**
Tax on share options		**–**	**–**	**–**	**–**	**2.3**	**2.3**	**–**	**2.3**
JSOP subscription	39	**–**	**13.2**	**–**	**(7.9)**	**–**	**5.3**	**–**	**5.3**
Exercise of JSOP awards		**–**	**–**	**–**	**0.1**	**–**	**0.1**	**–**	**0.1**
Adjustment arising on justeat.in	31,32	**–**	**–**	**–**	**–**	**0.2**	**0.2**	**–**	**0.2**
NCI arising on acquisitions	32,33	**–**	**–**	**–**	**–**	**–**	**–**	**0.6**	**0.6**
Bonus share issue	28	**5.2**	**(5.2)**	**–**	**–**	**–**	**–**	**–**	**–**
Capital reduction	28	**–**	**(40.0)**	**–**	**–**	**40.0**	**–**	**–**	**–**
Dividend for year	15	**–**	**–**	**–**	**–**	**(18.1)**	**(18.1)**	**–**	**(18.1)**
Forward contracts to acquire non-controlling interests	33	**–**	**–**	**–**	**–**	**(13.8)**	**(13.8)**	**–**	**(13.8)**
31 December 2014		**5.7**	**120.5**	**–**	**(6.3)**	**63.1**	**183.0**	**0.8**	**183.8**

Consolidated Cash Flow Statement

Year ended 31 December 2014

	Notes	**Year ended 31 December 2014 £m**	Year ended 31 December 2013 £m
Net cash from operating activities	36	**38.1**	19.2
Investing activities			
Interest received		**0.4**	0.2
Funding provided to associates		**(0.1)**	(0.2)
Net cash outflow on acquisition of interests in joint venture and associate	34	**(4.4)**	–
Net cash outflow on acquisition of subsidiaries	33	**(8.8)**	(3.7)
Purchases of property, plant and equipment	18	**(5.4)**	(3.3)
Purchases of intangible assets	17	**(1.0)**	(0.7)
Net cash used in investing activities		**(19.3)**	(7.7)
Financing activities			
Net IPO proceeds		**95.7**	–
JSOP subscription proceeds		**5.3**	–
Proceeds arising on exercise of options and warrants		**1.1**	–
Dividend paid (net of dividends received by the employee benefit trust)	15	**(18.1)**	–
Repayment of borrowings		**0.2**	–
Net cash from financing activities		**84.2**	–
Net increase in net cash and cash equivalents		**103.0**	11.5
Cash and cash equivalents at beginning of year		**61.6**	50.0
Effect of changes in foreign exchange rates		**(0.5)**	0.1
Net cash and cash equivalents at end of year		**164.1**	61.6

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

1. General information

JUST EAT plc (the "Company") and its subsidiaries (the "Group") operate an online and mobile market place for takeaway food. Further details about the Group's operations and principal activities are disclosed within the Strategic Report on pages 1 to 41. The Company is a public limited company listed on the premium listing segment of the Official List of the Financial Conduct Authority and is incorporated and domiciled in the United Kingdom. The registered address is Masters House, 107 Hammersmith Road, London W14 0QH.

2. Basis of preparation

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

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

Going concern

For reasons noted on page 146, the financial statements has been prepared on the going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of signing these financial statements. At the date of approving the financial statements, the Directors are not aware of any circumstances that could lead to the Group being unable to settle commitments as they fall due during the 12 months from date of signing these financial statements.

At 31 December 2014, the Group had net current assets of £111.2 million, cash net of borrowings of £164.1 million and generated cash inflows from operating activities of £38.1 million for the year ended 31 December 2014. The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 41. Note 38 describes the Group's objectives, policies and processes for managing its exposure to credit risk and liquidity risk.

New standards, interpretations and amendments adopted

No new standards or amendments to standards had any impact on the Group's financial position or performance nor the disclosures in these financial statements.

Early adoption

The following new standards and amendments to existing standards are in issue, but have not been adopted by the Group as they are either subject to EU endorsement or are not yet effective:

- IFRS 9 *Financial Instruments* (effective 1 January 2018)
- IFRS 15 *Revenue from Contracts with Customers* (effective 1 January 2017)
- Annual Improvements 2010-2012 (effective 1 July 2014)
- Annual Improvements 2011-2013 (effective 1 July 2014)
- Annual Improvements 2012-2014 (effective 1 January 2016)
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation* (effective 1 January 2016)
- Amendments to IAS 27 *Equity Method in Separate Financial Statements* (effective 1 January 2016)
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective 1 January 2016)
- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations* (effective 1 January 2016)

With the exception of IFRS 15, the Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods. IFRS 15 may have an impact on the Group's revenue recognition polices and disclosures, however, until management's detailed review has been completed it is not practicable to provide details of the impact that its adoption will have on the Group's financial statements.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

3. Summary of significant accounting policies

a) Basis of consolidation

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

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

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

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

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

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

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

When the Group loses control of a subsidiary, it de-recognises the carrying amount of any non-controlling interests and the cumulative translation differences recorded in equity. It further recognises the fair values of the consideration received and any investment retained, with any surplus or deficit being recognised in profit or loss.

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

b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method, in accordance with IFRS 3 (2008) *Business Combinations* ("IFRS 3"). The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are recognised in profit or loss as incurred and included within exceptional items.

3. Summary of significant accounting policies (continued)

When the consideration for the acquisition includes an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and is included as part of the consideration transferred in the business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liabilities re-measured at subsequent reporting dates in accordance with IAS 39 or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

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

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for certain items which are measured in accordance with the relevant IFRSs. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

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

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

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

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

c) Investments in associates and joint ventures

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

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

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

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

3. Summary of significant accounting policies (continued)

The results and assets and liabilities of associates and jointly controlled entities are incorporated in these financial statements using the equity method of accounting, except for when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

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

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

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

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value in accordance with IAS 39. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required in the that associate had directly disposed of the related assets or liabilities.

The aggregate amounts of current and long-term assets and liabilities, income and expenses are disclosed in notes 19 and 20. Where applicable, the aggregate amount of capital commitments and contingent liabilities are also disclosed.

d) Fair value measurement

The Group measures certain financial instruments at fair value at each balance sheet date.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values. The fair values of financial instruments measured at amortised cost are disclosed in note 38.

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

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

3. Summary of significant accounting policies (continued)

e) Foreign currencies

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

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable or payable to a foreign operations which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation) which are recognised initially in other comprehensive income and reclassified to profit or loss on disposal of the net investment.

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

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

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

f) Revenue recognition

Revenue is derived from commission, payment card and administration fees, connection fees, top-placement fees, and other revenue.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Commission

Commission revenue, earned from restaurants, is earned and recognised at the point of order fulfilment to the restaurant's consumers.

Payment card and administration fees

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

Connection fees

Our restaurant partners pay a one-off fee to join the JUST EAT network, which is comprised of a JCT equipment fee and a JCT connection fee. JCT's are order confirmation terminals situated at restaurant sites for the purposes of communicating between end user consumers and restaurants via the central JUST EAT ordering infrastructure.

JCT equipment fees are deferred to the balance sheet and recognised on a straight line basis over 36 months. This is considered to be an appropriate time period as the fair value of the consideration received or receivable for the JCT.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

3. Summary of significant accounting policies (continued)

The JCT connection fee revenue is payable on connection but deferred and recognised on a straight line basis over 12 months. In addition, our Danish and French based restaurant partners pay an annual subscription fee. Revenue in respect of subscription fees is recognised on a straight line basis over the annual subscription period.

Top-placement fees

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

Other revenue

Other revenue principally relates to the sale of branded merchandise to our restaurant partners. Merchandise revenue is recognised when the goods are delivered and the significant risks and rewards of ownership have transferred to the restaurant.

g) Operating profit or loss

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

h) Exceptional items

Exceptional items are costs or credits that, by virtue of their nature and incidence, have been disclosed separately in order to improve a reader's understanding of the financial statements.

i) Other gains and losses

Other gains and losses are comprised of profits or losses arising on the disposal or deemed disposal of operations and gains and losses on financial assets classified as fair value through profit or loss. They have been disclosed separately in order to improve a reader's understanding of the financial statements.

j) Leasing

The Group as lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Group did not have any finance leases in either 2014 or 2013.

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

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

k) Retirement benefit costs

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

l) Taxation

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

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax

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

3. Summary of significant accounting policies (continued)

Deferred tax is not recognised for temporary differences arising from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

m) Intangible assets other than goodwill

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

Patents, licences and IP

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

Restaurant contracts

A restaurant contract intangible asset is recorded as part of a business combination or when an associate is acquired or joint venture established. They are initially recorded at fair value and amortised over the useful economic life of the asset on a straight line basis. This period of time is the period over which the acquired restaurant contracts are reasonably expected to confer economic benefits to the Group, which is usually between three and ten years. The fair values of restaurant contracts are determined with reference to the present value of their after tax cash flows projected over their remaining useful lives. The cash flows and discount rates used in the valuations are risk-adjusted to the extent deemed necessary by management to accurately reflect local risks and uncertainties associated with the asset.

Brands

A brand intangible asset is recorded as part of a business combination or when an associate is acquired or joint venture established. They are initially recorded at fair value and amortised over the useful economic life of the asset on a straight line basis, which is usually between three and ten years. This period of time is the period over which the acquired brand is reasonably expected to confer economic benefits to the Group. The fair values of brand assets are established using the relief from royalty valuation method. The cash flows and discount rates used in the relief from royalty model are risk adjusted to the extent deemed necessary by management to accurately reflect local risks and uncertainties associated with the asset.

Research and development

Where an application or product is technically feasible, production and sale are intended, a market exists, expenditure can be measured reliably, and sufficient resources are available to complete the project, development costs are capitalised and amortised on a straight line basis over the estimated useful life of the respective product. Where these conditions are not met research and development expenditure is expensed as incurred. To date, a large proportion of the research and development undertaken by the Group has been in the initial development phase before technical feasibility has been established. As a result the majority of the Group's research and development expenditure has been expensed.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

3. Summary of significant accounting policies (continued)

n) Property, plant and equipment

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

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

o) Impairment of assets excluding goodwill

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

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

p) Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

q) Inventories

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

r) Financial instruments

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

Financial assets

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

3. Summary of significant accounting policies (continued)

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

Available-for-sale financial assets

UK investments in unlisted shares that are not traded in an active market but that are classified as AFS financial assets are stated at fair value (because the Directors considered that fair value could be reliably measured). Gains and losses arising from changes in fair value were recognised in other comprehensive income and accumulated in the AFS reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the AFS reserve was reclassified to profit or loss. As at 31 December 2014 and 2013, the Group did not have any investments in unlisted shares which were classified as AFS financial assets.

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

Loans and receivables

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

Financial assets at FVTPL

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item in the income statement. Fair value is determined in the manner described in note 38.

Impairment of financial assets

Financial assets, other than those held at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Evidence of impairment may include indications that a receivable or a group of receivables is experiencing significant financial difficulty, default or delinquency in payment, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

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

De-recognition of financial assets

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

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

3. Summary of significant accounting policies (continued)

Financial liabilities

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

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

As at 31 December 2014 and 2013, the Group had one contract with an embedded derivative (see note 38).

s) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows. The unwinding of any discount is recognised in the income statement within finance expense.

t) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair values of equity-settled share based transactions are set out in note 37.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share based payment reserve.

For cash-settled share-based payments a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in the fair value recognised in profit of loss for the year.

u) Dividends

Dividends are recognised on the Company's ordinary shares when they have been appropriately authorised.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Critical judgements, apart from those involving estimates which are dealt with separately below, are those which management have made in applying the Group's accounting policies and have the most significant effect on the financial statements are discussed below.

a) Revenue recognition

Revenue derived from connection fees includes JCT connection fees and JCT equipment fees. JCT equipment fee revenue is deferred to the balance sheet and recognised on a straight line basis over 36 months. This is considered to be an appropriate time period as the fair value of the consideration received or receivable for the JCT. Judgement is applied in determining the period over which the JCT equipment fee revenue is recognised.

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

b) Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Judgements are applied in relation to estimations of the number of options that will vest and of the fair value of the options granted to employees. Estimates of fair value are made using a widely recognised share option value model and are referred to third party experts where necessary. Judgement is applied in determining the assumptions input into the share option value model. See note 37 for details of the key assumptions used.

c) Deferred taxation

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits. Recognition of deferred tax assets therefore involves judgement regarding the future financial performance of the particular legal entity or tax group in which the deferred tax asset has been recognised. Details of the recognised and unrecognised deferred tax assets are included in note 21.

Key sources of estimation uncertainty

Discussed below are the key assumptions regarding the future, and other key sources of estimated uncertainty at the balance sheet date which may have a significant risk of causing material adjustment to the carrying value of assets and liabilities within the next financial year.

d) Acquired intangible assets

An intangible resource acquired with a subsidiary undertaking is recognised as an intangible asset if it is separable from the acquired business or arises from contractual or legal rights, is expected to generate future economic benefits and its fair value can be measured reliably. The identification of intangible assets acquired as part of business combinations requires judgement. For each business combination the balance of goodwill to other intangible assets is reviewed for appropriateness. The intangible assets recognised as part of the 2014 business combinations are set out in notes 33 and 34.

Acquired intangible assets, comprising brands, restaurant contracts, and intellectual property are amortised through the consolidated income statement on a straight line basis over their estimated economic lives of between three and ten years. Significant judgement is required in determining the fair value and economic lives of acquired intangible assets.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

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

e) Impairment of goodwill and intangible assets

The Group's balance sheet includes significant goodwill and other intangible assets. Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value-in-use. Determining whether an asset is impaired requires an estimation of the value-in-use of the CGU to which the asset has been allocated. The value-in-use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next three years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used as well as the expected future cash inflows and the growth rate used for the period beyond the three budgets. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in note 16.

f) Fair value measurement and valuation process

In accounting for some of the Group's merger and acquisition transactions, and options to acquire equity shares, businesses and options are measured at fair value. During the year ended 31 December 2014, the fair values of FBA Invest SaS (see note 33) and IF-JE Participações Ltda (see note 34) were determined by discounting the expected future cash flows of the businesses. Forecasting the future cash flows and determining the appropriate discount rates to use required judgement and estimation.

Some of the Group's assets and liabilities are measured at fair value, particularly intangible assets acquired through acquisition. In estimating fair value, the Group uses market observable data where available. Where market observable data is not available recognised valuation methodologies are used. Third party valuers are used when the Group doesn't have the necessary in-house skills.

5. Operating segments

The Group has three reportable segments: United Kingdom, Denmark (core business), and Other. The non-core element of Denmark has been included in the "Other" segment in the following table. Each segment includes businesses with similar operating characteristics. Underlying EBITDA is the main measure of profit used by the Chief Operating Decision Maker ("CODM") to assess and manage performance. The CODM is David Buttress, the Group's Chief Executive Officer. Underlying EBITDA is defined as earnings before finance income and costs, taxation, depreciation and amortisation ("EBITDA") and additionally excludes the Group's share of depreciation and amortisation of joint ventures and associates, long-term employee incentive costs, exceptional items, foreign exchange gains and losses and "other gains and losses". At a segmental level, Underlying EBITDA also excludes intra-group franchise fee arrangements and incorporates an allocation of Group technology and central costs (both of which net out on a consolidated level).

Segment revenue

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
United Kingdom	**115.1**	69.9
Less inter-segment sales	**(1.0)**	(1.1)
United Kingdom	**114.1**	68.8
Denmark	**12.8**	11.6
Other	**29.8**	16.3
Total segment revenue	**156.7**	96.7
Head Office	**0.3**	0.1
Total Revenue	**157.0**	96.8

Total 2014 revenues in Denmark (including the non-core Just Delivery business, which has been included in the "Other" segment) were £14.6 million (2013: £13.3 million).

