Creating the world's greatest food community

JUST EAT plc

Company number
06947854

Annual Report & Accounts 2017

Delivering more choice and convenience to create the world's greatest food community

Our vision is to create the world's greatest food community

For our **Customers**, it is about offering them the widest choice – whatever, whenever and wherever they want to eat.

» *Read more about our Customers on page 7*

For our **Restaurant Partners**, we help them to reach more Customers, support their businesses and improve standards in the industry.

» *Read more about our Restaurant Partners on page 21*

For our **People**, it is being part of an amazing global team, helping to connect 21.5 million Active Customers with our 82,300 Restaurant Partners.

» *Read more about our People on page 37*

Strategic report

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Front cover
Golden Dragon Chinese Takeaway & Off Licence, established in Port Tennant, Swansea in 2005, serves a new generation of Chinese food with restaurant quality cuisine at takeaway prices.

A year of strong execution

Financial highlights

Orders[1]

+26%

17	172.4m
16	136.4m
15	96.2m

Revenue[1]

+45%

17	£546.3m
16	£375.7m
15	£247.6m

Underlying EBITDA[1,2]

+42%

17	£163.5m
16	£115.3m
15	£59.7m

Operating (loss)/profit

-200%

17	£(72.5)m
16	£72.5m
15	£35.5m

Net operating cash flow

+72%

17	£166.7m
16	£97.0m
15	£74.2m

Underlying EBITDA margin[2]

-3%

17	29.9%
16	30.7%
15	24.1%

(Loss)/profit before tax

-183%

17	£(76.0)m
16	£91.3m
15	£34.6m

Adjusted basic earnings per share[2]

+38%

17	16.8p
16	12.2p
15	6.6p

Basic earnings per share

-242%

17	(15.2)p
16	10.7p
15	3.8p

1 Highlights that are key performance indicators are detailed further on page 19.

2 Refer to Note 2e of the financial statements on page 97 for full definition of adjusted measures. Refer to the reconciliation of uEBITDA on page 29 and of Adjusted EPS on page 34

Summary

- Excellent Group performance underpinned by strong execution across our markets.
- UK business continues to excel and is further strengthened by the acquisition of Hungryhouse.
- Continued strong momentum internationally.
- Strong cash flow leaves us in a position of great strength, enabling investment in significant new opportunities.

"The bedrock of our business model is offering Customers the widest possible range of restaurants and the best possible ordering experience in every market where we operate."

Peter Plumb
Chief Executive Officer

>> *Read more about our key performance indicators on page 19*

Creating the world's greatest food community

Restaurant Partners

Our network starts here. Restaurant supply is crucial. Our success is linked to the breadth and depth of the cuisine we offer as well as the commitment and coverage of our estate.

Restaurants will want to join the platform if they feel it will create value for their businesses – both top line and bottom line. Our scale, technology and marketing programmes all contribute to that value creation.

Number of restaurants at the end of 2017

82,300 +20%

Customers

Greater convenience, choice and increasingly, quality of service has resulted in Customers embracing delivered food as a feature of their daily lives.

Of our key 18–34 year-old Customers, the largest single group are young families who typically place orders of higher value.

Number of Active Customers at the end of 2017

21.5m +22%

The Customer journey

Postcode
The Just Eat apps and websites enable Customers to search for restaurants on our network in their neighbourhood using a variety of criteria, such as by cuisine choice and preference for delivery or collection.

Choose restaurant
Customers can then make an informed choice by reading Customer reviews and examining the menu. Once placed, details of the order are sent to the restaurant via our proprietary technology.

Payment method
The Customer can choose either to pay securely online or by cash. The Customer receives a notification once the restaurant has accepted the order.

Delivery method
Once processed through an Orderpad, the Customer receives a notification when the delivery is on its way, unless they have chosen to collect their order.

Why invest in Just Eat?

- Large and growing market
- Known and loved brands
- Scale drives leverage and long-term profitability
- Strong operational execution
- Ongoing technology innovation
- Low average market penetration
- Sustainable double-digit growth
- Highly cash-generative operating model

» *Read more about the marketplace in which we operate on pages 16 and 17*

Our global coverage

Canada

Mexico

Brazil

Australia

New Zealand

Profitable territory
Investment territory
No presence

Outside of the UK and Australia & New Zealand, our segments are:

Established Markets		*Developing Markets*
Canada	Ireland	Italy
Denmark	Norway	Mexico
France	Switzerland	Spain

The Group's associate in Latin America, iFood, also has a presence in Colombia and Argentina. In addition, our Canadian business, SkipTheDishes has a small operation in the USA.

Delivering more food choice for our Customers

People love takeaway food. We offer a vast choice of restaurants and cuisines, and a convenient and easy to use digital platform.

Just Eat has built its business by having the widest choice of traditional foods available on our platforms, from great local restaurants, imaginative pop-ups and renowned international branded chains. This exciting variety is what continues to drive Customer loyalty.

13,800

Net restaurants added during the year

Over 100

Number of different cuisine types available on Just Eat

A year of strong execution

A year of strong operational progress
In 2017, Just Eat achieved another year of strong trading, whilst our industry continues to benefit from rapid change. Advancements in technology, compounded by notable societal shifts, are changing consumer buying habits. Technology is also having a positive impact on the restaurants we serve, helping to enlarge their customer base and provide the tools to operate more efficiently and dynamically.

Against this backdrop, I am pleased with the Group's excellent results for the year ended 31 December 2017.

During the year, we enjoyed strong organic growth and continued to make progress with the integration of the acquired Canadian business, SkipTheDishes. We also received regulatory approval for our acquisition of Hungryhouse in the UK, which we subsequently completed on 31 January 2018.

Our strategy is based on providing an unbeatable takeaway experience for both our Customers and Restaurant Partners. As a technology business, we will continue to invest in innovation and to partner with others in order to enhance our Customers' experience and create additional value for our Restaurant Partners.

The restaurants with whom we work are primarily small independent businesses that form part of a rapidly growing industry. In the UK alone, the takeaway industry was worth more than £10 billion in 2017 and employed more than 230,000 local people. We are proud to work closely with our partners to support their growth and the service that they offer to people throughout the country every day.

For our shareholders, between being admitted to trading on the London Stock Exchange in April 2014 and the end of December 2017, the Company's share price increased by more than 200%. As a consequence, the Company joined the FTSE 100 Index during the year, allowing shareholders to benefit from the additional liquidity and enhanced profile which this confers.

An outstanding team
The results we have reported for the year are a reflection of the Company's leadership and also the strength of the wider Executive Team – all achieved against what can only be described as a difficult set of circumstances.

In February 2017, David Buttress announced that he was stepping down from his role as Chief Executive Officer. Our then Chairman, John Hughes, assumed the temporary role of Executive Chairman only to step down shortly thereafter due to ill health. John subsequently passed away on 12 June 2017, following a short period of medical treatment. John had been Chairman since December 2011 and played a fundamental role in the successful development of Just Eat as first a private and then a public company for five and a half years.

Following John Hughes stepping down, the Board and I asked Paul Harrison to act as Interim Chief Executive Officer and I would like to thank Paul for his outstanding management of the business during a period of significant uncertainty.

We were pleased to appoint Peter Plumb as Chief Executive Officer with effect from 18 September 2017. Peter has a successful track record of running customer-focused, high-growth technology companies, and this experience will prove invaluable as we continue to build our business in the coming years.

As is evident, the Group has been through an exceptional amount of change this year and I would like to thank my fellow Directors and the entire Just Eat team for their hard work and professionalism, which have contributed to our continued success over the period. Just Eat's ambitious culture is one of the Group's key strengths and it is pleasing that this has been maintained through this period of transition.

» *Read more about corporate governance on page **44***

Corporate governance and other Board developments
The Board seeks to operate the highest standards of corporate governance. In a business enjoying strong growth in a fast-moving sector, we seek to implement a governance structure that encourages growth and appropriate risk taking, while ensuring appropriate controls are in place. We believe that we have once again struck the right balance for this in 2017.

Alistair Cox joined the Board as an Independent Non-executive Director on 2 May 2017. As Chief Executive Officer of recruitment specialist Hays plc, Alistair brings extensive experience in both technology and talent management within the UK listed sector.

On 2 March 2018, we announced that Mike Evans will join the Board on 6 March 2018 as an Independent Non-executive Director and Chairman elect. His appointment as Non-executive Chairman will be effective from the conclusion of the Company's Annual General Meeting on 26 April 2018. Effective from the same date, David Buttress will retire from the Board as a Non-executive Director.

Whilst our entry into the FTSE 100 generated headlines, we were also pleased to have become a constituent of the FTSE4Good Index Series, which measures the performance of companies demonstrating strong environmental, social and governance ("ESG") practices.

Looking ahead
We will continue to build our business in the current year, striking the right balance between investment and risk. In doing so, we are confident of continuing to drive sustainable, profitable growth and creating lasting value for all our stakeholders. The Group is strongly positioned for the future.

Andrew Griffith
Interim Non-executive Chairman
5 March 2018

Dr. John Hughes, 1952–2017

For more than thirty years, John was a leading figure in the international business and technology communities. He held senior executive positions at many of the world's foremost technology businesses and since 2008 had focused on advising and steering several of the UK's most successful growth companies. As we saw in his work for a number of businesses and initiatives both public and private, commercial and not-for-profit – he passionately believed in the UK as a place to found, scale and list companies and he inspired a host of entrepreneurs to fulfil their own ambitions. We would like to pay tribute to his extraordinary talents, his many accomplishments, and his outstanding contribution to the business landscape.

We were proud to recognise John's legacy in 2017 by sponsoring an award in his name at the UK tech awards, reflecting John's passion for supporting entrepreneurs in the technology sector and championing the UK as a home for thriving technology businesses. Within Just Eat, we presented the John Hughes Award, to reflect John's commitment to high standards and an infectious passion for Just Eat. The first recipient being Amanda Roche-Kelly, Ireland Country Manager, who was recognised for the way in which she inspires her team and goes above and beyond to make a difference every day.

Connecting Customers to the restaurants they want

I was delighted to join the Just Eat team in September. It is a real privilege to lead such a high growth, global company at an exciting time both for the business and our sector.

Since joining Just Eat, I have spent time with our energised colleagues and met many of our Customers and Restaurant Partners, listening closely to their views on what the Group is doing right and how we can improve. I have learned a huge amount through this process and been inspired by what I have heard.

Having grown and led a marketplace business before, my initial focus has been to fully understand the value we are able to offer our different consumers, being Customers who buy their food through us and Restaurant Partners who rely on our service to grow orders and run a better, more profitable business. A winning marketplace demands that our value proposition to these important constituencies remains a restless ambition for everyone at Just Eat. As well-financed, new operators enter the market with innovative services and platforms, and as Customer behaviour and restaurant expectations evolve, this is truer than ever before.

Key highlights and learnings from 2017

2017 was a year of great change and achievement for Just Eat. There were significant changes in the Company's leadership, with David Buttress stepping back from the position of Chief Executive Officer and the sad loss of our long-standing Chairman, John Hughes.

However, the extraordinary culture of Just Eat, the quality and resilience of the team and outstanding stewardship of Chief Financial Officer, Paul Harrison, throughout this period meant that Just Eat continued to thrive.

Over the period, the business processed 172.4 million orders, up 26% from 21.5 million Active Customers, via 82,300 Restaurant Partners around the world. This resulted in total revenue of £546.3 million, up 45% and Underlying EBITDA ("uEBITDA") of £163.5 million, up 42%. However, a loss before tax of £76.0 million was due to a non-cash impairment charge relating to our Australia & New Zealand businesses, which were acquired in 2015. The primary causes of the impairment were: the instability of the two legacy platforms; being behind plan with the platform migration and brand consolidation; and the impact on the business from a new competitor that rapidly launched delivery services in key cities such as Sydney and Melbourne.

» *Read our financial statements on pages 90 to 94*

Just Eat's global footprint is a key strength

The bedrock of our business model is offering Customers the widest possible range of restaurants and the best possible ordering experience in every market where we operate. Each country has different characteristics, providing significant opportunities to apply learnings across the Group.

We grew our restaurant estate by 20% during the year, and it was pleasing to see particular growth in countries such as Italy, where Just Eat is now available in over 700 towns and cities from Sicily to the Alps.