5. Operating segments (continued)

The Group's revenue is generated as follows:

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Commission	**119.4**	72.7
Payment card and administration fees	**21.0**	11.9
Connection fees	**7.0**	5.0
Top-placement	**8.0**	6.0
Other revenue	**1.6**	1.2
Total revenue	**157.0**	96.8

Segment Underlying EBITDA and result

	Notes	**Year ended 31 December 2014 £m**	Year ended 31 December 2013 £m
United Kingdom		**45.9**	25.5
Denmark		**5.1**	4.6
Other		**(11.8)**	(11.7)
Total segment Underlying EBITDA		**39.2**	18.4
Share of equity accounted joint venture and associates (excluding depreciation and amortisation)		**(0.6)**	0.4
Head office costs		**(6.0)**	(4.7)
Underlying EBITDA		**32.6**	14.1
Long-term employee incentive costs	6	**(4.9)**	(1.7)
Exceptional items	7	**(2.7)**	(1.0)
Foreign exchange gains and losses		**0.2**	(0.6)
EBITDA		**25.2**	10.8
Depreciation – Subsidiaries		**(3.3)**	(2.7)
Amortisation – Acquired intangible assets		**(2.1)**	(0.8)
Amortisation – Other assets		**(0.6)**	(0.1)
Depreciation and amortisation – Joint venture and associates		**(0.2)**	(0.4)
Operating profit		**19.0**	6.8
Other gains	11	**38.2**	3.4
Finance income	12	**0.4**	0.2
Finance costs	12	**(0.2)**	(0.2)
Profit before tax		**57.4**	10.2

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

5. Operating segments (continued)

Segment assets and liabilities

	Notes	Assets as at 31 December 2014 £m	Assets as at 31 December 2013 £m	Liabilities as at 31 December 2014 £m	Liabilities as at 31 December 2013 £m
United Kingdom		**89.1**	47.8	**(47.8)**	(26.1)
Denmark		**11.0**	10.3	**(4.6)**	(4.5)
Other		**79.2**	18.2	**(40.4)**	(17.0)
Total segment assets/(liabilities)		**179.3**	76.3	**(92.8)**	(47.6)
Head office		**501.7**	315.1	**(233.4)**	(134.8)
Joint venture	19	**–**	7.4	**–**	–
Associates	20	**13.2**	0.4	**–**	–
Associate held for sale	20	**0.2**	–	**–**	–
		694.4	399.2	**(326.2)**	(182.4)
Consolidation adjustments:					
Elimination of intercompany (debtors)/creditors		**(247.5)**	(143.4)	**247.5**	143.4
Elimination of investments		**(185.0)**	(162.0)	**–**	–
Other consolidation adjustments		**1.7**	0.5	**(1.1)**	(1.7)
Total		**263.6**	94.3	**(79.8)**	(40.7)

Segment net book value of non-current assets

	As at 31 December 2014 £m	As at 31 December 2013 £m
United Kingdom	**11.8**	4.8
Denmark	**2.1**	2.0
Other	**56.5**	10.8
	70.4	17.6
Head office	**3.2**	2.4
Joint venture and associates	**13.2**	7.8
Total	**86.8**	27.8

Property, plant & equipment and intangible assets

	Additions Year ended 31 December 2014 £m	Additions Year ended 31 December 2013 £m	Depreciation and amortisation Year ended 31 December 2014 £m	Depreciation and amortisation Year ended 31 December 2013 £m
United Kingdom	**9.4**	1.8	**2.6**	1.4
Denmark	**0.1**	0.1	**0.2**	0.2
Other	**50.5**	5.2	**2.1**	1.4
	60.0	7.1	**4.9**	3.0
Head office	**0.8**	1.4	**1.1**	0.6
Total	**60.8**	8.5	**6.0**	3.6

Additions include goodwill and other intangible assets acquired as part of business combinations, as well as purchases of tangible and intangible fixed assets.

6. Long-term employee incentive costs

The total expense recorded in relation to the long-term employee incentives was £4.9 million (2013: £1.7 million). This charge is comprised £4.4 million (2013: £1.7 million) in respect of share-based payments and £0.5 million (2013: nil) in respect of employer's social security costs on the exercise of options (see note 37).

7. Exceptional items

	Notes	**Year ended 31 December 2014 £m**	Year ended 31 December 2013 £m
IPO costs	28	**2.3**	1.4
Acquisition related expenses	33	**0.4**	0.1
Impairment charges	16	**–**	0.3
Gain on release of contingent consideration provision		**–**	(0.8)
Total exceptional items		**2.7**	1.0

The IPO costs were the costs associated with the Company's listing and initial public offering in April 2014 that did not directly relate to the issue of new shares. Further costs of £4.5 million were charged to the share premium account.

Acquisition costs relate to legal, third party due diligence and other third party costs incurred as a result of the Group's acquisitions.

The 2013 impairment charge of £0.3 million was in respect of the Group's Brazilian CGU.

The 2013 release of contingent consideration was consideration for the Group's acquisition of a joint venture that did not become payable as its performance targets were not met.

8. Operating profit

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

	Notes	**Year ended 31 December 2014 £m**	Year ended 31 December 2013 £m
Total staff costs	9	**52.0**	36.1
Exceptional items	7	**2.7**	1.0
Foreign exchange (gains)/losses		**(0.2)**	0.6
Loss on sale of property, plant and equipment		**0.2**	0.1
Operating lease charges	35	**2.5**	1.8
Net bad debt expense	23	**0.3**	0.2
Depreciation of property, plant and equipment	18	**3.3**	2.7
Amortisation of intangible assets – Acquired intangible assets	17	**2.1**	0.8
Amortisation of intangible assets – Other assets	17	**0.6**	0.1

9. Staff costs

	Year ended 31 December 2014 Number	Year ended 31 December 2013 Number
The average number of full time equivalent persons employed during the year (including Executive Directors) was:	**1,018**	886
	1,018	886

Analysed by function, the average number of full time equivalent persons employed during the year was: operations 516; technology and product 114; sales 185; marketing 65; and management and administration 138.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

9. Staff costs (continued)

Staff remuneration, including that in respect of the Directors, comprised:

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Wages and salaries	**41.4**	31.3
Social security costs	**5.1**	2.7
Pension costs	**0.6**	0.4
Long-term employee incentive costs (see note 6)	**4.9**	1.7
	52.0	36.1

Details of the Directors' remuneration are included in the Report of the Remuneration Committee on pages 58 to 80.

10. Auditors' remuneration

During the year, the Group obtained the following services from its Auditors:

	Year ended 31 December 2014 £'000	Year ended 31 December 2013 £'000
Fees payable to Deloitte LLP for the audit of the Company's financial statements	**90**	75
Fees payable to Deloitte LLP and its associates for the audit of the Company's subsidiaries	**140**	140
Total Deloitte audit fees	**230**	215
Non-audit services provided by Deloitte LLP and its associates:		
Audit-related assurance services	**59**	64
Taxation compliance services	**18**	24
Taxation advisory services	**139**	82
Corporate finance services	**534**	443
Other services	**–**	18
Total non-audit fees	**750**	631
Total Deloitte fees	**980**	846
Fees payable to other Auditors for the audit of the Company's subsidiaries	**86**	23

Details of the Company's policy on the use of the auditors for non-audit services and how the auditors' independence and objectivity was safeguarded are set out in the Audit Committee Report on page 57. No services were provided pursuant to contingent fee arrangements. The corporate finance services provided were principally in respect of the Company's listing and initial public offering.

11. Other gains

	Notes	**Year ended 31 December 2014 £m**	Year ended 31 December 2013 £m
Gain in respect of FBA Invest	33	**32.0**	–
Gain on disposal of Justeat Brasil Servicos Online LTDA	34	**5.8**	–
Fair value gain on convertible debt	38	**0.4**	–
Gain on deemed disposal of Achindra Online Marketing Private Limited		**–**	0.3
Gain on deemed disposal of Eat.ch GmbH		**–**	3.1
Total other gains		**38.2**	3.4

12. Finance income and finance costs

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Interest received on bank deposits	**0.4**	0.2
Finance income	**0.4**	0.2
Unwind of discount on provisions and long-term liabilities	**0.2**	0.2
Finance costs	**0.2**	0.2

13. Taxation

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Current taxation		
Current year	**6.3**	3.6
Adjustment for prior years	**0.1**	(0.1)
	6.4	3.5
Deferred taxation (see note 21)		
Temporary timing differences	**(0.8)**	(0.2)
Adjustment for prior years	**–**	0.1
	(0.8)	(0.1)
Total tax charge for the year	**5.6**	3.4

UK corporation tax was calculated at 21.5% (2013: 23.25%) of the taxable profit for the year. As announced in the March 2013 Budget, the standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly, the effective rate for the year ended 31 December 2014 was 21.5%.

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

Taxation on items taken directly to other comprehensive income was a credit of £2.3 million and relates to tax arising on share-based payments.

More information on the calculation of deferred tax is provided in note 21.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

13. Taxation (continued)

The total tax charge for the year can be reconciled to the profit per the income statement as follows:

	Year ended 31 December 2014			Year ended 31 December 2013		
	Before adjusting items £m	Adjusting items £m	Total £m	Before adjusting items £m	Adjusting items £m	Total £m
Profit before tax	**28.7**	**28.7**	**57.4**	10.9	(0.7)	10.2
Tax at the UK corporation tax rate of 21.5% (2013: 23.25%)	**6.1**	**6.2**	**12.3**	2.5	(0.1)	2.4
(Income)/expenses non-deductible/(non-taxable)	**(0.3)**	**0.4**	**0.1**	(0.4)	0.1	(0.3)
Share-based payments	**–**	**0.6**	**0.6**	–	0.3	0.3
Profit on the deemed disposals of businesses	**–**	**(8.1)**	**(8.1)**	–	(0.8)	(0.8)
Adjustments in respect of prior periods	**0.1**	**–**	**0.1**	0.2	(0.2)	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**–**	**–**	**–**	0.1	–	0.1
Other overseas taxes	**1.1**	**–**	**1.1**	0.9	–	0.9
Change in unrecognised deferred tax asset	**(0.5)**	**–**	**(0.5)**	0.9	–	0.9
Reduction in tax rate in UK	**–**	**–**	**–**	(0.1)	–	(0.1)
Total tax charge for the year	**6.5**	**(0.9)**	**5.6**	4.1	(0.7)	3.4
Effective tax rate	**22.6%**		**9.8%**	37.6%		33.3%

The effective tax rate on underlying profits (i.e. profits before adjusting items) was 22.6% (2013: 37.6%). The adjusting items comprise long-term employee incentive costs, exceptional items, "other gains", foreign exchange gains and losses, amortisation in respect of acquired intangible assets and their associated tax impact.

Deferred tax assets arising from temporary differences have not been recognised in tax jurisdictions where there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised at 31 December 2014 was £4.8 million (2013: £7.6 million). The asset would be recognised if sufficient suitable taxable profits were made in the future and the recovery of the asset became probable. See note 21 for further details.

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Deferred tax assets not recognised		
Accelerated capital allowances	**0.1**	–
Short-term temporary differences	**–**	0.2
Unrelieved tax losses	**3.8**	6.0
Share-based payments	**0.4**	1.3
Unrelieved tax losses in joint venture and associates	**0.5**	0.2
Research and development	**–**	(0.1)
	4.8	7.6

14. Earnings per share

Basic earnings per share was calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period, excluding unvested shares held pursuant to the Group's JSOP and SIP.

Prior to the 8 April 2014, holders of the B Ordinary Shares had rights to share in profits which differed to those of the holders of Ordinary shares, Preference A shares, Preference B shares and Preference C shares. Earnings per share figures have therefore been presented separately for the B Ordinary shares, up until 8 April 2014. The B Ordinary Shares, Preference A shares, Preference B shares and Preference C shares were reclassified as Ordinary Shares on 8 April 2014.

14. Earnings per share (continued)

The B Ordinary shareholders were only entitled to dividends after aggregate distributions of £18.25 million had been made to the holders of Ordinary shares, Preference A shares, Preference B shares and Preference C shares. Prior to 8 April 2014, aggregate distributions of this amount had not been made. As a result no earnings are attributable to the Ordinary B Shares in the earnings per share ("EPS") calculations.

Diluted earnings per share was calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive shares. The Group had potentially dilutive shares in the form of share options, warrants and unvested shares held pursuant to the Group's JSOP and SIP.

Adjusted earnings per share is the main measure of earnings per share used by the Group and is calculated using underlying profit attributable to the holders of Ordinary shares in the parent, which is defined as profit attributable to the holders of Ordinary shares in the parent, before long-term employee incentive costs, exceptional items, "other gains" (being profits or losses on the disposal and deemed disposal of operations, and fair value gains and losses), foreign exchange gains and losses and the tax impact of the adjusting items. Additionally, adjusted EPS now excludes amortisation of acquired intangible assets and its tax impact, as the Directors believe it's a more appropriate measure of the underlying performance of the Group. This change in the definition of adjusted EPS did not change the reported adjusted EPS for the year ended 31 December 2013, of 1.4p.

Basic and diluted earnings per share have been calculated as follows:

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Profit attributable to the holders of Ordinary Shares in the parent	**52.0**	7.0
Long-term employee incentive costs	**4.9**	1.7
Exceptional items	**2.7**	1.0
Other gains	**(38.2)**	(3.4)
Foreign exchange gains and losses	**(0.2)**	0.6
Amortisation in respect of acquired intangible assets	**2.1**	0.8
Tax impact of the adjusting items	**(0.9)**	(0.7)
Adjusted profit attributable to the holders of Ordinary Shares in the parent	**22.4**	7.0
Profit attributable to the holders of B Ordinary Shares in the parent	**–**	–

	Number of shares ('000)	
	Year ended 31 December 2014	Year ended 31 December 2013
Weighted average number of Ordinary Shares for basic earnings per share	**533,278**	477,792
Effect of dilution:		
– Share options	**10,713**	–
– Unvested JSOP and SIP shares	**8,593**	–
– Warrants	**1,540**	5,286
Weighted average number of Ordinary Shares adjusted for the effect of dilution	**554,124**	483,078
Weighted average number of B Ordinary Shares for basic earnings per share	**6,959**	21,714
Effect of dilution:		
– Share options	**2,729**	8,651
– Unvested JSOP shares	**450**	4,439
Weighted average number of B Ordinary Shares adjusted for the effect of dilution	**10,138**	34,804

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

14. Earnings per share (continued)

	Year ended 31 December 2014 Pence	Year ended 31 December 2013 Pence
Earnings per Ordinary Share		
Basic	**9.8**	1.5
Diluted	**9.4**	1.4
Earnings per B Ordinary Share		
Basic	**–**	–
Diluted	**–**	–
Adjusted earnings per Ordinary Share		
Basic	**4.2**	1.4
Diluted	**4.0**	1.4

15. Dividends

On 2 April 2014, the Directors declared a dividend of £18.25 million (31 December 2013: £nil), to be paid to the holders of Preference A shares, Preference B shares, Preference C shares and Ordinary shares pro-rata to their holding of shares in the Company. The dividend was paid, on 8 April 2014, immediately prior to the reclassification of Preference A shares, Preference B shares and Preference C shares as Ordinary Shares (see note 28). A small part of this dividend was earned by Appleby Trust (Jersey Trust) Limited, the Group's Employee Benefit Trustee. The dividend disclosed in these consolidated financial statements (£18.1 million), is stated net of the amount of the dividend earned by the Group's Employee Benefit Trustee.

16. Goodwill

	Notes	Total £m
Carrying amount as at 1 January 2013		7.0
Change in provisional acquisition accounting		0.6
Recognised on acquisition of subsidiaries		3.0
Foreign exchange losses		(0.1)
Impairment charges		(0.3)
Carrying amount at 31 December 2013		10.2
Recognised on acquisition of subsidiaries		**43.1**
Foreign exchange losses		**(1.4)**
Disposal of Justeat Brasil Servicos Online LTDA	34	**(0.7)**
At 31 December 2014		**51.2**

Accumulated impairment losses at 31 December 2014 were £5.6 million (2013: £6.4 million).

16. Goodwill (continued)

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

			Goodwill allocated by CGU	
Acquisition	Country of operation	CGU	**As at 31 December 2014 £m**	As at 31 December 2013 £m
Urbanbite Limited, EatStudent Ltd, FillMyBelly Limited and Meal 2 Order.com Limited	United Kingdom	Just-eat.co.uk	**2.7**	0.9
Orogo Limited	United Kingdom	Orogo	**0.6**	–
Just Eat.dk ApS	Denmark	Just-eat.dk	**1.8**	1.8
Justeat Brasil Servicos Online LTDA	Brazil	RestauranteWeb.com.br	**–**	0.7
Eat.ch GmbH	Switzerland	Eat.ch	**2.9**	3.1
SinDelantal Internet, S.L.	Spain	Just-eat.es	**2.5**	2.7
FBA Invest SaS	France	Alloresto.fr	**38.8**	–
Eatcity Limited	Ireland	Just-eat.ie	**0.9**	–
Others (across several CGUs)			**1.0**	1.0
			51.2	10.2

The Group tests goodwill annually for impairment or more frequently if there are indications of impairment.