Our Customer base also grew strongly, with an additional 3.9 million people using the platform in 2017, bringing the total to 21.5 million Active Customers. Spain, France and Italy, in particular, attracted an impressive number of new Customers to their high growth businesses.

Our marketing strategy

In 2017, the global marketing strategy continued to drive brand fame and targeted those consumer segments who still order their takeaway using the telephone. Our brand spend of £23 million was supported by our entrepreneurial country teams investing in local high profile projects including Dublin bikes and the Geneva and Milan trams.

In the UK, we were proud sponsors of The X Factor, helping drive up our awareness levels to new highs. Our sponsorship activity featured many of our Restaurant Partners, the true local heroes of our business.

We finished the year with nine markets featuring our new brand identity, driving an increase in brand awareness. In January 2018, we renamed our French business to Just Eat from Allo Resto to better reflect our app- focused strategy.

Increased brand investment continued to build Customer awareness

Just Eat has enviable brand power, particularly in its home market of the UK. With an increased brand investment in 2017 to £23 million, the team rolled out Just Eat's new high impact identity 'colour ray' across the majority of our countries, increasing awareness amongst the mass market customer base.

2017 was not only about global brand power but also local connections and engagement. In Ireland, the Just Eat team pioneered the sponsorship of the Dublin bike scheme and in Switzerland we sponsored the Geneva tramway service – just two examples of the creativity of our local country teams.

In the UK, we proudly sponsored The X Factor, which caught the imagination of our Customers and brilliantly captured the talent of our local restaurant owners and staff, some of whom were featured in the show's advertising breaks.

Our brands need to be loved and the nature of the service is that we are available and used pretty much everywhere our Customers go. These innovative marketing initiatives help us be just that, part of everyone's daily lives when and where they need us.

Just Eat provides an easy, convenient way to enjoy a much loved takeaway

Our Customers have different reasons for ordering a takeaway, but I hear a number of themes being repeated. "We call it treat night", "I just don't want to worry about the shopping and cooking", "It's a chance for us to bond after a really busy week" and "I'm home alone with nobody around – it's nice to have a takeaway". People love their takeaway. The majority of these Customers are 18–34-year olds who live their lives on their smartphone.

One of the most vital services we provide to our small, family run Restaurant Partners is digital expertise. Our value-add to these entrepreneurs is to give every one of them a high impact online presence at a scale they couldn't possibly do on their own. This is the true power of the Just Eat marketplace, connecting the right restaurants to the right customers, at the right time, on the right device.

Just Eat provides an easy, convenient way to enjoy a much loved takeaway *continued*
The opportunity to make more of these connections is significant. In the markets where we operate today, we estimate that there are still more than 30 million people who are yet to order a takeaway online with us. For those who already use Just Eat, we want to continue improving their experience by personalising our service, which will build brand loyalty. We have already had some success here; last year, we applied learnings from Ireland to grow order frequency in Switzerland by 25%. Whilst such improvements are gratifying, I believe there is more we can do.

Our People are special and the team is growing fast
I had high expectations of the Just Eat culture when I joined the business. Having now settled in to my role and experienced my first World Party, attended by 1,100 Just Eaters from around the world, I have not been disappointed. The passion and energy in this Company is inspiring.

Last year, more than 900 talented people joined Just Eat, building our team to over 2,900, and we have made great efforts to ensure Just Eat is an even better place to work, with refurbished offices, new online training and development tools, and a more balanced benefits package for our colleagues.

These investments are clearly resonating with our team.

Delivery trials are investments in our future
Just Eat has been the pioneering company in our sector, effectively creating the market for restaurants to connect with Customers online and then growing it for nearly two decades. However, as the industry evolves, and shifts in society and technology change how people live their lives, 2017 was a year when we started to 'test and learn' new concepts. We began trials to extend our model to provide delivery services to certain Quick Service Restaurant ("QSR") chains, offering a three-sided marketplace where we believe there is real economic value to be derived.

Denmark, our most mature business, expanded the Just Delivery service to six key cities, adding seven new restaurant chains to our portfolio. It now represents around 6% of orders in the country and is proving to be both highly popular with Customers and profitable for our Danish business.

SkipTheDishes, the Canadian business we acquired in late 2016, is already a sophisticated delivery business, harnessing machine learning technology to predict demand for both couriers and restaurants with increasing accuracy across Canada. The results so far are impressive and, as a result, Canada has become the second largest business in the Group by revenue.

We have been undertaking further trials with third parties in other markets, where we have been varying the nature of the model to take into account local characteristics. We have learned a significant amount through this period as we seek to adopt the most sustainable and profitable route to use delivery to complement our core marketplace model of connecting local restaurants to their local communities.

Our strategy in 2018 and beyond
As a new CEO, what excites me most is where we are heading.

The global takeaway market is worth £540 billion; those markets in which we operate are alone worth £23 billion. This is testament to people's love of takeaway and the vast choice of restaurants and cuisines available to them. It is clearly an exciting industry.

But with our success, competitors have of course followed and are starting to change the game.

Therefore, three key themes are front of mind as we lay down our plans for the next three years:

1. Marketplace: Digest our acquisitions and innovate to go faster.
2. Delivery: Engineered to complement not replace the marketplace.
3. Organisation: A world-class digitally led global team, supporting extraordinary local Customer experts.

Marketplace: We have 21.5 million Active Customers who love our marketplace service. There are certainly many geographies, regions and most importantly Customers for whom our existing marketplace model is the perfect service and will remain so for years to come. However, we know we can make our current service so much better. We are in the early days of integrating our businesses into one high performing, efficient Group.

» *Read more about our People on page 38*

Our technology and data investment programmes are in their first phases and our brands have much further to climb if we are to become a loved part of each and every one of our Customer's lives. Apps, data, customer service and Restaurant Services will certainly be on my list for continued investment and innovation in the years ahead.

Delivery: From what we have seen, we believe it is possible to establish delivery models that can be both viable and profitable in the longer term. In order to meet the needs of certain Customers, they are necessary. Engineering such a service we estimate would open up an additional £18 billion market of QSR chains to the Group. Clearly it is a market we would be foolish to ignore in our strategic planning. The expertise of our SkipTheDishes team will be invaluable as we explore taking their model to new markets around the world.

Organisation: We have a great team with an extraordinary culture. Our local teams have close relationships with Customers and Restaurant Partners that make all the difference between ourselves and our competitors. To continue to add value to our Restaurant Partners we need to be world class in the digital market and forensically focused on Customers both in our service offering and our marketing tools. This will open more exciting career paths for all who work for us.

So, our mission is to lead the industry by pioneering a unique and engaging hybrid offering for our Customers in the geographies where delivery will complement our successful marketplace model and not just replace it. We will think hard before going head-first into pure delivery-only territories and redouble our efforts to ensure our heartland marketplace service both sets the standards and exceeds the expectations of our Customers and Restaurant Partners.

Strategic investment will therefore need to increase. It will be focused on driving long-term order growth and earning Customer loyalty for the Group across our markets, based on what our core mass market of takeaway Customers around the world tell us they want and need.

I look forward to sharing more of what I have learned and the growth plans we have developed.

Pages 2 to 43 of the Annual Report form the Strategic Report.

On behalf of the Board

Peter Plumb

Peter Plumb
Chief Executive Officer
5 March 2018

Our restaurant technology

Orderpad is our exclusive restaurant technology platform that enables our Restaurant Partners to receive Just Eat orders, to manage their online presence and communicate with Customers regarding their order status. It also provides the restaurant with order management and driver tracking functionality.

In 2017 we continued the international rollout of Orderpad, finishing the year with 23,300 devices deployed in the UK, Canada, Denmark, Ireland, Italy and Spain. At the end of the year, 69% of orders in those markets were being processed through an Orderpad and 67% of those had 'order on its way' messages sent to the Customer.

We will accelerate the rollout of Orderpads in 2018.

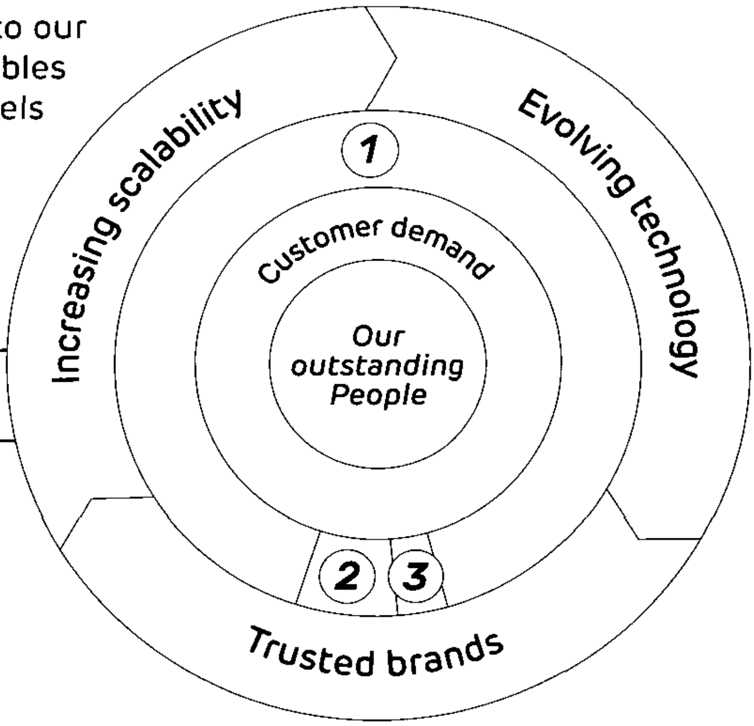
Creating value for our stakeholders

Just Eat operates a highly scalable business model with a beneficial cash flow cycle, creating value for our Customers, Restaurant Partners, People and Shareholders, by increasing revenue and profits over time.

The strength of our core marketplace business supports investment into our brand and technology. It also enables the development of delivery models to expand the size of our addressable market.

Our key strengths

Our revenue split



1

Order-driven
Accounted for 92% of Group revenue (2016: 92%). Commission paid by Restaurant Partners on successful orders, service charges and delivery fees.

Commission revenue is driven by the number of orders placed, average order value ("AOV") and commission rates, agreed with each restaurant.

92%

of total revenue

2

Top-placement revenue
Eligible Restaurant Partners may also pay for promotional top-placement on the Just Eat platform and are listed in a clearly labelled sponsored slot at the top of search results in a particular postcode for a period of up to 12 weeks. The number of slots are limited and the restaurant must meet certain quality and performance standards. Such payments constituted 6% of the Group's revenue (2016: 5%).

6%

of total revenue

3

Connection fees and other revenue
One-off connection fees to join the Just Eat network and other services such as branded commodity products accounted for 2% of the Group's revenue (2016: 3%). Connection fees range globally from £nil to £750, depending on geography and market maturity.

These fees are charged to cover the cost of hardware installed into the restaurant and the sales and on-boarding process.

2%

of total revenue

Restaurant Partners

- Access to Just Eat gives our Restaurant Partners increased orders of higher value
- Access to a global brand and leading-edge digital technology to maximise their business reach
- More efficient order processing by reducing time and communication errors
- Restaurant Services programme, providing exclusive deals and discounts to our restaurant estate
- Provision of operational data through our partner centre

Total order value processed in 2017

£3.3bn

Average orders per restaurant in 2017

2,300

Customers

- A simple ordering process enabling Customers to select from favourite local restaurants or repeat orders and pay with securely stored payment card details or cash
- Convenience of placing an order via apps, gaming platforms, smart TVs and social media platforms
- Huge choice, including many popular QSR chains, supported by millions of relevant Customer reviews
- Reassurance of ordering from a well-known brand and having access to customer service through Just Eat's online or offline support

Reviews on our platform

32.2m

Net new Active Customers in 2017

3.9m

Our People

- Just Eat's corporate culture embodies our entrepreneurial spirit
- The growth of the business has provided many opportunities for existing and new colleagues and we continue to invest in developing and retaining our People and strengthening the team
- We continue to develop the passion, diversity and skills of 2,900 employees as this is key to ours and their success

Employees who are proud to say they work at Just Eat

82%

Employees who understand how their role contributes to Just Eat's success

85%

Shareholders

- Driving long-term value for our shareholders by building sustainable brands and resilient businesses
- High growth sector supported by secular trends
- Strong organic growth and investing for future opportunities

Increase in share price since IPO[1]

200%

Average market penetration

14%

»Read more about how we do business responsibly on pages 42 to 43

1 260 pence to 787 pence (closing price as at 31 December 2017)

We operate in markets of scale with significant structural growth drivers

Our marketplace is exciting, fast growing and rapidly evolving, driven by broad, long-term consumer trends as people seek greater food convenience and choice.