The recoverable amounts of the CGUs are determined from value-in-use calculations. The key assumptions used in the value-in-use calculations are the discount rate and the Underlying EBITDA growth rate (which is a function of expected changes in selling prices and costs, together with other factors). Management uses pre-tax discount rates that reflect current market assessments of the time value of money and the risks specific to the particular CGU. The Underlying EBITDA growth rates are based on past experience and management's future expectations. Changes in selling prices and direct costs are based on recent results and expectations of future changes in the market.

The Group prepares cash flow forecasts based on the most recent financial budgets approved by the Board. Management expects that some markets will enjoy a period of sustained high growth continuing from the end of the current budgetary cycle to maturity (the medium-term). During this period each CGU will continue to acquire new consumers and increase order activity above and beyond the long-term growth rate applicable to each market. Management expects that all CGUs will reach maturity after a period in excess of five years and therefore considers it appropriate for the forecasts to extend beyond a five year period. A suitable medium-term growth rate, based on previous experience of growth rates has been applied individually to reflect each CGU's activity in this period. After this a long-term growth rate is applied. This is typically seven years from the start of the budget/forecast period.

The rates used to discount the forecast cash flows were in the range of 10.6% to 18.4% for all geographies (2013: 9.0% to 22.7%). The long-term growth rates used in the forecast cash flows were in the range of 1.6% to 2.2% (2013: 1.4% to 2.1%).

Year ended 31 December 2014
For all CGUs, the value-in-use was in excess of the carrying value of the CGU. As a result no impairment was required.

Year ended 31 December 2013
An impairment charge of £0.3 million was charged to the income statement in respect of the Brazilian CGU.

Sensitivity analysis
The Group has conducted a sensitivity analysis on the impairment test for each CGU. This included reducing the future cash flows and increasing discount rates. For all CGUs, no reasonably expected change in the key assumptions used in the value-in-use calculations would give rise to an impairment charge.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

17. Other intangible assets

	Patents, licences and IP £m	Restaurant contracts £m	Brands £m	Development costs £m	Total £m
Cost					
At 1 January 2013	0.3	4.7	0.4	–	5.4
Recognised on acquisition of subsidiaries	–	0.7	0.3	–	1.0
Change in provisional acquisition accounting	–	(1.2)	–	–	(1.2)
Transfer from tangible assets	0.2	–	–	–	0.2
Additions	0.6	–	–	0.5	1.1
Foreign exchange movements	–	(0.1)	–	–	(0.1)
At 31 December 2013	1.1	4.1	0.7	0.5	6.4
Transfer from tangible assets	**0.1**	**–**	**–**	**–**	**0.1**
Recognised on acquisition of subsidiaries	**3.0**	**3.8**	**4.1**	**–**	**10.9**
Additions	**1.3**	**–**	**–**	**–**	**1.3**
Transfer from development costs	**0.5**	**–**	**–**	**(0.5)**	**–**
Foreign exchange movements	**(0.1)**	**(0.2)**	**(0.1)**	**–**	**(0.4)**
At 31 December 2014	**5.9**	**7.7**	**4.7**	**–**	**18.3**
Accumulated amortisation					
At 1 January 2013	0.3	1.8	0.1	–	2.2
Charge for the year	0.1	0.4	0.4	–	0.9
Foreign exchange movements	–	(0.1)	–	–	(0.1)
At 31 December 2013	0.4	2.1	0.5	–	3.0
Transfer from tangible assets	**0.1**	**–**	**–**	**–**	**0.1**
Charge for the year	**1.5**	**0.9**	**0.3**	**–**	**2.7**
Foreign exchange movements	**(0.1)**	**(0.1)**	**–**	**–**	**(0.2)**
At 31 December 2014	**1.9**	**2.9**	**0.8**	**–**	**5.6**
Carrying amount					
At 31 December 2014	**4.0**	**4.8**	**3.9**	**–**	**12.7**
At 31 December 2013	0.7	2.0	0.2	0.5	3.4

All intangible assets have finite lives. The amortisation periods for patents, licences and IP are three years. The amortisation periods for brands and restaurant contracts are between three and ten years.

The cash outflow in respect of additions of intangible assets was £1.0 million (2013: £0.7 million).

18. Property, plant and equipment

	Fixtures and fittings £m	Equipment £m	Leasehold improvements £m	Total £m
Cost				
At 1 January 2013	1.9	5.6	1.0	8.5
Transfer to intangibles	(0.2)	–	–	(0.2)
Additions	0.9	2.3	0.1	3.3
Acquisition of subsidiaries	–	0.1	–	0.1
Foreign exchange movements	–	0.1	–	0.1
Disposals	(0.1)	(0.8)	–	(0.9)
At 31 December 2013	2.5	7.3	1.1	10.9
Transfer to intangibles	**(0.1)**	**–**	**–**	**(0.1)**
Additions	**1.8**	**2.6**	**1.0**	**5.4**
Acquisition of subsidiaries	**–**	**–**	**0.1**	**0.1**
Foreign exchange movements	**(0.1)**	**(0.2)**	**–**	**(0.3)**
Disposals	**(0.2)**	**(0.5)**	**(0.1)**	**(0.8)**
At 31 December 2014	**3.9**	**9.2**	**2.1**	**15.2**
Accumulated depreciation				
At 1 January 2013	0.5	2.9	0.1	3.5
Charge for the year	0.7	1.7	0.3	2.7
Disposals	–	(0.8)	–	(0.8)
At 31 December 2013	1.2	3.8	0.4	5.4
Transfer to intangibles	**(0.1)**	**–**	**–**	**(0.1)**
Charge for the year	**0.9**	**1.9**	**0.5**	**3.3**
Disposals	**(0.1)**	**(0.4)**	**(0.1)**	**(0.6)**
At 31 December 2014	**1.9**	**5.3**	**0.8**	**8.0**
Carrying amount				
At 31 December 2014	**2.0**	**3.9**	**1.3**	**7.2**
At 31 December 2013	1.3	3.5	0.7	5.5

All tangible assets have finite lives. The useful economic lives of all asset categories is three years. The exception to this is leasehold assets, which are depreciated over five years or the period of the lease if shorter.

At 31 December 2014, the Group had entered into contractual commitments for the acquisition of property, plant and equipment totalling £0.6 million (2013: £0.6 million).

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

19. Investment in joint venture

Carrying value of joint venture under equity accounting method

	2014 £m	2013 £m
Investment in joint venture as at 1 January	7.4	7.1
Share of post-tax profits	–	0.1
Foreign currency translation differences	(0.2)	0.2
FBA Invest SaS becoming a subsidiary	(7.2)	–
At 31 December	–	7.4

The investment in joint venture relates to FBA Invest SaS ("FBA") which owns 100% of the share capital of Eat On Line Sa, the company trading under the brand ALLORESTO.fr. The Group acquired 50% of FBA on 23 December 2011. In July 2014 the Group increased its holding in FBA by 30%, thereby obtaining control. From this time FBA was accounted for as a subsidiary. See note 33 for further details of this step acquisition. A gain of £17.8 million was recorded on the deemed disposal of the joint venture interest in FBA. This gain was calculated as follows:

	£m
Fair value of consideration received	25.5
De-recognition of joint venture interest	(7.2)
De-recognition of cumulative foreign translation losses recognised in equity	(0.5)
Gain on deemed disposal of joint venture interest in FBA	17.8

The fair value of the consideration received was based on the Directors' valuation of FBA.

Summary consolidated financial information for FBA:

	Six months ended 30 June 2014 £m	Year ended 31 December 2013 £m
Revenue	4.3	6.5
Underlying EBITDA	0.3	0.5
Profit after tax	0.1	0.1
The Group's 50% share of FBA's profit after tax	–	0.1

	As at 30 June 2014 £m	As at 31 December 2013 £m
Cash and cash equivalents	2.8	2.3
Other current assets	0.4	0.1
Total current assets	3.2	2.4
Non-current assets	4.8	5.0
Total assets	8.0	7.4
Current liabilities	(3.0)	(2.4)
Non-current liabilities	(1.4)	(1.6)
Total liabilities	(4.4)	(4.0)
Net assets	3.6	3.4
50% interest in joint venture's net assets	1.8	1.7
Goodwill	5.4	5.7
Carrying value of interest in joint venture	7.2	7.4

£0.2 million (2013: £0.4 million) of depreciation and amortisation is included within the Group's share of the post-tax losses of the joint venture and associates.

20. Investments in associates

Carrying value of associates under equity accounting method

	2014 £m	2013 £m
Balance as at 1 January	**0.4**	–
Achindra Online Marketing Private Limited becoming an associate	**–**	0.5
Increase in investment in Achindra Online Marketing Private Limited	**0.1**	–
IF-JE Participações Ltda becoming an associate	**14.3**	–
Share of post-tax losses of Achindra Online Marketing Private Limited	**(0.5)**	(0.1)
Share of post-tax losses of IF-JE Participações Ltda	**(0.3)**	–
Foreign currency translation differences	**(0.6)**	–
Transfer of Achindra Online Marketing Private Limited to assets held for sale	**(0.2)**	–
At 31 December	**13.2**	0.4

IF-JE Participações Ltda ("IF-JE")

On 3 November 2014, the Group's wholly owned subsidiary, Justeat Brasil Servicos Online LTDA ("JE Brazil") merged with the iFood group. Following the merger the Group held a minority shareholding of 25% in the holding company of the merged group, IF-JE. IF-JE wholly owns JE Brazil and the iFood group. The Group's interest in IF-JE has been accounted for as an associate undertaking in accordance with IAS 28 *Investments in Associates and Joint Ventures* ("IAS 28"). Details of the disposal of JE Brazil and the acquisition of the associated interest in IF-JE are included in note 34.

Summarised consolidated financial information in respect of IF-JE Participações Ltda from 3 November 2014 to 31 December 2014 and as at 31 December 2014 is set out below:

	Period ended 31 December 2014 £m
Revenue	**1.1**
Underlying EBITDA	**(1.2)**
Loss after tax	**(1.2)**
The Group's share of IF-JE's loss after tax	**(0.3)**

	As at 31 December 2014 £m
Cash and cash equivalents	**1.7**
Other assets	**4.5**
Total assets	**6.2**
Total liabilities	**(6.1)**
Net assets	**0.1**
25% interest in associated undertaking's net assets	**–**
Transaction costs	**0.3**
Goodwill	**12.9**
Carrying value of interest in associated undertaking	**13.2**

Achindra Online Marketing Private Limited ("justeat.in")

In January 2015 the Group sold its shares in Achindra Online Marketing Private Limited to foodpanda. Accordingly, the Group's investment in justeat.in was included in the consolidated balance sheet as at 31 December 2014 as an asset held for sale, at the lower of its fair value less costs to sell and carrying amount.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

20. Investments in associates (continued)

Summarised financial information in respect of justeat.in is set out below. The comparative information is set out below for the period from 14 November 2013, when justeat.in became an associated undertaking, to 31 December 2013:

	Year ended 31 December 2014 £m	Period ended 31 December 2013 £m
Revenue	**0.3**	–
Underlying EBITDA	**(0.9)**	(0.1)
Loss after tax	**(1.0)**	(0.1)
The Group's share of just-eat.in's loss after tax	**(0.5)**	(0.1)

	As at 31 December 2014 £m	As at 31 December 2013 £m
Cash and cash equivalents	**0.5**	0.8
Other net liabilities	**(0.1)**	–
Net assets	**0.4**	0.8
49.9% interest in justeat.in's net assets	**0.2**	0.4
Goodwill	**–**	–
Carrying value of interest in associated undertaking	**0.2**	0.4

21. Deferred taxation

Deferred taxation is provided for as follows:

	Losses (assets) £m	Share-based payment (assets) £m	Short-term temporary differences (assets) £m	Acquired intangibles (assets) £m	Acquired intangibles (liabilities) £m	Total £m
At 1 January 2013	0.2	–	0.6	–	(0.7)	0.1
Reclassification	–	–	(0.1)	0.2	(0.1)	–
(Debit)/credit to the income statement	(0.1)	0.1	–	–	0.2	0.2
Prior year adjustment	–	–	(0.2)	–	0.1	(0.1)
Amounts arising on acquisition of subsidiaries	0.2	–	–	–	0.1	0.3
At 31 December 2013	0.3	0.1	0.3	0.2	(0.4)	0.5
Reclassification	**–**	**–**	**–**	**(0.2)**	**0.2**	**–**
(Debit)/credit to the income statement	**(0.1)**	**0.2**	**0.4**	**–**	**0.4**	**0.9**
Credit to equity	**–**	**1.0**	**–**	**–**	**–**	**1.0**
Amounts arising on acquisition of subsidiaries	**0.3**	**–**	**–**	**–**	**(3.1)**	**(2.8)**
At 31 December 2014	**0.5**	**1.3**	**0.7**	**–**	**(2.9)**	**(0.4)**

	As at 31 December 2014 £m	As at 31 December 2013 £m
Analysed as:		
Deferred tax liability	**(2.9)**	(0.4)
Deferred tax asset	**2.5**	0.9
Net deferred tax (liability)/asset	**(0.4)**	0.5

Deferred tax is provided in respect of temporary differences that have originated but not reversed at the balance sheet date and is determined using the tax rates that are expected to apply when the temporary differences reverse. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered.

22. Inventories

	As at 31 December 2014 £m	As at 31 December 2013 £m
Finished goods	**0.9**	0.8

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

23. Trade and other receivables

	As at 31 December 2014 £m	As at 31 December 2013 £m
Amount receivable for the provision of services	**2.6**	1.4
Allowance for doubtful debts	**(0.7)**	(0.4)
	1.9	1.0
Other debtors	**5.7**	0.2
Prepayments	**2.6**	2.4
Amounts due from joint venture and associates	**–**	0.3
	10.2	3.9

As at 31 December 2013, the amounts due from joint venture and associates related to services provided to justeat.in and Eat On Line Sa, but paid for by the Group.

Trade receivables

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. The average age of the trade receivables as at 31 December 2014 was 72 days (2013: 67 days). As at 31 December 2014, 42% (2013: 43%) of the trade receivables were less than 30 days old, 15% (2013: 14%) were between 30 and 60 days old, 8% (2013: 7%) were between 60 and 90 days old and 35% (2013: 36%) were over 90 days old.

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

Trade receivables disclosed above include amounts which are past due at the reporting date but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable.

The Group does not hold any collateral or other credit enhancements over these balances.

Movement in the allowance for doubtful debts:

	2014 £m	2013 £m
Balance at the beginning of the year	**0.4**	0.4
Recognised on acquisition of subsidiary	**0.1**	–
Impairment losses recognised	**0.3**	0.3
Amounts written off during the year	**(0.1)**	(0.2)
Amounts recovered during the year	**–**	(0.1)
At 31 December	**0.7**	0.4

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the consumer base being large and unrelated. The Directors consider that the carrying amount of trade and other receivables, after taking into account the allowance for doubtful debts, is approximately equal to their fair value. At 31 December 2014 £0.7 million (2013: £0.3 million) of the allowance for doubtful debts was in respect of receivables more than 120 days old.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

24. Trade and other payables

	As at 31 December 2014 £m	As at 31 December 2013 £m
Trade creditors	**33.3**	20.2
Other creditors and accruals	**19.7**	9.2
Other taxes and social security	**6.1**	4.0
	59.1	33.4

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. Included in the trade creditors balance are amounts owed to restaurants (2014: £27.7 million; 2013: £16.2 million). These amounts are typically settled on a fortnightly basis. The average credit period taken for restaurants is 8 days (2013: 7 days). For most suppliers no interest is charged on the trade payables for the first 30 days from the date of the invoice.

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. The Directors consider that the carrying amount of trade payables approximates to their fair value.

25. Deferred revenue

	As at 31 December 2014 £m	As at 31 December 2013 £m
Current deferred revenue	**4.0**	4.0
Non-current deferred revenue	**1.3**	1.2
	5.3	5.2

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

In addition, our Danish and French based restaurant partners pay an annual subscription fee. This revenue is recognised over a 12 month period.