The optimal market for Just Eat is one with a strong culture of delivered takeaway food, with a highly fragmented supply side and where the consumer is comfortable transacting online. This has been key in choosing those territories in which we invest. Just Eat now operates the leading marketplace platform in each country we operate, together worth £23.1 billion[1] of delivered takeaway food. The UK is the largest single market at £6.1 billion[1].

Since the first Just Eat website was launched in Denmark in 2001, we have expanded globally and now operate in the UK, Australia, Brazil, Canada, France, Ireland, Italy, Mexico, New Zealand, Norway, Spain and Switzerland.

Whilst the UK is the largest of Just Eat's operations, our international markets now represent 44% of Group revenue.

In the UK, online ordering has grown faster than GDP, driven by the factors listed above[2]. This channel shift is similar to the migration towards the use of the internet by Customers in other highly fragmented markets, such as travel, financial products, entertainment tickets, classified advertising and restaurant bookings.

In our markets, around half[1] of takeaway orders for delivery are still placed on the telephone, demonstrating the opportunity for Just Eat to convert those Customers to ordering on our platform.

Whilst the UK is one of the most developed markets in the world, the £3.3 billion of order value processed through Just Eat globally represented only 14% of our total addressable market.

Growth
Whilst we continue to focus on driving strong organic growth, we will consider M&A to compliment our operations, whilst remaining financially disciplined.

We made no acquisitions in 2017, instead we focused on making progress with the integration of our acquired Canadian business, SkipTheDishes. We also gained UK regulatory approval for our acquisition of Hungryhouse, which occurred in December 2017 and which we completed on 31 January 2018. Lastly, we are migrating our Australian business onto our core platform and then consolidating the market into a single brand.

What is the future?
We remain focused on the significant potential for Just Eat to increase its orders, revenue and operating profits within our current markets based on the relatively low Customer penetration in most countries.

» Read more about our global coverage on page 5

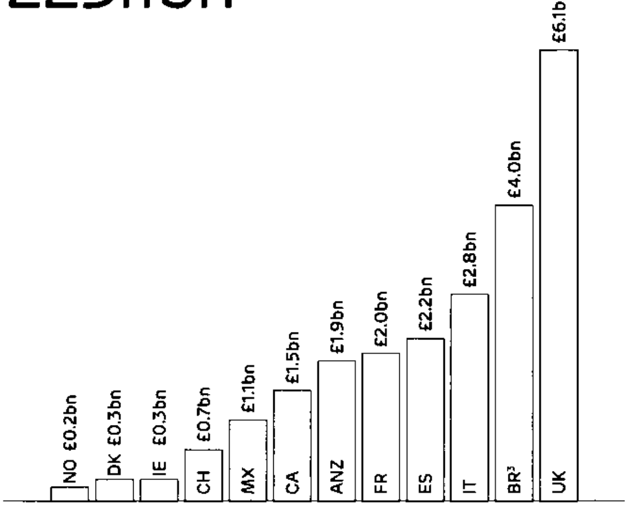
» Read more about our strategy on page 18

1. Source management estimate based on research performed.
2. Source: "Consumer Foodservice in the UK" by Euromonitor and EIU
3. On a 100% ownership basis.

However, as consumers evolve, particularly with respect to QSR chains, we believe there are significant opportunities to develop our delivery capabilities further into a hybrid marketplace model, offering restaurant delivery supplemented by third-party delivery from certain QSR chains and to also develop non-dinner offerings to drive frequency. There is also significant potential to utilise our scale and significant data resources for the benefit of both our Restaurant Partners and Customers.

A single brand
We operate under the Just Eat brand in the majority of our markets. The remainder operate under the strong local brands they traded under at the time the businesses were acquired. Over the medium-term we intend to convert our wholly owned marketplaces to the Just Eat brand.

Our total market opportunity
£23.1bn[1]



The UK takeaway sector is a thriving engine of growth

In July 2017, Just Eat spearheaded the founding of the British Takeaway Campaign ("BTC"). The campaign provides a platform for the industry to showcase its growing contribution to the UK economy as well as to lobby government on industry issues. The BTC is backed by major industry bodies representing fish and chip shops, kebab and curry houses, pizzerias and many more independent takeaway restaurants across the country.

The BTC published the "Takeaway Economy Report" to highlight the economic contribution of the industry. As the report shows, the sector continues to grow well above the rate of the rest of the economy. Total UK spending on takeaways reached £9.9 billion in 2016 – a 34% increase on 2009. In the same period, the sector created 41,000 new jobs and now employs more than 230,000 people across the UK.

For more information about the BTC, visit: www.britishtakeawaycampaign.co.uk.

Our strategic initiatives

Our strategy is focused on three interlinking pillars that work individually and collectively to drive future growth and provide an unbeatable takeaway experience for both our Customers and Restaurant Partners.

	What we're doing	Why it's important
1 *Improving Customer experience*	• In 2017 we invested £12.6 million primarily on improving our service reliability around the world, particularly with many of our newly acquired businesses, and simplifying the restaurant sign-up process. • Over 77% of UK orders were processed via Orderpad, enabling the "order on its way" notification, which helps to drive Customer loyalty. We continue our international rollout of this technology. • Reviews can only be placed following a completed order, offering valuable insight. At 31 December 2017, we had 32.2 million reviews across all our platforms.	• Stability, security and scalability of our platforms are key to ensuring that Customer orders get through to our Restaurant Partners. • As our Customers' expectations evolve over time, the design and Customer experience of our platform must keep pace.
2 *Bringing greater choice*	• A rapidly emerging secondary market for Just Eat are QSRs, who see the valuable growth potential offered by home delivery and aggregator exposure. In 2017, apart from expanding SkipTheDishes into more than 50 additional Canadian markets, we conducted a number of pilots in different geographies to develop a hybrid model that allows us to continue to work with restaurants that do their own delivery, as well as those that require logistics expertise. • Increasing the number of restaurants from which our Customers can order drives demand and increases dining opportunities. We finished the year with 82,300 Restaurant Partners (2016: 68,500).	• Over time, offering greater choice and having restaurants that also trade at breakfast and lunchtime is expected to drive Customer order frequency. • Working with selective and relevant non-delivery restaurants significantly increases the addressable market in which we operate, which increases the opportunity to scale the business.
3 *Building our brand to drive channel shift*	• Following the launch of our new brand identity in the UK in September 2016, we rebranded a further seven international markets in 2017, and in January 2018 we renamed our French business Just Eat. • In the UK we were proud to sponsor The X Factor, showcasing the talents of many of our Restaurant Partners, whilst we expanded our reach in Dublin, Geneva and Milan by sponsoring high visibility public mass transit systems.	• In the majority of our markets, the shift from telephone to online ordering is still in its early stages, which offers significant opportunity for future growth. App adoption also varies by market and is still growing, with 50% of Group orders placed via apps (2016: 44%). • Brand investment increases awareness amongst our mass market Customer base, and contributes to Customer loyalty.