26. Provisions for liabilities

	Notes	2014 £m	2013 £m
Balance at 1 January		**0.1**	0.7
Contingent consideration arising on acquisition of Power & Power Inc.		**–**	0.1
Forward contracts to acquire non-controlling interests	33	**9.1**	–
Provision for employer's social security on exercise of employee share options	37	**0.5**	–
Utilisation of provision for social security on exercise of employee share options	37	**(0.2)**	–
Unwinding of the present value of the non-current provision		**0.1**	0.1
Foreign exchange movements		**(0.1)**	–
Released to the income statement	7	**–**	(0.8)
Balance at 31 December		**9.5**	0.1

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

	As at 31 December 2014 £m	As at 31 December 2013 £m
Current	**0.2**	–
Non-current	**9.3**	0.1
	9.5	0.1

26. Provisions for liabilities (continued)

The provision in respect of the forward contracts to acquire non-controlling interests related to the Group's commitments to buy-out the minority shareholders, of both FBA Invest SaS and Orogo Limited, in 2017. The amounts payable are dependent on the results of the businesses at the time.

As at 31 December 2014, £0.3 million (2013: nil) of the provisions relate to employer's social security costs that crystallise on the exercise of share options by employees. A further £0.1 million (2013: £0.1 million) relates to the purchase of Power & Power Inc in January 2013, and becomes payable in February 2017 if Just Eat Canada Inc. meets certain performance targets in 2016.

27. Other long-term liabilities

	As at 31 December 2014 £m	As at 31 December 2013 £m
Deferred consideration in respect of Power & Power Inc.	**0.4**	0.3
Other long-term creditors	**0.3**	0.2
	0.7	0.5

The deferred consideration in respect of the acquisition Power & Power Inc. is payable in January 2016. The other long-term creditor is payable in 2016 and relates to the purchase of a software licence.

28. Share capital

	Number of issued shares ('000)						
	Ordinary shares	B Ordinary shares	Preference A shares	Preference B shares	Preference C shares	Total	Total £m
At 1 January 2013	8,355	1,001	4,973	1,809	2,503	18,641	0.1
Shares issued	6	–	–	–	–	6	–
Options exercised	–	18	–	–	–	18	–
JSOP shares issued	46	–	–	–	–	46	–
Transfer to share premium	–	–	–	–	–	–	(0.1)
At 1 January 2014	8,407	1,019	4,973	1,809	2,503	18,711	–
Options exercised before bonus issue and consolidation	**–**	**6**	**–**	**–**	**–**	**6**	**–**
Issue of shares – JSOP	**424**	**–**	**–**	**–**	**–**	**424**	**–**
Bonus share issue	**23,835,954**	**2,765,862**	**13,422,667**	**4,881,211**	**6,755,249**	**51,660,943**	**5.2**
Share consolidation	**(23,606,337)**	**(2,739,218)**	**(13,293,364)**	**(4,834,190)**	**(6,690,174)**	**(51,163,283)**	**–**
Share capital after consolidation	**238,448**	**27,669**	**134,276**	**48,830**	**67,578**	**516,801**	**5.2**
Options exercised between bonus issue and consolidation and IPO	**–**	**2,121**	**–**	**–**	**–**	**2,121**	**–**
Reclassification to Ordinary Shares on IPO	**280,474**	**(29,790)**	**(134,276)**	**(48,830)**	**(67,578)**	**–**	**–**
Issue of shares on IPO	**38,462**	**–**	**–**	**–**	**–**	**38,462**	**0.4**
Warrants exercised on IPO	**6,210**	**–**	**–**	**–**	**–**	**6,210**	**0.1**
SIP issue of shares	**250**	**–**	**–**	**–**	**–**	**250**	**–**
Options exercised after IPO	**4,265**	**–**	**–**	**–**	**–**	**4,265**	**–**
At 31 December 2014	**568,109**	**–**	**–**	**–**	**–**	**568,109**	**5.7**

On 20 March 2014 the Company's share premium account was reduced by £40.0 million by way of a reduction of capital. On the same day the Company conducted a bonus issue of 2,699 shares for every one Ordinary Share, B Ordinary share, Preference A share, Preference B share and Preference C share in issue. This was followed by a consolidation of each of the Ordinary Shares, B Ordinary shares, Preference A shares, Preference B shares and Preference C shares such that the nominal value of each share increased from £0.0001 to £0.01.

On 24 March 2014 the Company re-registered as JUST EAT plc.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

28. Share capital (continued)
On 8 April 2014 the Company's Ordinary Shares were admitted to the High Growth Segment of the Main Market of the London Stock Exchange (the "Listing"). In conjunction, the Company made an initial public offering ("IPO") of 38.5 million new one pence Ordinary Shares at a price of 260 pence per share. Also on this date, immediately prior to the Listing, 29.8 million B Ordinary shares, 134.3 million Preference A shares, 48.8 million Preference B shares and 67.6 million Preference C shares converted to Ordinary Shares.

Costs that related directly to the issue of new shares have been deducted from the share premium account. IPO costs that related to both the Listing and issue of new shares have been allocated between the share premium account and the income statement in proportion to the number of primary and secondary shares traded on admission. As a result, during the year ended 31 December 2014, IPO costs totalling £4.5 million have been charged to the share premium account and IPO costs of £2.3 million were charged to the income statement. IPO costs of £1.4 million were charged to the income statement during the year ended 31 December 2013.

On 6 May 2014 the Company's shares were admitted to trading on the premium listing segment of the Official List of the UK Financial Conduct Authority. This change had no effect on the issued share capital of the Company.

As at 31 December 2013, 45,500 Ordinary Shares and 222,700 B Ordinary shares had been issued to Appleby Trust (Jersey Trust) Limited under the Group's Joint Share Ownership Plan ("JSOP") arrangement. As at 31 December 2013, these shares were partly paid. This was in line with standard practice for such JSOP arrangements. These shares were fully paid up prior to the IPO, and all shares are now fully paid.

Ordinary shares
Ordinary Shares have a par value of £0.01 each, and entitle the holders to receive notice, attend, speak and vote at general meetings. Holders of Ordinary shares are entitled to distributions of available profits pro-rata to their respective holdings of shares.

B Ordinary shares
B Ordinary shares had a par value of £0.01 each, and did not entitle the holders to receive notice, attend, speak or vote at any general meeting. The B Ordinary shares were convertible into Ordinary Shares on a one-for-one basis, upon the satisfaction of a range of criteria as set out in the Company's Articles. Holders of B Ordinary shares were entitled to distributions of available profits together with the holders of Ordinary shares, Preference A shares, Preference B shares and Preference C shares (pari passu as if the all the classes shares constituted one class of share) pro-rata to their respective holdings of shares, only after aggregate distributions of £18.25 million had been made to the holders of Ordinary Shares, Preference A shares, Preference B shares and Preference C shares.

The B Ordinary shares were converted into Ordinary Shares on 8 April 2014.

Preference A shares
Preference A shares had a par value of £0.01 each, and entitled the holders to receive notice, attend, speak and vote at general meetings. The Preference A shares were convertible at any time into Ordinary shares on a one-for-one basis, subject to the majority of Preference A shareholders serving notice to the Company. Holders of Preference A shares were entitled to distributions of available profits together with the holders of Ordinary shares, Preference B shares and Preference C shares, and, to the extent that the aggregate amount of distributions, both paid to date and for the current financial year, exceed £18.25 million, with the B Ordinary shareholders (pari passu as if the all the classes shares constituted one class of share) pro-rata to their respective holdings of shares.

The Preference A shares were converted into Ordinary Shares on 8 April 2014.

Preference B shares
Preference B shares had a par value of £0.01 each, and entitled the holders to receive notice, attend, speak and vote at general meetings. The Preference B shares were convertible at any time into Ordinary shares on a one-for-one basis, subject to the majority of Preference B shareholders serving notice to the Company. Holders of Preference B shares were entitled to distributions of available profits together with the holders of Ordinary Shares, Preference A shares and Preference C shares, and, to the extent that the aggregate amount of distributions, both paid to date and for the current financial year, exceed £18.25 million, with the B Ordinary shareholders (pari passu as if the all the classes shares constituted one class of share) pro-rata to their respective holdings of shares.

The Preference B shares were converted into Ordinary Shares on 8 April 2014.

28. Share capital (continued)

Preference C shares

Preference C shares had a par value of £0.01 each, and entitled the holders to receive notice, attend, speak and vote at general meetings. The Preference C shares were convertible at any time into Ordinary shares on a one-for-one basis, subject to the majority of Preference C shareholders serving notice to the Company. Holders of Preference C shares were entitled to distributions of available profits together with the holders of Ordinary shares, Preference A shares and Preference B shares, and, to the extent that the aggregate amount of distributions, both paid to date and for the current financial year, exceed £18.25 million, with the B Ordinary shareholders (pari passu as if the all the classes shares constituted one class of share) pro-rata to their respective holdings of shares.

The Preference C shares were converted into Ordinary shares on 8 April 2014.

29. Share premium account

	Notes	£m
At 1 January 2013		55.6
Transfer from share capital		0.1
Arising on issue of shares		0.1
At 31 December 2013		55.8
Issue of shares – JSOP	39	**13.2**
Bonus share issue	28	**(5.2)**
Share consolidation	28	**(40.0)**
Share premium after consolidation		**23.8**
Arising on issue of shares on IPO		**99.6**
IPO share issue costs	28	**(4.5)**
Arising on warrants exercised on IPO		**0.4**
Arising on issue of shares under the JUST EAT Share Incentive Plan ("SIP")		**0.7**
Arising on exercise of share options		**0.5**
At 31 December 2014		**120.5**

30. Other reserves

	Translation reserve £m	Merger reserve £m	Treasury shares reserve £m	Total £m
At 1 January 2013	(0.5)	1.9	–	1.4
Currency translation differences – Group	(0.1)	–	–	(0.1)
Currency translation differences – Joint venture and associates	0.2	–	–	0.2
Treasury shares	–	–	(0.2)	(0.2)
At 31 December 2013	(0.4)	1.9	(0.2)	1.3
Currency translation differences – Group	**(1.9)**	**–**	**–**	**(1.9)**
Currency translation differences – Joint venture and associates	**(0.8)**	**–**	**–**	**(0.8)**
JSOP subscription	**–**	**–**	**(7.9)**	**(7.9)**
Exercise of JSOP awards	**–**	**–**	**0.1**	**0.1**
SIP subscription	**–**	**–**	**(0.6)**	**(0.6)**
Reclassified to income statement (notes 19, 34)	**3.5**	**–**	**–**	**3.5**
At 31 December 2014	**0.4**	**1.9**	**(8.6)**	**(6.3)**

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

30. Other reserves (continued)

Translation reserve

Exchange differences relating to the translation of the net assets, income and expenses of the Group's foreign operations, from their functional currency into the parent's reporting currency, being Pound Sterling, are recognised directly in the translation reserve.

Merger reserve

In July 2009 a group reconstruction was undertaken. Under this reconstruction Ordinary Shares were issued and cancelled and Preference A shares were issued. This was treated as a common control transaction under IFRS as the ultimate shareholders and their relative rights were the same before and afterwards. This reserve represents the difference between the nominal value of the shares issued and the nominal value of the shares on the group reorganisation in July 2009. The balance of this account has not changed and remains at £1.9 million as at 31 December 2014.

Treasury shares reserve

This reserve arose when the Group issued equity share capital under its JSOP and SIP, which are held in trust by the trustee of the Group's employee benefit trust ("EBT"). See note 37 for more information on the JSOP and SIP.

31. Retained earnings/(accumulated losses)

	Notes	£m
At 1 January 2013		(10.4)
Profit attributable to owners of the Company		7.0
Credit to equity in respect of the share based payment charge	37	1.7
Adjustments arising from changes in NCI:		
– Buy-out of minority shareholdings in Just Eat Canada Inc.		(2.1)
– Justeat.in		(0.1)
At 31 December 2013		(3.9)
Profit attributable to owners of the Company		**52.0**
Credit to equity in respect of the share based payment charge	37	**4.4**
Tax on share options		**2.3**
Capital reduction	28	**40.0**
Dividend for the year	15	**(18.1)**
Adjustment arising on change in holding in justeat.in		**0.2**
Forward contracts to acquire non-controlling interests in:		
– FBA Invest SaS in 2017	33	**(10.2)**
– Orogo Limited in 2017	33	**(3.6)**
At 31 December 2014		**63.1**

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

32. Non-controlling interest

	Notes	£m
At 1 January 2013		(0.3)
Share of loss for the year		(0.2)
Adjustment to NCI on Eat.ch becoming a subsidiary		0.4
Adjustment to NCI on increase in the Group's ownership interest in Eat.ch		0.1
Buyout of Just Eat Canada Inc. minority shareholdings		0.4
At 31 December 2013		0.4
Share of loss for the year		**(0.2)**
Adjustment to NCI on acquisition of Orogo Ltd	33	**0.3**
Adjustment to NCI on FBA Invest SaS becoming a subsidiary	33	**0.3**
At 31 December 2014		**0.8**

FBA Invest SaS

The following table sets out the summary consolidated financial information in respect of FBA Invest SaS as at and for the six months ended 31 December 2014.

	Six months ended 31 December 2014 £m
Revenue	**4.8**
Underlying EBITDA	**0.3**
Loss after tax	**(0.3)**

	As at 31 December 2014 £m
Cash	**3.8**
Other current assets	**1.1**
Total current assets	**4.9**
Non-current assets	**7.1**
Total assets	**12.0**
Current liabilities	**(8.5)**
Non-current liabilities	**(2.3)**
Total liabilities	**(10.8)**
Net assets	**1.2**
Non-controlling interest	**0.2**

Summary financial information is not provided in respect of Eat.ch or Orogo Limited, as their non-controlling interests are not material to the Group.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

33. Business combinations

	FBA Invest SaS** £m	Meal2Go £m	Other £m	Total £m
Fair values of net assets acquired:				
Cash	2.8	–	0.5	3.3
Borrowings	(0.5)	–	–	(0.5)
Loans from selling shareholders	–	(0.7)	–	(0.7)
Intangible assets – Restaurant contracts	3.4	0.2	0.2	3.8
Intangible assets – Brand	4.1	–	–	4.1
Intangible assets – Other	0.4	2.3	0.3	3.0
Deferred tax asset in respect of losses	0.1	0.2	–	0.3
Deferred tax liability on intangible assets	(2.5)	(0.5)	(0.1)	(3.1)
Receivables	1.2	–	–	1.2
Other net assets	(7.6)	0.4	(0.1)	(7.3)
	1.4	1.9	0.8	4.1
Goodwill	39.7	1.8	1.6	43.1
Non-controlling interest	(0.3)	–	(0.3)	(0.6)
Total consideration	40.8	3.7	2.1	46.6
Satisfied by:				
Cash	5.8	3.0	2.1	10.9
Fair value of previously held interest	25.5	–	–	25.5
Fair value of option	9.5	–	–	9.5
Capital contribution	–	0.7	–	0.7
	40.8	3.7	2.1	46.6
Net cash outflow arising on acquisition:				
Cash consideration	5.8	3.0	2.1	10.9
Repayment of shareholder loans	–	0.7	–	0.7
Cash acquired	(2.8)	–	(0.5)	(3.3)
Debt acquired	0.5	–	–	0.5
Net cash outflow	3.5	3.7	1.6	8.8
Contribution since control obtained:				
– Revenue	4.8	n/a*	n/a*	
– Underlying EBITDA	0.3	n/a*	n/a*	

If the acquisitions had completed on 1 January 2014 they would have contributed the following results for the year ended 31 December 2014:

	FBA Invest SaS £m	Meal2Go £m	Other £m	Total £m
– Revenue	9.1	n/a*	n/a*	
– Underlying EBITDA	0.6	n/a*	n/a*	

Transaction costs incurred on acquisition	0.1	0.1	0.2	0.4

* Immediately after acquisition, Meal2Go's orders were diverted to Justeat.co.uk Limited, from which time it was not possible to track separately the results of Meal2Go. Similarly, Eatcity's orders were immediately diverted to Just-Eat Ireland Limited. As a result it is not possible to disclose the post-acquisition contribution of these businesses.

** The FBA acquisition accounting is provisional in certain respects. See the following page.

33. Business combinations (continued)

Net cash outflow on acquisition of subsidiaries

The net cash outflow on acquisition of subsidiaries for the year ended 31 December 2014 is shown within the table above. For the year ended 31 December 2013, the net cash outflow of £3.7 million principally related to the buy-out of the Just Eat Canada Inc. minority shareholders (£1.3 million) and deferred consideration payments in respect of the Group's 2012 acquisition of Just-Eat Benelux BV (£2.2 million).