Measuring our success

The success of our strategy is measured through a select set of key performance indicators ("KPIs"). These ensure we focus our resources appropriately.

Orders

+26%

17	172.4m
16	136.4m
15	96.2m

Definition and calculation
Number of successful orders placed.

Purpose
The number of orders the Group processes for our Restaurants Partners is a direct measure of performance.

Link to strategy

1 2 3

Revenue

+45%

17	£546.3m
16	£375.7m
15	£247.6m

Definition and calculation
Total of all revenue generated by the Group.

Purpose
Revenue enables the Group to measure top-line growth, resource levels, investment needs and ultimately determine the viability of the business.

Link to strategy

1 2 3

Underlying EBITDA

+42%

17	£163.5m
16	£115.3m
15	£59.7m

Definition and calculation
Earnings before interest, tax, depreciation and amortisation, additionally adjusted as disclosed in Note 2e of the financial statements.

Purpose
This measure enables the Group's operational and segmental performance to be understood, accurately reflecting key drivers for long-term profitability. Refer to Note 2e of the financial statements on page 97 for a full definition of adjusted measures.

Link to strategy

1 2 3

Average revenue per order ("ARPO")

+13%

17	£2.92
16	£2.59
15	£2.35

Definition and calculation
Total of commission revenue, service charges and delivery fees, divided by total orders.

Purpose
ARPO is a key driver of revenue, along with the number of orders processed.

Link to strategy

2

Active Customers

+22%

17	21.5m
16	17.6m
15	13.4m

Definition and calculation
Number of Customers who have placed at least one order within the last 12 months at the reporting date.

Purpose
Increasing the number of Active Customers is one outcome the Group uses to measure the successful level of channel shift from offline to digital ordering.

Link to strategy

1 2 3

Number of restaurants

+20%

17	82,300
16	68,500
15	61,500

Definition and calculation
The number of Restaurant Partners capable of taking orders across all Just Eat platforms at the reporting date.

Purpose
One element of providing greater choice to Customers is to enable access onto our platforms to a growing number of restaurants and cuisine types.

Link to strategy

1 2 3

Delivering more benefits for our Restaurant Partners

Our Restaurant Partners are typically owned and run by entrepreneurial families who both cook and deliver the food to our Customers. Input cost inflation and shortages of skilled labour, particularly chefs, is making life tougher for many of these important local businesses.

Apart from supporting their top-line growth through our unrivalled digital marketplace, we use our scale to partner with key suppliers in the restaurant industry to provide exclusive deals that offer valuable support to their bottom line via our Restaurant Services programme.

We will continue to invest in developing better technology to help our partners offer a better Customer experience and operate more efficiently.

2,300

Average orders per Restaurant Partner in 2017

£3.3bn

Total order value processed in 2017

Rigorous risk management is a key driver to sustainable success

Our values extend into our attitude towards identifying, understanding and responding to the principal risks we face.

The Board carries out robust assessments of the principal risks facing the Group. These include those that would threaten its business model, future performance, solvency or liquidity to ensure the principal risks and uncertainties are properly identified, evaluated, prioritised and addressed.

During the course of the year, the Board defined the Group's risk appetite and monitored the management of significant risks to ensure that the nature and extent of those significant risks did not compromise the Group's overall goals and strategic objectives.

The Group's risk appetite influences the culture of our business and how we operate, and this is reflected in our risk management framework as detailed below.

New risks were identified and existing risks assessed over the course of the year as the Group's overall risk profile continued to evolve. Through our strategic review process in 2017, the Executive Team and the Board ensured that risk management was fully embedded to balance opportunities with a clear understanding of the risks faced and any mitigation required to align to the Group's risk appetite.

In presenting the principal risks on the following pages, the Board has sought to enhance disclosures, providing greater detail around strategic context, mitigation, key risk indicators, categorisation and ownership. Further, certain risks have been disaggregated to provide greater focus and clarity, whilst additional risks have been added to augment the view of our principal risk universe. No risks from 2016 were removed. A summary of additional risks is provided below:

Service experience – Online technology is driving significant changes in Customer and Restaurant Partner behaviour. This risk addresses the uncertainty related to introducing new, innovative service features whilst our competitors do the same.

Brand – Following the Group's significant growth in recent years, this inherent risk, whilst stable, has proportionately grown to now be included as a principal risk. This is supported through significant marketing budgets and Just Eat's public profile as a leading food-related marketplace business.

People and culture – Following significant changes in the leadership team, there is greater risk of change across the Group's management layers, which can create uncertainty and has the potential to be disruptive.

Global economic and political headwinds – There is a trend towards greater global uncertainty and risk, and as Just Eat serves consumers and conducts its operations across several markets and countries, it requires representation as a principal risk.

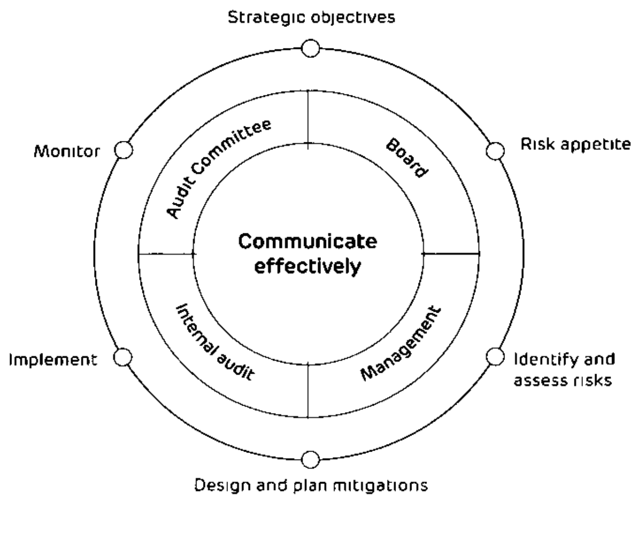
Certain business risks we face, such as those disclosed within Note 33, are generally faced by other comparable online businesses. There are also additional risks that the Group is exposed to that are not considered principal risks but may have an adverse impact if they occur.

Risk management framework
The exposure to risk is an inherent part of running a business and the Board recognises that rigorous safeguards and a sound risk management process are required to mitigate such risks. Risk is an agenda item at Board meetings and the overall process for identifying and assessing business risks and managing their impact on the Group is continually under Board review.

The risk management process follows a sequence of risk identification and assessment of probability and impact. An owner is then assigned to each risk to manage mitigation activities.

The Executive Team supports the Board in monitoring our risk exposure through regular reviews and a register is kept of all corporate risks. The risk register and the methodology applied are the subject of continuous review by senior management and are updated to reflect new and developing risks that might impact the business. Where exposure is outside of our risk appetite, the issue is communicated to the Board alongside proposed actions to mitigate the risk.

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



Viability statement
In accordance with provision C.2.2 of the 2014 revision of the Code, the Board assessed the prospects of the Company over a longer period than the 12 months required by the 'Going Concern' provision. This assessment involved a robust review of the principal risks facing the Company and Group, particularly those which could impact solvency, performance or the Group's business model. The Board conducted this review for a period of three years, which was selected for the following reasons:

- the Group's strategic plan covers a three-year period; and
- the significant growth profile anticipated for the Group both organically and by acquisition means that forecasting beyond three years is more subjective; hence, the Board believes a three-year period is the most appropriate.

The three-year strategic plan considers the Group's cash flows, uEBITDA, investment in areas such as marketing and technology and other key financial ratios over the period. These metrics are subject to sensitivity analysis, which involves flexing a number of the main assumptions underlying the forecast both individually and in unison to ensure the business is still viable in a stressed environment and any additional financing requirements are identified.

The sensitised scenarios model the impact of the Group's principal risks materialising. For example, this includes a fall in orders due to a total outage from an unmitigated technology failure (Technology Resilience), an unexpected change in legislation (Regulation and Legislation) and a sudden and sustained inability to process card payments (Service Experience), as well as downside impacts that may result from competition, brand and global headwinds. Mitigating factors to address these risks, which would include a reduction in marketing spend, delaying/removing discretionary payments and a headcount freeze, have not been modelled. The risks, together with a lack of mitigation, have been combined to form a "reasonable worst case" scenario.

The three-year strategic plan does not include cash flows in respect of future mergers and acquisitions that have not completed by the date of signing. The Board has assumed that any decisions on future acquisitions will have regard to the Company's financial position and future cash flows at that time, and that funds will be raised if needed in order for the Company to be able to continue in operation and meet its liabilities as they fall due.

The loss recognised in the current year is caused by the non-cash impairment charge taken against the carrying value of goodwill in the Australia & New Zealand cash-generating unit. It has not had an impact on cash generation.

Based on the results of this analysis, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment and are pleased with how the Company is positioned for its longer-term future.

Going concern
In adopting a going concern basis for preparing the financial statements, the Directors have made appropriate enquiries and have considered the Group's cash flows, liquidity position, borrowing facilities and business activities as set out on page 97, in Note 33 to the Group's financial statements on pages 130 to 134, and the Group's principal risks and uncertainties as set out on pages 22 to 27.

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.

Key to principal risks table on pages 24 to 27

Category – We categorise risks to better understand the spectrum, and scale of risks that fall into certain groupings

Owner – The primary Executive Team member accountable for the risk.

Risk movement – Considered on a net basis, recognising changes in both gross risk measurement and the offset of any advancements or regression in mitigation

Key risk indicators – Metrics and criteria used by management to understand both risk exposure and effectiveness of mitigation

EU referendum ("Brexit") update

The Group has continued to monitor developments and potential impacts that Brexit may have on our performance and results. We also reference our work with the British Takeaway Campaign, which seeks to represent the views of the industry, and which has driven dialogue and a greater understanding of the potential risks and implications that Brexit may bring. It also represents the industry in discussions with political stakeholders as post-Brexit policy is developed.

Whilst there is still macroeconomic uncertainty as negotiations continue, we have concluded that Brexit risks continue to fall below our criteria for inclusion as a principal risk. We provide a summary of the potential direct and indirect impacts we have considered in arriving at this conclusion:

Potential direct implications

Currency risk
A further weakening of sterling would serve to increase our reported revenue. Our growing international business now accounts for 44% of total Group revenue. However, certain investments and expenditure are non-sterling, which would have the impact of reducing profit.

Consumer spending
Adverse economic conditions arising out of increased inflation or interest rates, could impact consumers. However, our experience is that the takeaway industry is resilient and that consumers may exchange takeaways as an alternative to more expensive out-of-home dining.

Potential indirect implications

Skills shortages
Restrictive changes to UK migration policy has the potential to add further burden to an existing skills shortage within the restaurant and takeaway industry. This could impact short-term industry performance but perhaps more importantly could impact the longer-term growth of our industry.

Cost of food
Changes in tariffs and potential adoption of WTO rules could have a material impact on the cost of imported food for the industry. Uncertainty regarding EU farming subsidies and the UK food manufacturing industry's dependency on migrant workers increases the risk further. This knock-on impact to our Restaurant Partners may adversely impact our commercial terms with them.