FBA Invest SAS

On 23 December 2011 the Group acquired 50% of the share capital of FBA Invest SaS ("FBA"), which owns 100% of the share capital of Eat OnLine Sa ("EOL"), the company trading under the brand ALLORESTO.fr. At the time of acquiring the shareholding, the Group entered into a joint venture agreement with the other shareholders; which contained two options. The Group had the first option to buy 30-50% more of the shareholding not already held, thus obtaining between 80-100% of FBA's share capital. The second option was held by the other 50% shareholders and only became exercisable should the aforementioned option lapse.

It was at the JV partners' discretion to determine how much of the first option above 30% could be exercised. In June 2014 the Group received notification that the option was over 30% of the share capital of FBA. The Group exercised the option in July 2014, thereby obtaining control of FBA. The consideration paid, of £5.8 million, was based on a pre-determined range of prices set out in the 2011 share purchase agreement.

At this point, the Group became committed to acquiring the minority 20% shareholder in 2017. The amount payable in 2017 is dependent upon the performance of EOL at that time. The Directors have estimated that the amount payable in 2017 will be €6.9 million. As a result a provision of £5.6 million was established in July 2014, being the discounted Pound Sterling amount of the estimated amount payable.

Up until July 2014, the Group's 50% interest in FBA was accounted for as a joint venture using the equity accounting method. From the time the Group obtained control of FBA, in July 2014, FBA and EOL were accounted for as subsidiaries. As obtaining control of FBA and EOL was achieved in stages, the provisions of IFRS 3 relating to step-acquisitions have been applied.

The goodwill arising on the acquisition of FBA and EOL was principally attributable to the future growth of EOL's business, through expansion of the network of restaurant partners and through growth in the numbers of orders per restaurant. In addition, the goodwill balance represented the value of EOL's active consumer base and its assembled workforce. The goodwill balance will not be deductible for tax purposes.

A gain of £32.0 million was recognised as a result of the transactions surrounding the acquisition of FBA. This gain was comprised as follows:

	£m
Gain on deemed disposal of joint venture interest in FBA (note 19)	**17.8**
Fair value gain in respect of the second completion option	**9.5**
Fair value gain in relation to minority shareholder buy-out	**4.7**
Total gain recognised in the income statement	**32.0**

The gains are based on the Directors' valuation of FBA and EOL. The gain on the deemed disposal of the joint venture interest represents the fair value of the consideration received of £25.5 million, less the carrying value of the joint venture interest, of £7.2 million and the cumulative foreign currency translation differences previously booked to equity, of £0.5 million.

The fair value gain in respect of the second completion option represents the difference between the fair value of the additional 30% shareholding in FBA, of £15.4 million and the amount paid for the holding, of £5.8 million. At the time the Directors' estimate of the cost of exercising the second completion option equated to their estimate of the fair value of the holding that would be acquired through exercising the option.

The fair value gain in relation to the minority shareholder buy-out provision represents the difference between the estimated fair value of the 20% minority shareholding in FBA, of £10.2 million, and the amount at which the Directors' expect to acquire the holding for in 2017, of £5.5 million (discounted for the time value of money). The estimated fair value of the 20% minority shareholding in FBA, of £10.2 million, has been charged to equity.

The FBA acquisition accounting is provisional in respect of certain liabilities for which more information as to their fair value may come to light in the future.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

33. Business combinations (continued)

Meal2Go

On 27 February 2014, the Group acquired the entire share capital of Meal2Order.com Limited ("Meal2Go") for cash consideration totalling £3.7 million, including the repayment of loans from the selling shareholders, of £0.7 million. The Group obtained control of Meal2Go and as a result the acquisition has been accounted for as a business combination in accordance with IFRS 3.

Meal2Go was principally acquired for its leading EPOS (Electronic Point-Of-Sale) technology, specifically designed for the takeaway industry.

The goodwill arising on the acquisition of Meal2Go was attributable to the value of the Group being able to roll out Meal2Go's EPOS technology to its network of restaurants, the value associated with the Group's competitors not being able to own the EPOS technology and the value of Meal2Go's assembled workforce. The goodwill balance will not be deductible for tax purposes.

Other acquisitions

Orogo Limited

On 10 July 2014, the Group acquired 45% of the ordinary share capital of Orogo Limited ("Orogo"). On the same day it increased its holding to 60% through a share subscription, providing working capital to the business. The Group obtained control of Orogo and as a result the acquisition has been accounted for as a business combination, in accordance with IFRS 3.

Orogo is an innovative collection only app, which enables consumers to order and pay for their lunch in advance and collect at their convenience, from some of central London's most popular restaurants.

£0.6 million of goodwill was recognised on the acquisition of Orogo. The goodwill was attributable to the future growth of the business and the value to the Group of Orogo's collection knowhow. The goodwill balance will not be deductible for tax purposes.

The Group is committed to acquiring the minority shareholdings in Orogo in 2017 for consideration based on the performance of the business at that time. A provision of £3.6 million was established for this commitment, being the discounted (for the time value of money) fair value of the estimated consideration payable. £3.6 million has been charged to equity as a result.

Eatcity.ie

On 3 November 2014, the Group acquired 100% of the ordinary share capital of Eatcity Limited ("Eatcity"), which traded as Eatcity.ie in Ireland. The Group obtained control of Eatcity and as a result the acquisition has been accounted for as a business combination in accordance with IFRS 3.

Goodwill of £0.9 million was recognised on the acquisition of Eatcity. The goodwill was attributable to the future growth of the Eatcity business, expected synergy cost savings from merging the two businesses and the value associated with the Group's competitors not being able to acquire Eatcity. The goodwill balance will not be deductible for tax purposes.

Menu Express and Delivery Town

During 2014, Just Eat Canada Inc purchased the assets of two small businesses. Goodwill balances totalling £0.1 million were recognised in respect of these acquisitions.

34. Brazilian merger

On 3 November 2014, the Group's wholly owned subsidiary, Justeat Brasil Servicos Online LTDA ("JE Brazil"), merged with the iFood group. The Group contributed JE Brazil and £3.5 million of working capital to the merger. In return it gained a 25% stake in the holding company of the merged group, IF-JE Participações Ltda ("IF-JE").

A gain of £5.8 million was recorded on the disposal of JE Brazil. This gain was calculated as follows:

	£m
Fair value of consideration received	**14.0**
Working capital contributed	**(3.5)**
De-recognition of net assets of JE Brazil (including £0.7 million of goodwill)	**(1.7)**
De-recognition of cumulative foreign translation losses recognised in equity	**(3.0)**
Gain on disposal of JE Brazil	**5.8**

The fair value of the consideration received was based on the Directors' valuation of the iFood Group.

34. Brazilian merger (continued)

The Group's interest in IF-JE has been accounted for as an associated undertaking in accordance with IAS 28. The acquisition of the interest in the associated undertaking has provisionally been accounted for as follows:

	£m
Provisional fair value of net assets acquired:	
Cash and cash equivalents	**1.1**
Restaurant contracts intangible asset	**0.7**
Deferred tax liability on intangible assets	**(0.2)**
Other net liabilities	**(0.9)**
	0.7
Goodwill	**13.6**
Total consideration	**14.3**

	£m
Satisfied by:	
Fair value of JE Brazil	**10.5**
Cash working capital contribution	**3.5**
Transaction costs	**0.3**
Total consideration	**14.3**

Net cash outflow arising on Brazilian merger:	
Cash working capital contribution	**3.5**
Transaction costs	**0.3**
Disposal of JE Brazil cash	**0.6**
Net cash outflow	**4.4**

The goodwill arising on the acquisition of the Group's stake in IF-JE principally related to the future growth of the business. In addition, the goodwill represented the synergy cost savings that are expected from the merger and the value of the assembled workforce. The goodwill balance will not be deductible for tax purposes.

Due to the complexities of the merger, the IF-JE acquisition accounting is provisional in respect of the fair values of the assets and liabilities acquired.

The results of IF-JE since the merger are disclosed in note 20.

35. Operating lease arrangements

The group as lessee

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Minimum lease payments under operating leases recognised as an expense in the year	**2.5**	1.8

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

	Property 2014 £m	**Plant and Equipment 2014 £m**	Property 2013 £m	Plant and Equipment 2013 £m
Within one year	**2.6**	**0.4**	2.0	0.5
In the second to fifth years inclusive	**1.6**	**0.4**	2.7	0.6
	4.2	**0.8**	4.7	1.1

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

36. Net cash inflow from operating activities

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Operating profit for the year	**19.0**	6.8
Adjustments for:		
Share of results of joint venture and associates	**0.8**	–
Depreciation of property, plant and equipment	**3.3**	2.7
Amortisation of intangible assets	**2.7**	0.9
Non-cash long-term employee incentive costs	**4.7**	1.7
Other non-cash items	**(0.3)**	(0.3)
Operating cash flows before movements in working capital	**30.2**	11.8
Increase in inventories	**(0.2)**	(0.3)
Increase in receivables	**(6.8)**	(0.2)
Increase in payables	**19.2**	10.6
Increase in deferred income	**0.1**	1.5
Cash generated by operations	**42.5**	23.4
Income taxes paid	**(4.4)**	(4.2)
Net cash inflow from operating activities	**38.1**	19.2

37. Share-based payments

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

The total expense recorded in relation to the long-term employee incentives was £4.9 million (2013: £1.7 million). This charge is comprised of £4.4 million (2013: £1.7 million) in respect of share-based payments and £0.5 million (2013: nil) in respect of employer's social security costs on the exercise of options. As at 31 December 2014, the provision for social security costs on the exercise of options was £0.3 million (2013: nil).

The Company operates the JUST EAT plc Enterprise Management Incentive Scheme ("EMI Scheme"), the JUST EAT plc Company Share Option Plan ("CSOP") and the JUST EAT Share Incentive Plan ("SIP") for employees of the Group.

During 2014, the share option plans were revised to take account of the bonus issue and consolidation of shares that were undertaken prior to the Company's IPO (see note 28).

EMI Scheme

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

CSOP

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

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

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

Vested options in the CSOP scheme became exercisable on the Company's IPO in April 2014.

37. Share-based payments (continued)

EMI Scheme and CSOP

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

	2014 Number of share options ('000)	**2014 Weighted average exercise price (pence)**	2013 Number of share options ('000)	2013 Weighted average exercise price (pence)
Outstanding at 1 January	**14,148**	**18.1**	12,177	14.4
Granted during the year	**1,292**	**57.5**	3,294	34.0
Forfeited during the year	**(1,296)**	**30.5**	(837)	22.2
Exercised during the year	**(6,548)**	**5.1**	(486)	2.7
Outstanding at 31 December	**7,596**	**34.0**	14,148	18.1
Exercisable at 31 December	**1,572**	**16.2**	5,103	3.6

The weighted average exercise price of share options exercised during the year was 5.1 pence (2013: 2.7 pence). The options outstanding at 31 December 2014 had a weighted average exercise price of 34.0 pence (2013: 18.1 pence) and a weighted average remaining contractual life of 8.3 years (2013: 8.6 years).

SIPs

Under the terms of the SIP, the Board may award Ordinary shares in the Company at no cost to the employee. The SIP is an equity-settled share option scheme approved by HMRC and was established in 2014. The shares vest between three and five years after grant. Awards over 472,465 Ordinary Shares were granted on the date of the IPO. The fair value of the share on the date of grant was £2.60. Since grant 81,270 awards have been forfeited. As at 31 December 2014 there were 391,195 SIP awards outstanding, all of which vest on 8 April 2017.

Joint Share Ownership Plan ("JSOP")

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

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

The vesting of interests granted to employees is subject to the option holder continuing to be employed by the Group. Interests vest in stages over a three year period commencing on a specified date typically one year after the date of the grant. The fair value of interests awarded under the JSOP was determined using the Black-Scholes Option Pricing Model. Details of the JSOP interests are shown below:

	2014 Number of JSOP awards ('000)	**2014 Weighted average exercise price (pence)**	2013 Number of JSOP awards ('000)	2013 Weighted average exercise price (pence)
Outstanding at 1 January	**17,990**	**45.6**	6,013	12.3
Granted during the year	**709**	**57.7**	11,977	62.4
Forfeited during the year	**(27)**	**57.7**	–	–
Exercised during the year	**(1,886)**	**12.3**	–	–
Outstanding at 31 December	**16,786**	**49.9**	17,990	45.6
Exercisable at 31 December	**5,066**	**23.9**	6,013	12.2

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

37. Share-based payments (continued)

Assumptions

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

	Year ended 31 December 2014	Year ended 31 December 2013
Weighted average share price	**168p**	91p
Weighted average exercise price	**58p**	34p
Expected volatility	**34.6%**	39.7%
Expected life	**36-48 months**	36-48 months
Risk-free rate	**0.38%-1.69%**	0.38% – 1.69%
Expected dividend yields	**0.0%**	0.0%

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

38. Financial instruments

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

Financial assets in the Group comprise trade and other receivables, cash and cash equivalents and a derivative financial instrument. The classification of these financial assets is set out in the table below. Financial liabilities comprise trade and other payables, other long-term liabilities, borrowings and provisions for liabilities which are classified as other financial liabilities.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 28 to 31. As disclosed in note 41, subsequent to the year end the Group signed a £90 million revolving credit facility. The Group is not subject to any externally imposed capital requirements.

Financial risk management objectives

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

Categories of financial instruments

	As at 31 December 2014 £m	As at 31 December 2013 £m
Financial assets		
Loans and receivables		
Cash and cash equivalents	**164.4**	61.6
Trade and other receivables (excluding prepayments)	**7.6**	1.5
Fair value through profit and loss		
Derivative financial instrument	**0.4**	–
Total financial assets	**172.4**	63.1
Financial liabilities		
Financial liabilities at amortised cost		
Borrowings	**0.3**	–
Trade and other payables	**59.1**	33.4
Provisions for liabilities	**9.5**	0.1
Other long-term liabilities	**0.7**	0.5
Total financial liabilities	**69.6**	34.0

38. Financial instruments (continued)

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

Market risk

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

Foreign currency risk management

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

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

	Assets as at 31 December		Liabilities as at 31 December	
	2014 £m	2013 £m	**2014 £m**	2013 £m
Euros	**9.9**	2.6	**14.9**	3.6
Canadian Dollars	**1.4**	0.9	**2.2**	1.4
Danish Kroner	**10.5**	5.4	**4.8**	3.9
Norwegian Kroner	**0.4**	0.3	**0.4**	0.3
Swiss Francs	**0.5**	0.2	**0.3**	0.3
Brazilian Reals	**–**	0.4	**–**	0.5

Foreign currency sensitivity analysis

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

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

Impact on income statement or other comprehensive income/(loss)

	Appreciation in Pound Sterling				Depreciation in Pound Sterling			
	Income statement 2014 £m	**Equity 2014 £m**	Income statement 2013 £m	Equity 2013 £m	**Income statement 2014 £m**	**Equity 2014 £m**	Income statement 2013 £m	Equity 2013 £m
Euros	**0.5**	**–**	–	0.1	**(0.6)**	**–**	–	(0.1)
Canadian Dollars	**–**	**0.1**	–	–	**–**	**(0.1)**	–	(0.1)
Danish Kroner	**–**	**(0.5)**	–	(0.1)	**–**	**0.6**	–	0.2

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

Interest rate sensitivity analysis

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

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

- profit before taxation for the year ended 31 December 2014 would increase by £41,000 (2013: £16,000); and
- there would have been no effect on amounts recognised directly in equity.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

38. Financial instruments (continued)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure and the credit ratings of its major counterparties are continuously monitored.

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

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

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

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. In addition, subsequent to the year end the Group signed a £90 million revolving credit facility, see note 41 for further details.

Liquidity and interest risk tables

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

	Weighted average effective interest rate %	Less than 1 year £m	1-2 years £m	2-5 years £m	5+ years £m	Total £m
31 December 2014						
Non-interest bearing	**–**	**59.3**	**0.3**	**10.6**	**–**	**70.2**
Fixed interest rate instruments	**2.04**	**0.3**	**–**	**–**	**–**	**0.3**
		59.6	**0.3**	**10.6**	**–**	**70.5**
Discount for time value of money	**–**	**–**	**–**	**(0.9)**	**–**	**(0.9)**
		59.6	**0.3**	**9.7**	**–**	**69.6**
31 December 2013						
Non-interest bearing	–	33.4	0.2	0.5	–	34.1
		33.4	0.2	0.5	–	34.1
Discount for time value of money	–	–	–	(0.1)	–	(0.1)
		33.4	0.2	0.4	–	34.0

38. Financial instruments (continued)

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

	Weighted average effective interest rate %	Less than 1 month £m	1-3 months £m	3 months to 1 year £m	1-5 years £m	5+ years £m	Total £m
31 December 2014							
Non-interest bearing	**–**	**42.4**	**–**	**–**	**–**	**–**	**42.4**
Fixed interest rate instruments	**0.5**	**97.7**	**32.3**	**–**	**–**	**–**	**130.0**
		140.1	**32.3**	**–**	**–**	**–**	**172.4**
31 December 2013							
Non-interest bearing	–	29.0	–	–	–	–	29.0
Fixed interest rate instruments	0.4	29.1	5.0	–	–	–	34.1
		58.1	5.0	–	–	–	63.1

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

Derivative financial instrument

At the time the Group acquired Sindelantal Internet S.L. in 2012, it granted a loan to selling shareholders in order that they could provide working capital to their Mexican business. Part of the loan was convertible into a minority shareholding in the holding company of the Mexican business. The embedded option was recognised on the 31 December 2014 balance sheet at a fair value of £0.4 million (2013: nil). The fair value gain arising during 2014, of £0.4 million (2013: nil), was recognised within "Other gains" in the Income Statement. The fair value was based on an offer made for the business around the time of the Group's year end. This unobservable market information ranks as level 3 data in the fair value hierarchy (see note 3d).

39. Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties (other than key management personnel) for the relevant financial year together with amounts owed by and to related parties at the balance sheet date.

		Year ended 31 December		As at 31 December	
Associates:		Sales to related parties £m	Purchases from related parties £m	Amounts owed by related parties* £m	Amounts owed to related parties* £m
Achindra Online Marketing Private Limited	2014	**–**	**–**	**–**	**–**
	2013	–	–	0.1	–

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

Compensation of key management personnel of the Group

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Short-term employee benefits	**2.2**	1.6
Post-employment pension	**–**	0.1
Termination benefits	**0.2**	0.4
Share-based compensation	**2.3**	0.9
Total compensation of key management personnel	**4.7**	3.0

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. The amounts in respect of share-based compensation are the IFRS 2 charges. Key management personnel are members of the Board and members of the Group's Executive Team. Further information on the remuneration of the Directors and Directors interests in Ordinary Shares of the Company are disclosed in the Report of the Remuneration Committee on pages 58 to 80.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

39. Related party transactions (continued)

On 24 March 2014, prior to the IPO, the Company called all the unpaid subscription amounts, totalling £13.2 million, in respect of certain shares issued under the JSOP. In order to facilitate this, the Company made loans to participants of the JSOP and Appleby Trust (Jersey Trust) Limited totalling £5.3 million and £7.9 million, respectively. The loans provided to the participants of the JSOP included loans to key management personnel totalling £4.9 million. As at 31 December 2014, the amount due from key management personnel in respect of these loans was £4.8 million (2013: nil). This included £3.0 million in respect of Directors of the Company (2013: nil).

During the year ended 31 December 2014 dividends totalling £0.3 million (2013: nil) were paid to key management personnel. Of this, £0.2 million (2013: nil) was paid to Directors of the Company.

The weighted average subscription price of the JSOP awards was 28 pence. Should the Company's share price fall below the subscription price, on exercise by the employee or on the Company calling the loans, the Company has guaranteed to fund the shortfall.

Key management personnel's interests in the JSOP and EMI Scheme

The outstanding share options and awards held by key management personnel are summarised below:

Issue date	**31 December 2014 Number ('000)**	31 December 2013 Number ('000)	Vesting start date	Threshold /exercise price (pence)
2011	**786**	1,242	1 April 2012	4.6
2011	**1,485**	2,295	1 July 2012	16.7
2011	**772**	856	1 October 2012	12.0
2013	**1,114**	1,620	1 January 2013	12.0
2013	**540**	677	1 May 2013	34.0
2013	**1,839**	1,839	1 January 2014	57.7
2013	**2,654**	2,654	1 July 2014	57.7
2013	**920**	920	1 January 2015	66.3
2013	**2,208**	2,208	1 July 2015	66.3
2013	**920**	920	1 January 2016	76.3
2013	**2,208**	2,208	1 July 2016	76.3
	15,446	17,439		

Refer to note 37 for further details about the JSOP and EMI Scheme.

40. Subsidiaries

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

Entity	Country of Incorporation	Proportion of voting rights held 2014	Proportion of voting rights held 2013	Nature of business
Subsidiary undertakings				
Just Eat Holding Ltd	UK	100%	100%	Holding and management company
Just Eat.co.uk Limited	UK	100%	100%	* Online takeaway portal
Meal 2 Order.com Limited	UK	100%	N/A	* Online takeaway portal
Orogo Limited	UK	60%	N/A	* Online takeaway portal
Just Eat India Holding Limited	UK	100%	N/A	* Holding company
Just-Eat Denmark Holding ApS	Denmark	100%	100%	* Holding company
Just Eat Host A/S	Denmark	100%	100%	* Hosts servers
Just Eat.dk ApS	Denmark	100%	100%	* Online takeaway portal
Just-Eat Ireland Limited	Ireland	100%	100%	* Online takeaway portal
Eatcity Limited	Ireland	100%	N/A	* Online takeaway portal
Just Eat.no As	Norway	100%	100%	* Online takeaway portal
Just-Eat.ca Management Limited	Canada	100%	100%	* Holding company
Power & Power Inc	Canada	100%	100%	* Holding company
Just Eat Canada Inc.	Canada	100%	100%	* Online takeaway portal
Just-Eat Belgie BVBA	Belgium	100%	100%	* Online takeaway portal
Just Eat Spain S.L.U.	Spain	100%	100%	* Online takeaway portal
Just-Eat Italy S.r.l	Italy	100%	100%	* Online takeaway portal
Just-Eat Benelux BV	Netherlands	100%	100%	* Online takeaway portal
Eat.ch GmbH	Switzerland	64%	64%	* Online takeaway portal
Just-Eat.lu S.a.r.l.	Luxembourg	100%	100%	* Financing company
FBA Invest SaS	France	80%	50%	* Holding company
Eat On Line Sa	France	80%	50%	* Online takeaway portal
Non-trading subsidiary undertakings				
Urbanbite Holdings Limited	UK	100%	100%	* Non-trading
Urbanbite Limited	UK	100%	100%	* Non-trading
FillMyBelly Limited	UK	100%	100%	* Non-trading
EatStudent Limited	UK	100%	100%	* Non-trading
1Epos Limited	UK	100%	N/A	* Non-trading
Meal 2 Go Ireland Limited	UK	100%	N/A	* Non-trading
Meal 2 Go Limited	UK	100%	N/A	* Non-trading
Associated undertakings				
Achindra Online Marketing Private Limited	India	50%**	50%**	* Online takeaway portal
IF-JE Participações Ltda	Brazil	25%	N/A	* Holding company

* Indirect holding by JUST EAT plc.

** With the exception of Achindra Online Marketing Private Limited (in which the Group had a 51% ownership interest as at 31 December 2014 (2013: 59%)) the proportion of voting rights held equated to the proportion of ownership interests held for all entities.

Notes to the Consolidated Financial Statements continued

For the year ended 31 December 2014

40. Subsidiaries (continued)

Year ended 31 December 2014

On 27 February 2014, a Group company acquired 100% of the share capital of Meal 2 Order.com Limited. In addition, the same Group company acquired 100% of the share capital of three non-trading companies: Meal2Go Limited, Meal2Go Ireland Limited, and 1Epos Limited. See note 33 for further details about this acquisition.

On 10 July 2014, a Group company acquired 45% of the share capital of Orogo Limited. Immediately following the acquisition, the Group's shareholding was increased to 60% via a share subscription. See note 33 for further details about this acquisition.

On 24 July 2014, the Group exercised its option to purchase an additional 30% of shares in FBA Invest SaS, a French holding company, in which the Group already had a 50% interest. This increased the Group holding in FBA and its 100% owned subsidiary, Eat Online Sa, to 80%. See note 33 for further details about this acquisition.

On 3 November 2014, a Group company acquired 100% of the share capital of Eatcity Limited. The trade and assets of Eatcity were immediately transferred into Just-Eat Ireland Limited.

On 3 November 2014, the Group's wholly-owned subsidiary, Justeat Brasil Servicos Online LTDA ("JE Brazil") merged with the iFood group. Following the merger the Group held a minority shareholding of 25% in the holding company of the merged group, IF-JE Participações Ltda ("IF-JE"). IF-JE wholly owns JE Brazil and the iFood group. See note 34 for further details about the merger.

During 2014, the Group's holding in Achindra Online Marketing Private Limited ("justeat.in") reduced to 51%, but the Group's voting rights and economic interests were retained at 49.9%.

Year ended 31 December 2013

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

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

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

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

The Group's shareholding in justeat.in" had increased from 84% to 91% over the course of 2013 via a series of capital injections. In November 2013, the Group relinquished control of justeat.in, as a result of Axon Partners Group and Forum Synergies India making investments in justeat.in. This transaction reduced the Group's shareholding to 59%. The Group's voting rights and economic interests decreased to 49.9%.

Audit exemption statement

For the year ended 31 December 2014, Orogo Limited, Meal 2 Order.com Limited, FillMyBelly Limited, Urbanbite Holdings Limited and Urbanbite Limited were entitled to exemption from audit under section 479 of the Companies Act 2006 relating to subsidiary companies. The members of these companies have not required them to obtain an audit of their financial statements for the year ended 31 December 2014.

41. Events after the balance sheet date

On 22 January 2015 the Group acquired the minority shareholdings in eat.ch GmbH, the Group's Swiss trading subsidiary. As a result, the Group's stake increased from 64% to 100%. As eat.ch GmbH was already consolidated as a subsidairy the acquisition will have no impact on the Group's revenue or underlying EBITDA.

On 11 February the Group acquired a further 5% stake in IF-JE Participações Ltda ("IF-JE"), the Group's Brazilian associated undertaking, bringing its total stake to 30%. The consideration payable is dependent upon the future performance of IF-JE and is payable in instalments over the period to 31 October 2016. Following the acquisition of the further stake, IF-JE will continue to be accounted for as an associated undertaking. As IF-JE is currently loss making the acquisition of a further stake will initially have a small negative impact of the Group's Underlying EBITDA.

On 13 February the Group acquired the entire share capital of Sindelantal Mexico SA DE CV ("Sindelantal Mexico"). Sindelantal Mexico is the market leader in mobile and online takeaway in Mexico. It has approximately 2,500 restaurant partners and generates over 50,000 orders per month. Given the timing of the acquisition, it has not been possible to determine the fair values of the assets and liabilities acquired. As Sindelantal Mexico is currently loss-making the acquisition will initially have a negative impact of the Group's Underlying EBITDA.

The total consideration for the above acquisitions is expected to be around £35 million.

In January the Group sold its shares in Achindra Online Marketing Private Limited, the Group's Indian associated undertaking, to foodpanda. Prior to the disposal the investment was accounted for using the equity accounting method. As a consequence the sale will have no impact on the Group's revenue and a small positive impact on Underlying EBITDA, as the Group will no longer recognise a share of the entity's losses. The Group will recognise its investment in foodpanda's Indian holding company at fair value.

In March the Group signed a facility agreement with a syndicate of banks consisting of Barclays Bank plc, HSBC plc and RBS plc, for a revolving credit facility for £90 million. This has a one-off fee and will result in an increased interest costs for the Group in 2015, depending on the amount drawn down. As at the date of signing the financial statements no debt has been drawn down.

Company Balance Sheet

Under UK GAAP

As at 31 December 2014

	Notes	As at 31 December 2014 £m	As at 31 December 2013 £m
Fixed assets			
Investments	43	**6.7**	3.9
		6.7	3.9
Current assets			
Amounts due from subsidiary companies	44	**137.6**	55.6
Trade and other receivables	44	**13.7**	0.2
		151.3	55.8
Accruals	44	**(0.2)**	(1.0)
Net current assets		**151.1**	54.8
Total assets		**158.0**	59.7
Net assets		**157.8**	58.7
Capital and reserves			
Share capital	45	**5.7**	–
Share premium account	46	**120.5**	55.8
Retained earnings	47	**31.6**	2.9
Shareholders' funds		**157.8**	58.7

The Company financial statements on pages 138 to 145 were authorised for issue by the Board of Directors and signed on its behalf by:

David Buttress
Chief Executive Officer

Mike Wroe
Chief Financial Officer

JUST EAT plc
Company Registration Number 06947854 (England and Wales)
16 March 2015

Company Reconciliation of Movements in Shareholders' Funds

Year ended 31 December 2014

	Share capital £m	Share premium account £m	Retained earnings £m	Total equity £m
Balance at 1 January 2013	0.1	55.6	2.5	58.2
Loss for year	–	–	(1.3)	(1.3)
Issue of capital	–	0.1	–	0.1
Credit to equity in respect of equity settled share-based payments	–	–	1.7	1.7
Transfer from share capital to share premium	(0.1)	0.1	–	–
Balance at 31 December 2013	–	55.8	2.9	58.7
Profit for year	**–**	**–**	**2.8**	**2.8**
Issue of capital (net of costs)	**0.5**	**96.7**	**–**	**97.2**
JSOP subscription	**–**	**13.2**	**–**	**13.2**
Credit to equity for equity settled share-based payments	**–**	**–**	**4.2**	**4.2**
Bonus issue	**5.2**	**(5.2)**	**–**	**–**
Capital reduction	**–**	**(40.0)**	**40.0**	**–**
Dividend for the year	**–**	**–**	**(18.3)**	**(18.3)**
Balance at 31 December 2014	**5.7**	**120.5**	**31.6**	**157.8**

Notes to the Company Financial Statements

Year ended 31 December 2014

42. Significant accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention, in accordance with applicable United Kingdom accounting standards and in accordance with the Companies Act 2006. The particular accounting policies adopted are described below.

In accordance with the exemption allowed by Section 408(3) of the Companies Act 2006, the Company has not presented its own income statement and statement of total recognised gains and losses. In addition, the Company has taken the exemptions permitted under FRS 1 (Revised 1996) *Cash Flow Statement* and FRS 8 *Related Party Disclosures* that allow companies for which consolidated financial statements are prepared not to prepare a cash flow statement and related parties disclosures. See note 39 to the Group consolidated financial statements for details of the Group's related party transactions.

Going concern

See note 2 to the Group consolidated financial statements.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Taxation

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

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax is not provided on the revaluation of fixed assets where these is no binding agreement to dispose of these assets, nor on unremitted earnings where there is no binding commitment to remit these earnings.

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

Deferred tax assets and liabilities are not discounted.

Foreign currencies

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

43. Investments

	2014 £m	2013 £m
Balance at 1 January	**3.9**	2.6
Additions	**2.8**	1.3
	6.7	3.9

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

	Country of incorporation	**Proportion of voting rights held 2014**	Proportion of voting rights held 2013	Nature of business
Subsidiary undertakings				
Just Eat Holding Limited	UK	**100%**	100%	Holding and management company
Just Eat.co.uk Ltd	UK	**100%**	100%	* Online takeaway portal
Meal 2 Order.com Limited	UK	**100%**	N/A	* Online takeaway portal
Orogo Limited	UK	**60%**	N/A	* Online takeaway portal
Just Eat India Holding Limited	Denmark	**100%**	100%	* Holding company
Just-Eat Denmark Holding ApS	Denmark	**100%**	100%	* Holding company
Just Eat Host A/S	Denmark	**100%**	100%	* Hosts servers
Just Eat.dk ApS	UK	**100%**	N/A	* Online takeaway portal
Just-Eat Ireland Limited	Ireland	**100%**	100%	* Online takeaway portal
Eatcity Limited	Ireland	**100%**	N/A	* Online takeaway portal
Just Eat.no As	Norway	**100%**	100%	* Online takeaway portal
Just-Eat.ca Management Limited	Canada	**100%**	100%	* Holding company
Power & Power Inc	Canada	**100%**	100%	* Holding company
Just Eat Canada Inc.	Canada	**100%**	100%	* Online takeaway portal
Just-Eat Belgie BVBA	Belgium	**100%**	100%	* Online takeaway portal
Just Eat Spain S.L.U.	Spain	**100%**	100%	* Online takeaway portal
Just-Eat Italy S.r.l	Italy	**100%**	100%	* Online takeaway portal
Just-Eat Benelux BV	Netherlands	**100%**	100%	* Online takeaway portal
Eat.ch GmbH	Switzerland	**64%**	64%	* Online takeaway portal
Just-Eat.lu S.a.r.l.	Luxembourg	**100%**	100%	* Financing company
FBA Invest SaS	France	**80%**	80%	* Holding company
Eat On Line Sa	France	**80%**	80%	* Online takeaway portal
Joint venture and Associated undertakings				
Achindra Online Marketing Private Limited**	India	**50%**	50%	* Online takeaway portal
IF-JE Participações Ltda	Brazil	**25%**	N/A	* Holding company

* Indirect holding by JUST EAT plc.

** With the exception of Achindra Online Marketing Private Limited (in which the Group had a 51% ownership interest as at 31 December 2014 (2013: 59%)) the proportion of voting rights held equated to the proportion of ownership interests held for all entities.

Notes to the Company Financial Statements continued

Year ended 31 December 2014

43. Investments (continued)

Year ended 31 December 2014

On 27 February 2014, a Group company acquired 100% of the share capital of Meal 2 Order.com Limited.

On 10 July 2014, a Group company acquired 45% of the share capital of Orogo Limited. Immediately following the acquisition, the Group's shareholding was increased to 60% via a share subscription.

On 24 July 2014, the Group exercised its option to purchase an additional 30% of shares in FBA Invest SaS, a French holding company, in which the Group already had a 50% interest. This increased the Group holding in FBA and its 100% owned subsidiary, Eat Online Sa, to 80%.

On 3 November 2014, a Group company acquired 100% of the share capital of Eatcity Limited. The trade and assets of Eatcity were immediately transferred into Just-Eat Ireland Limited.

On 3 November 2014, the Group's wholly owned subsidiary, Justeat Brasil Servicos Online LTDA ("JE Brazil") merged with the iFood group. Following the merger the Group held a minority shareholding of 25% in the holding company of the merged group, IF-JE Participações Ltda ("IF-JE"). IF-JE wholly owns JE Brazil and the iFood group.

During 2014, the Group's holding in Achindra Online Marketing Private Limited ("justeat.in") reduced to 51%, but the Group's voting rights and economic interests were retained at 49.9%.

Year ended 31 December 2013

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

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

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

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

The Group's shareholding in justeat.in had increased from 84% to 91% over the course of 2013 via a series of capital injections. In November 2013, the Group relinquished control of justeat.in, following investment injections from Axon Partners Group and Forum Synergies India. This transaction reduced the Group's shareholding to 59%. The Group's voting rights and economic interests decreased to 49.9%.

44. Financial assets and liabilities

Financial assets

At 31 December 2014, amounts receivable from fellow group companies were £137.6 million (2013: £55.6 million). At 31 December 2014, trade and other receivables of £13.7 million (2013: £0.2 million) represented amounts due from the EBT Trustee of £8.5 million (2013: £0.2 million) and loans made to the participants of the JSOP of £5.2 million (2013: nil). The carrying amounts of these assets approximates their fair value. There are no overdue or impaired receivable balances (2013: nil).

Financial liabilities

At 31 December 2014, trade and other creditors were £0.2 million (2013: £1.0 million). The carrying amounts of these liabilities approximates their fair value.

45. Share capital

	Number of issued shares ('000)						
	Ordinary shares	B Ordinary shares	Preference A shares	Preference B shares	Preference C shares	Total	Total £m
At 1 January 2013	8,355	1,001	4,973	1,809	2,503	18,641	0.1
Shares issued	6	–	–	–	–	6	–
Options exercised	–	18	–	–	–	18	–
JSOP shares issued	46	–	–	–	–	46	–
Transfer to share premium	–	–	–	–	–	–	(0.1)
At 1 January 2014	8,407	1,019	4,973	1,809	2,503	18,711	–
Options exercised before bonus issue and consolidation	**–**	**6**	**–**	**–**	**–**	**6**	**–**
Issue of shares – JSOP	**424**	**–**	**–**	**–**	**–**	**424**	**–**
Bonus share issue	**23,835,954**	**2,765,862**	**13,422,667**	**4,881,211**	**6,755,249**	**51,660,943**	**5.2**
Share consolidation	**(23,606,337)**	**(2,739,218)**	**(13,293,364)**	**(4,834,190)**	**(6,690,174)**	**(51,163,283)**	**–**
Share capital after consolidation	**238,448**	**27,669**	**134,276**	**48,830**	**67,578**	**516,801**	**5.2**
Options exercised between bonus issue and consolidation and IPO	**–**	**2,121**	**–**	**–**	**–**	**2,121**	**–**
Reclassification to Ordinary shares on IPO	**280,474**	**(29,790)**	**(134,276)**	**(48,830)**	**(67,578)**	**–**	**–**
Issue of shares on IPO	**38,462**	**–**	**–**	**–**	**–**	**38,462**	**0.4**
Warrants exercised on IPO	**6,210**	**–**	**–**	**–**	**–**	**6,210**	**0.1**
SIP issue of shares	**250**	**–**	**–**	**–**	**–**	**250**	**–**
Options exercised after IPO	**4,265**	**–**	**–**	**–**	**–**	**4,265**	**–**
At 31 December 2014	**568,109**	**–**	**–**	**–**	**–**	**568,109**	**5.7**

On 20 March 2014 the Company's share premium account was reduced by £40.0 million by way of a reduction of capital. On the same day the Company conducted a bonus issue of 2,699 shares for every one Ordinary Share, B Ordinary share, Preference A share, Preference B share and Preference C share in issue. This was followed by a consolidation of each of the Ordinary Shares, B Ordinary shares, Preference A shares, Preference B shares and Preference C shares such that the nominal value of each share increased from £0.0001 to £0.01.

On 24 March 2014 the Company re-registered as JUST EAT plc.

On 8 April 2014 the Company's Ordinary shares were admitted to the High Growth Segment of the Main Market of the London Stock Exchange (the "Listing"). In conjunction, the Company made an initial public offering ("IPO") of 38.5 million new one pence Ordinary shares at a price of 260 pence per share. Also on this date, immediately prior to the Listing, 29.8 million B Ordinary shares, 134.3 million Preference A shares, 48.8 million Preference B shares and 67.6 million Preference C shares converted to Ordinary shares.

Costs that related directly to the issue of new shares have been deducted from the share premium account. IPO costs that related to both the Listing and issue of new shares have been allocated between the share premium account and the income statement in proportion to the number of primary and secondary shares traded on admission. As a result, during the year ended 31 December 2014, IPO costs totalling £4.5 million have been charged to the share premium account and IPO costs of £2.3 million were charged to the income statement. IPO costs of £1.4 million were charged to the income statement during the year ended 31 December 2013.

On 6 May 2014 the Company's shares were admitted to trading on the premium listing segment of the Official List of the UK Financial Conduct Authority. This change had no effect on the issued share capital of the Company.

As at 31 December 2013, 45,500 Ordinary shares and 222,700 B Ordinary shares had been issued to Appleby Trust (Jersey Trust) Limited under the Group's Joint Share Ownership Plan ("JSOP") arrangement. As at 31 December 2013, these shares were partly paid. This was in line with standard practice for such JSOP arrangements. These shares were fully paid up prior to the IPO, and all shares are now fully paid.

Notes to the Company Financial Statements continued

Year ended 31 December 2014

45. Share capital (continued)

Ordinary Shares

Ordinary Shares have a par value of £0.01 each, and entitle the holders to receive notice, attend, speak and vote at general meetings. Holders of Ordinary shares are entitled to distributions of available profits pro-rata to their respective holdings of shares.

B Ordinary shares

B Ordinary shares had a par value of £0.01 each, and did not entitle the holders to receive notice, attend, speak or vote at any general meeting. The B Ordinary shares were convertible into Ordinary Shares on a one-for-one basis, upon the satisfaction of a range of criteria as set out in the Company's Articles. Holders of B Ordinary shares were entitled to distributions of available profits together with the holders of Ordinary shares, Preference A shares, Preference B shares and Preference C shares (pari passu as if the all the classes shares constituted one class of share) pro-rata to their respective holdings of shares, only after aggregate distributions of £18.25 million had been made to the holders of Ordinary Shares, Preference A shares, Preference B shares and Preference C shares.

The B Ordinary shares were converted into Ordinary shares on 8 April 2014.

Preference A shares

Preference A shares had a par value of £0.01 each, and entitled the holders to receive notice, attend, speak and vote at general meetings. The Preference A shares were convertible at any time into Ordinary Shares on a one-for-one basis, subject to the majority of Preference A shareholders serving notice to the Company.

Holders of Preference A shares were entitled to distributions of available profits together with the holders of Ordinary Shares, Preference B shares and Preference C shares, and, to the extent that the aggregate amount of distributions, both paid to date and for the current financial year, exceed £18.25 million, with the B Ordinary shareholders (pari passu as if the all the classes shares constituted one class of share) pro-rata to their respective holdings of shares.

The Preference A shares were converted into Ordinary Shares on 8 April 2014.

Preference B shares

Preference B shares had a par value of £0.01 each, and entitled the holders to receive notice, attend, speak and vote at general meetings. The Preference B shares were convertible at any time into Ordinary shares on a one-for-one basis, subject to the majority of Preference B shareholders serving notice to the Company.

Holders of Preference B shares were entitled to distributions of available profits together with the holders of Ordinary Shares, Preference A shares and Preference C shares, and, to the extent that the aggregate amount of distributions, both paid to date and for the current financial year, exceed £18.25 million, with the B Ordinary shareholders (pari passu as if the all the classes shares constituted one class of share) pro-rata to their respective holdings of shares.

The Preference B shares were converted into Ordinary Shares on 8 April 2014.

Preference C shares

Preference C shares had a par value of £0.01 each, and entitled the holders to receive notice, attend, speak and vote at general meetings. The Preference C shares were convertible at any time into Ordinary Shares on a one-for-one basis, subject to the majority of Preference C shareholders serving notice to the Company.

Holders of Preference C shares were entitled to distributions of available profits together with the holders of Ordinary Shares, Preference A shares and Preference B shares, and, to the extent that the aggregate amount of distributions, both paid to date and for the current financial year, exceed £18.25 million, with the B Ordinary shareholders (pari passu as if the all the classes shares constituted one class of share) pro-rata to their respective holdings of shares.

The Preference C shares were converted into Ordinary Shares on 8 April 2014.

46. Share premium account

	Share premium £m
At 1 January 2013	55.6
Premium arising from issue of Ordinary Shares	0.1
Transfer from share capital	0.1
At 31 December 2013	55.8
Issue of shares – JSOP	**13.2**
Bonus share issue	**(5.2)**
Share consolidation	**(40.0)**
Share premium after consolidation	**23.8**
Issue of shares on IPO	**99.6**
IPO share issue costs	**(4.5)**
Arising on warrants exercised on IPO	**0.4**
Arising on issue of shares under the JUST EAT Share Incentive Plan	**0.7**
Arising on exercise of options	**0.5**
At 31 December 2014	**120.5**

47. Retained earnings

	£m
At 1 January 2013	2.6
Net loss for the year	(1.4)
Credit to equity for equity settled share-based payments	1.7
At 31 December 2013	2.9
Net profit for the year	**2.8**
Credit to equity for equity settled share-based payments	**4.2**
Capital reduction	**40.0**
Dividend for the year	**(18.3)**
At 31 December 2014	**31.6**

48. Events after the balance sheet date

On 22 January 2015 a subsidiary of the Company acquired the minority shareholdings in eat.ch GmbH, the Group's Swiss trading subsidiary. As a result, the Group's stake increased from 64% to 100%.

On 11 February a subsidiary of the Company acquired a further 5% stake in IF-JE Participações Ltda ("IF-JE"), the Group's Brazilian associated undertaking, bringing its total stake to 30%. The consideration payable is dependent upon the future performance of IF-JE and is payable in instalments over the period to 31 October 2016.

On 13 February a subsidiary of the Company acquired the entire share capital of Sindelantal Mexico SA DE CV ("Sindelantal Mexico"). Sindelantal Mexico is the market leader in mobile and online takeaway in Mexico. It has approximately 2,500 restaurant partners and generates over 50,000 orders per month.

The total consideration for the above acquisitions is expected to be approximately £35 million.

In January a subsidiary of the Company sold its shares in Achindra Online Marketing Private Limited, the Group's Indian associated undertaking, to foodpanda.

In March the Company signed a facility agreement with a syndicate of banks consisting of Barclays Bank plc, HSBC plc and RBS plc, for a revolving credit facility for £90 million. This has a one off fee and will result in an increased interest costs for the Company in 2015, depending on the amount drawn down. As at the date of signing the financial statements no debt has been drawn down.

Directors' Report

The Directors have pleasure in presenting their Annual Report and audited financial statements of the Company and the Group for the year ended 31 December 2014.

The Directors' report contains certain statutory, regulatory and other information and incorporates, by reference, the Strategic Report and Governance Report included earlier in this document.

Strategic Report

A fair review of the Group's performance during the period and of its position at the period end, including commentary on its likely future development and prospects, is set out in the Strategic Report on pages 1 to 41, while information on principal risks and uncertainties and key performance indicators is given on pages 36 to 39 and pages 26 to 27 respectively. All this information should be read in conjunction with this Report. The Corporate Governance Report including the Directors' Remuneration Report summarise the Company's Governance and Directors' remuneration arrangements. The Corporate Social Responsibility Statement on pages 40 and 41 summarises the Group's approach to business ethics, employee welfare and practice, health and safety, environmental and community matters. All these sections form part of this Directors' Report into which they are incorporated by reference.

Results and dividends

The audited financial statements of the Group and of the Company for the period under review are set out on pages 86 to 137 and pages 138 to 145 respectively. The Company intends to retain its earnings to expand the growth and development of its business and, therefore, does not anticipate paying dividends in the foreseeable future. Details of dividends paid during the year before the Company's IPO are set out in note 15 to the financial statements.

2015 Annual General Meeting ("AGM")

An explanation of the resolutions to be proposed at the AGM, and the recommendation of Directors in relation to these, is included in the circular accompanying this Annual Report to shareholders. Resolutions regarding the authority to issue shares are commented upon under the share capital later in this report.

The Company's AGM will be held at the Lincoln Centre, 18 Lincoln's Inn Fields, London, WC2A 3ED at 9.30am on 13 May 2015.

Research and Development

We continue to dedicate resources to the development of new technologies, in order to improve the consumer experience and enhance our offering to our restaurant partners. Expenses incurred are capitalised when it is probable that future economic benefits will be attributable to the asset and that these costs can be measured reliably.

Change of control

In the event of a takeover, a scheme of arrangement (other than a scheme of arrangement for the purposes of creating a new holding company) or certain other events, unvested executive Director and employee share awards may in certain circumstances become exercisable. Such circumstances may although do not necessarily depend on the achievement of performance conditions or the discretion of the Remuneration Committee. The Company does not have any agreements with any Director or officer that would provide compensation for loss of office or employment resulting from a takeover.

The Group has facility agreements with its bank lenders which contain provisions giving those lenders certain rights on a change of control of the Company.

Save as otherwise disclosed above, there are no other significant agreements to which the Company is a party that take effect, alter or terminate upon a change of control following a takeover bid.

Financial instruments

Our risk management policies relating to price risk, credit risk, liquidity risk, and cash flow risk, are detailed within note 38 of the notes to the financial statements on pages 130 to 133. In addition, the overall risk framework and strategy for the Group is included within the Strategic Report on pages 1 to 41.

Employment of disabled persons

Our policy in respect of the employment of disabled people are set in the Corporate Social Responsibility report on pages 40 to 41.

Employee consultation

Details of on employee consultation set in the Corporate Social Responsibility report on pages 40 to 41.

Going concern

In adopting the going concern basis for preparing the financial statements, the Directors have made appropriate enquiries and have considered the Group's cash flows, liquidity position and borrowing facilities and business activities as set out on page 91 and in note 38 to the Group's financial statements on pages 130 to 133 and the Group's principal risks and uncertainties as set out on pages 36 to 39.

Based on the Group's forecasts, the Directors are satisfied that the Company, and the Group as a whole, have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis.

Substantial shareholdings

At 16 March 2015, the Company had been notified in accordance with the Disclosure and Transparency Rules of the UK Listing Authority, or was aware, that the following held, or were beneficially interested in, 3% or more of the Company's shares at that date:

	Number of Ordinary shares	% of voting rights[1]
The Sara Marron Discretionary Settlement (the "SM Trust")[2]	121,972,442	21.47%
Index Ventures V (Jersey), LP	74,759,783	13.16%
Munch S.A.R.L	50,972,104	8.97%
Old Mutual Plc	28,251,522	5.00%
Index Ventures Growth I (Jersey), LP	20,830,899	3.67%

1 Total voting rights attaching to the issued share capital of the Company comprising 568,246,694 Ordinary shares each of £0.01 nominal value, being the 568,246,694 Ordinary shares in issue.
2 STM Fidecs Trust Company Limited is the holder of registered legal title to the Ordinary Shares beneficially owned by the SM Trust.

The Company received no notifications of interests indicating a different whole percentage holding at 31 December 2014.

Directors

The Directors of the Company who served throughout the period and up to the date of signing of this Annual Report (except where noted) were:

- John Hughes (Chairman)
- David Buttress (CEO)
- Mike Wroe (CFO)
- Gwyn Burr (appointed 12 March 2014)
- Frederic Coorevits
- Andrew Griffith (appointed 12 March 2014)
- Benjamin Holmes
- Henri Moissinac (appointed 1 August 2014)
- Michael Risman (appointed 12 March 2014)[1]
- Laurel Bowden (resigned 1 October 2014)

1 Prior to his appointment as a director, Mr Risman acted as the primary representative of the former corporate director of the Company, Vitruvian Directors I Limited which was a director of the company until 12 March 2014.

Certain key matters in connection with the Directors are shown below:

- The business of the Company is managed by its Directors who may exercise all powers of the Company subject to the Articles of Association and UK legislation. Directors of the Company are appointed either by the Board or by shareholders under the Company's Articles of Association and may resign or be removed in a similar manner.
- Biographical details of the current Directors are set out on pages 44 and 45. The Directors' interests in the ordinary share capital of the Company and any interests known to the Company of their connected persons are set out in the Report of the Remuneration Committee on page 78.
- The Company has made qualifying third party indemnity provisions for the benefit of its Directors in relation to certain losses and liabilities that they may incur in the course of acting as Directors of the Company, its subsidiaries or associates, which remain in force at the date of this report.
- No member of the Board had a material interest in any contract of significance with the Company or any of its subsidiaries at any time during the year, except for their interests in shares and in share awards and under their service agreements and letters of appointment disclosed in the Report of the Remuneration Committee commencing on page 58.

Share capital

Certain key information relating to the Company's shares is shown below:

- The Company's shares at the year-end comprised entirely ordinary shares of £0.01 each which rank equally in all respects.
- The rights attached to the shares, in addition to those conferred on their holders by law, are set out in the Company's Articles of Association. The Company's Articles of Association may only be amended by a Special Resolution of the shareholders.
- There are no restrictions on the transfer of shares or on the exercise of voting rights attached to them, except: (i) where the Company has exercised its right to suspend their voting rights or to prohibit their transfer following the omission of their holder or any person interested in them to provide the Company with information requested by it in accordance with Part 22 of the Companies Act 2006 (the "Act"); or (ii) where their holder is precluded from exercising voting rights by the FCA's Listing Rules or the City Code on Takeovers and Mergers.

Directors' Report continued

- The Group operates employee share plans as set out in the Report of the Remuneration Committee commencing on page 58 and in note 37 of the financial statements. Shares held by the employee benefit trust trustees abstain from voting.
- Save as described above, shares acquired through the Company's employee share plans rank pari passu with shares in issue and have no special rights.
- At the year end, the Company had authority exercisable by the Directors to issue up to 375,728,623 shares subject to certain restrictions. The Company will seek to renew this authority at the 2015 Annual General Meeting ("AGM").
- Save as described under the Board Representation Agreement described below, the Company is not aware of any agreements or control rights between shareholders that may result in restrictions on the transfer of securities or on voting rights.

Further information regarding the Company's share capital including the changes to this during the year is set out in note 28 to the financial statements.

Board representation agreement

On 2 April 2014 the SM Trust, Index Ventures and Vitruvian Partners entered into an agreement with the Company which, entitles each such shareholder party and their respective permitted transferees (together the "Shareholder Parties" and each a "Shareholder Party") to appoint one director to the Board of the Company. The initial appointees are Frederic Coorevits (SM Trust appointee), Benjamin Holmes (Index Ventures appointee) and Michael Risman (Vitruvian Partners appointee). This entitlement shall lapse in respect of a Shareholder Party, and such Shareholder Party shall procure that its appointee will resign:

(a) during the period commencing on the date of the agreement and expiring on the date falling two years thereafter, or if later, the date of the Company's annual general meeting held in 2016 (the "Initial Period"), if:

(i) that Shareholder Party ceases to hold at least 5 per cent of the Ordinary Shares; or

(ii) on the occurrence of the Company's annual general meeting held in 2016, such Shareholder Party has ceased at any time during the Initial Period to hold at least 10 per cent of the Ordinary Shares; and

(b) at any time following the Initial Period, where that Shareholder Party does not hold at least 10 per cent of the Ordinary Shares.

Each Shareholder Party has also agreed not to propose the appointment of a further board representative or vote against the election or re-election of a person the Board has put forward for election or re-election as a director of the Company.

Corporate governance

The Company is committed to high standards of corporate governance. Its application of the principles of good governance in respect of the UK Corporate Governance Code for the period under review is described in the Corporate Governance Report on pages 42 to 80.

The Statement of Directors' Responsibilities in respect of this Annual Report and the financial statements appears on page 149.

Political donations

The Company did not make any political donations during the year.

Greenhouse gas emissions

Reporting on greenhouse gas emissions is included in the Corporate Social Responsibility report on pages 40 to 41.

Related party transactions with Directors

On 24 March 2014, prior to the IPO, the Company called all the unpaid subscription amounts, totalling £13.2 million, in respect of certain shares issued under the JSOP. In order to facilitate this, the Company made loans to participants of the JSOP and Appleby Trust (Jersey) Limited totalling £5.3 million and £7.9 million, respectively. The loans provided to the participants of the JSOP included loans to three Directors of the Company totalling £3.0 million. During the year ended 31 December 2014 dividends totalling £0.2 million (2013: nil) were paid to Directors of the Company. With the exception of the provision of the loans, the payment of dividends and their remuneration, there were no related party transactions with Directors during either 2014 or 2013.

Overseas branches

The Company has no branches outside the UK.

Post balance sheet events

Details of important events affecting the Company since 31 December 2014 are disclosed in note 41 to the financial statements.

Directors' responsibility statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Parent Company financial statements in accordance with IFRSs as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, whose names and functions are listed on pages 44 to 45 confirm that, to the best of each person's knowledge and belief:

- the Annual Report, taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's and the Group's performance, business model and strategy;
- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, and the Parent Company financial statements in accordance with UK Accounting Standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group and Parent Company; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company and Group, together with a description of the principal risks and uncertainties that they face.

Disclosure of information to auditors

Each of the Directors of the Company at the time when this Report was approved confirmed that:

1. so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
2. he or she has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given in accordance with section 418(2) of the Act.

Auditors

Deloitte LLP, the Group's auditors, have indicated their willingness to continue in office and, on the recommendation of the Audit Committee and in accordance with Section 489 of the Act, a resolution to re-appoint them will be put to the 2015 AGM.

On behalf of the Board

Tony Hunter
Company Secretary
16 March 2015

Four year summary

The following table sets out a summary of selected audited key financial information for the business.

	Year ended 31 December			
	2014 £m	2013 £m	2012 £m	2011 £m
Revenue	**157.0**	96.8	59.8	33.8
Underlying EBITDA	**32.6**	14.1	2.3	0.1
Profit/(loss) before tax	**57.4**	10.2	(2.6)	(1.7)
Net profit/(loss) for the year	**51.8**	6.8	(4.5)	(1.2)
Basic earnings/(loss) per share (pence)	**9.8**	1.5	(0.9)	(0.2)
Adjusted basic earnings/(loss) per share (pence)	**4.2**	1.4	(0.3)	(0.0)
Net cash inflow from operating activities	**38.1**	19.2	10.1	4.9
Net cash outflow used in investing activities	**(19.3)**	(7.7)	(3.1)	(14.5)
Net cash inflow from financing activities	**84.2**	–	35.1	12.6
Net increase in cash and cash equivalents	**103.0**	11.5	42.1	3.0

	As at 31 December			
	2014	2013	2012	2011
Net assets	**183.8**	53.6	46.5	18.2
Net cash and cash equivalents	**164.1**	61.6	50.0	7.9

The following table sets out a summary of selected audited key performance indicators for the business.

	Year ended 31 December			
	2014	2013	2012	2011
Orders (millions)	**61.2**	40.2	25.3	13.9
ARPO (£)	**2.29**	2.11	2.00	1.97

	As at 31 December			
	2014	2013	2012	2011
Number of active users (millions)	**8.1**	5.9	4.1	2.4
Takeaway restaurants (‘000)	**45.7**	36.4	29.9	17.0

Glossary of Terms

Adjusted earnings per share – means profit attributable to the holders of Ordinary Shares in the parent, before long-term employee incentive costs, exceptional items, "other gains", foreign exchange gains and losses, amortisation of acquired intangible assets and the tax impact of the adjusting items, divided by the weighted average number of shares outstanding during the period.

Admission – means the admission of the Ordinary shares to the High Growth Segment ("HGS") of the Main Market of the London Stock Exchange which occurred on 8 April 2014. On 6 May 2014, the Group transitioned from the HGS of the Main Market to the premium listing segment of the Official List of the UK Financial Conduct Authority.

AFS – means available for sale.

AGM – means the Annual General Meeting of the Company, which will be held on 13 May 2015 at 9.30am at the Lincoln Centre, 18 Lincoln's Inn Fields, London, WC2A 3ED.

Average revenue per order ("ARPO") – calculated as B2C revenue divided by the number of orders.

Articles – means the Articles of Association of the Company.

Associates or Associated undertakings – means (from 14 November 2013) Achindra Online Marketing Private Limited, the Group's Indian joint venture and (from 3 November 2014) IF-JE Participações Ltda, the Group's Brazilian joint venture.

B2C revenue – comprises commission revenue and revenue from fees charged in connection with orders paid for by credit and debit card.

Board – means the Board of Directors of JUST EAT plc.

CGU – means cash-generating unit.

Companies Act – means the Companies Act 2006 (as amended).

Company – means JUST EAT plc, a company incorporated in England and Wales with registered number 06947854 whose registered office is at Masters House, 107 Hammersmith Road, London W14 0QH.

Consumer – end users of the JUST EAT websites and apps, who use it to place orders online.

Corporate website – means www.just-eat.com.

CSOP – means the JUST EAT Company Share Option Plan.

CSR – means Corporate Social Responsibility.

Directors – means the directors of the Company whose names are set out on pages 44 and 45.

Disclosure and Transparency Rules – means the disclosure rules and transparency rules made under Part VI of the Financial Services and Markets Act 2000 (as amended).

EBITDA – earnings before finance income and costs, taxation, depreciation and amortisation.

EBT – means the Employee Benefit Trust which is administered by Appleby Trust (Jersey Trust) Limited.

EMI scheme – means the JUST EAT Enterprise Management Incentive scheme.

EPOS – means electronic point of sale technology used by takeaway restaurants.

EPS – means earnings per share.

ETR – means effective tax rate.

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

Executive Directors – means David Buttress and Mike Wroe.

Glossary of Terms continued

FBA – means FBA Invest SaS, the Group's French subsidiary which trades as ALLORESTO.fr, through its subsidiary. Eat On Line Sa.

FRC – means the Financial Reporting Council.

Full Time Equivalent ("FTE") – the number of employees after factoring in reduced hours worked by part time staff.

FVTPL – means fair value through profit or loss.

GHG – means greenhouse gas.

Group – means JUST EAT plc and its subsidiary undertakings (as defined by the Companies Act 2006).

HMRC – means Her Majesty's Revenue & Customs.

IAS – means International Accounting Standard(s).

IF-JE – means IF-JE Participações Ltda, the Group's Brazilian associate undertaking.

IFRS IC – means International Financial Reporting Standards Interpretations Committee.

IFRS – means International Financial Reporting Standard(s) as adopted for use in the European Union.

IP – means Intellectual Property.

IPO – means Initial Public Offering of the Company's Ordinary Shares immediately post Admission on 8 April 2014.

Just Connect Terminal ("JCT") – technology provided to takeaway restaurants who sign up, which enables them to receive orders from JUST EAT.

JUST EAT – means the Group or JUST EAT plc and its subsidiary undertakings (as defined by the Companies Act 2006).

JSOP – means the JUST EAT Joint Share Ownership Plan.

KPI – means Key Performance Indicator.

Mobile device – means smartphones, tablets and any other handheld computing device, or any of them or all of them.

Non-Executive Directors – means the Non-Executive Directors of the Company designated as such on pages 44 and 45.

Ordinary Shares – means the Ordinary Shares with a nominal value of £0.01 each in the share capital of the Company.

Prospectus – means the Company's prospectus dated 3 April 2014 prepared in connection with the Company's Admission.

R&D – means Research and Development.

SERP – means Search Engine Results Page.

Shareholder – means a holder for the time being of Ordinary shares of the Company.

SIP – means the Share Incentive Plan.

Takeaway restaurant – any restaurant signed up to JUST EAT, offering either delivery or collection services via the JUST EAT websites or apps.

The Code – means the UK Corporate Governance Code published by the FRC September 2012, as in force from time to time.

TSR – means total shareholder return – the growth in value of a shareholding over a specified period, assuming that dividends are reinvested to purchase additional shares.

Underlying EBITDA – is the main measure of profit used by management to assess the performance of the Group's businesses. It is defined as earnings before finance income and costs, taxation, depreciation and amortisation ("EBITDA"), additionally excluding the Group's share of depreciation and amortisation of joint ventures and associates, long-term employee incentive costs, exceptional items, foreign currency translation differences and "other gains and losses" (being profits or losses arising on the disposal and deemed disposal of operations, and fair value gains and losses on financial assets classified as fair value through profit or loss).

At a segmental level, Underlying EBITDA also excludes intra-group franchise fee arrangements and incorporates an allocation of Group technology and central costs (both of which net out on a consolidated level).

UK GAAP – means UK Generally Accepted Accounting Practice.

VAT – means Value Added Taxation.

Company Information

Company Secretary
Tony Hunter

Company number
06947854

Registered office
Masters House
107 Hammersmith Road
London
W14 0QH

Website
www.just-eat.com/investors

Corporate Advisers

Bankers
Barclays Bank plc

Solicitors
Bird & Bird LLP
Herbert Smith Freehills LLP

Auditor
Deloitte LLP

Joint brokers
Goldman Sachs
J.P.Morgan Securities plc

Registrar
Equiniti Limited

Notes

Notes

Our brand journey…

Belly & Brain
In 2009, JUST EAT launched its first major marketing push, creating two animated characters, Belly and Brain. The campaign targeted busy people in their 20's, principally students, gamers and professionals. "Belly", representing a hungry stomach, and "Brain" who knows how to "order takeaway the smart way".

The "Don't Cook, JUST EAT"
In 2012, the marketing team launched a global campaign to ban cooking. The "Don't Cook, JUST EAT" campaign launched on several platforms, and centred around Mr. Mozzarella and a fictional crew of takeaway chefs. The brand success meant we soon overtook Domino's Pizza as the top-of-mind-brand for "delivered takeaway". We also won several marketing awards, including a 2013 SABRE award for Best Guerrilla Marketing. Campaigns included standing in the Corby by-election and the high-profile "kidnapping" of celebrity chef Antony Worrall Thompson.

#minifistpump

Don't cook JUST EAT

Just-Eat

Following the success of "Don't Cook, JUST EAT", the resulting growth in orders and awareness was such that we needed to extend our target audience demographic aimed more toward young professionals and families.

Our new brand
Our campaign, **#minifistpump**, launched in September 2014. It better reflects our purpose and values, appealing to a broader audience.

The #minifistpump personifies that momentary, yet wonderful feeling you get when ordering takeaway from JUST EAT. It also plays well with countless small victories in other areas of everyday life. The campaign naturally lends itself to all communication channels, including TV, radio, outdoor, digital and social media.

JUST EAT

JUST EAT plc
Fleet Place House 2 Fleet Place London EC4M 7RF United Kingdom
www.just-eat.com

JUST EAT plc Annual Report & Accounts 2014