Principal risks and uncertainties *continued*

	What is the risk and impact?	What is the strategic context?
Competition Category: Strategic Owner: Chief Executive Officer	**An inability to offer compelling service propositions to Customers and Restaurant Partners allows competitors to threaten our position in our markets.** This could adversely impact market share, growth, revenue, margin and overall profitability.	Leadership in each of our markets is important to achieving scale. Extending our position through providing a wider choice to our Customers, including offering delivery for selected QSR chains, is central to our strategic growth plan. This risk has increased as we consider the growing scale and funding of logistics providers and the marketplace/margin impacts of the consequential entry of QSR chains into the delivery market.
Service experience Category: Technology Owner: Chief Technology Officer	**The user experience on our platforms fails to meet the evolving expectations of either our Customers or Restaurant Partners and is not a positive differentiator against competitors.** This could impact our brand, Customer and Restaurant Partner experience and loyalty and ultimately market share, revenue and profitability.	Greater confidence with technology and information is revolutionising consumer behaviour and the way businesses are partnering with each other to leverage market opportunities. Offering a compelling online experience to meet the increasing demands of both Customers and our Restaurant Partners is critical to brand loyalty and driving growth.
Regulation and legislation Category: Regulatory Owner: Chief Executive Officer	**New, changed or reinterpreted laws and regulations adversely impact the business, or we fail to obtain required regulatory approvals or licences.** Impacts include compromised revenue streams and/or increased cost of operations. Additionally, instances of non-compliance or adverse judgements could result in brand and reputational loss, along with litigation, fines, revocation of licences and financial loss.	Our role within the food industry across several markets exposes us to a spectrum of laws and regulations, increasing the inherent risks. Food safety and payment services regulations are examples of applicable areas, but more broadly competition (anti-trust), bribery, modern slavery, money laundering, consumer protection and taxation (including EC State Aid investigations and ongoing tax disputes). This risk increases as changes such as GDPR and PSD2 are brought into law across European markets.
Brand Category: Reputational Owner: Chief Marketing Officer	**A single event inflicts considerable harm to our brand, or an ineffectual brand strategy weakens our brand or its authenticity over the longer term.** A significant decline in brand value would result in the loss of new and existing Customers and Restaurant Partners, impacting orders, revenue and overall profitability.	Eating is a fundamental human pleasure in our Customers' lives and it is therefore essential that they, along with our Restaurant Partners, value, endorse and associate with us, what we do and what we represent in society. In response to this, our brand and what we do to promote and protect it is central to our strategic plans.
Cyber security and data protection Category: Operational Owner: Chief Technology Officer	**We sustain a major cyber security breach.** A major cyber security breach has the potential to cause significant operational disruption, data theft or destruction, malicious damage and/or theft of assets. Following such an incident, it is probable that the reputational and operational impacts would weaken orders, revenue and underlying profitability.	It is critical to maintaining our Customers' and Restaurant Partners' experience and trust that we provide secure systems on which they can transact. Our platforms are pivotal to the enablement of our services. Therefore it is essential that we develop a strong cyber security capability and that we continue to invest in enhancing systems to meet the changing nature of this risk. In so doing, we also need to ensure that we retain a balance between robust security and ease of use and that it does not impact the speed to market of any key online service features.

Key 1 Improving Customer experience 2 Bringing greater choice 3 Building brand to drive channel shift

Change	Links to strategic focus areas	How is the risk managed?	Key risk indicators?
↗	1 2 3	**Rigorous business modelling and pilots** – We rigorously model and pilot new propositions to market. **Business intelligence** – We closely monitor territory performance through advanced analytics. **Dedicated delivery initiatives** – We are investing in and accelerating rollout of our delivery propositions.	• Order volumes/ growth trends. • Net new customers. • Customer satisfaction and loyalty levels. • Restaurant satisfaction and loyalty levels. • Delivery revenue. • Driver cost per order. • Overall order margins.
↗	1 2 3	**Consumer and partner product development teams** – We have dedicated teams continuously innovating and developing new features for our services. **Service platform consolidation** – We are undertaking discrete initiatives to bring further markets onto a single platform to focus development and enhance our agility in bringing features to market. **Our product focus** – Our product development is the fastest growing technology area as we prioritise spend in our strategic plan.	• Customer satisfaction and loyalty levels. • Restaurant satisfaction and loyalty levels.
↗	2 3	**Monitoring** – Our in-house legal, finance, tax and compliance functions monitor new and evolving risks. **Evaluation** – Where required, external specialists supplement our teams to assess, scope and plan responses to changes in the regulatory landscape. **Compliance projects** – We create multi-discipline project teams to address larger compliance needs such as GDPR and PSD2 legislation.	• Internal operational compliance reporting. • Internal audit findings.
↔	1 2 3	**Brand ownership and strategy** – Senior accountability, strategies and plans exist to enhance and protect our brand. **Crisis management** – Management and communication plans are established to minimise brand damage following an adverse event. **Proactive initiatives** – We live our brand values, we are involved in initiatives such as the BTC, Sustainable Restaurant Association and the Better Fast Food Network. **Protocols and organisation** – Skilled teams operate within established brand policies and guidelines.	• Customer satisfaction and loyalty levels. • Restaurant satisfaction and loyalty levels. • Ongoing market research metrics.
↔	1 2	**Security and data teams** – We continue to invest in building our security and data teams to support systems design and development, and the monitoring of operations. **Attack management systems** – We have dedicated solutions in operation **Penetration testing and vulnerability management** – Our teams perform ongoing work to identify and resolve network vulnerabilities. **Identity management** – We continue to invest in advancing our identity management capabilities, which significantly reduces vulnerability across user and systems accounts. **Incident and event management** – We continue to enhance our incident and event management systems and have specialist teams that manage responses to cyber incidents.	• Volumes/trends of prevented attacks. • Cyber response incident levels and root causes. • Network health and status of critical updates. • Levels of obsolete/vendor unsupported systems in use. • Internal audit findings.

↔ Risk stable ↗ Risk increased ↘ Risk decreased

Principal risks and uncertainties *continued*

Technology resilience

Category: Infrastructure

Owner:
Chief Technology Officer

What is the risk and impact?

Widespread and/or prolonged outage of critical platforms and infrastructure that support our services to Customers and Restaurant Partners.

Due to the online nature of our businesses, large-scale outages would have an immediate impact on orders and revenue as Customers would be unable to transact with us. Thereafter, the impact to our brand could deepen if we were unable to pass collected revenue back to our partners or pay our suppliers.

What is the strategic context?

Offering services that are available and robust is critical to our Customers' and Restaurant Partners' experience. Consequently, if we are to enjoy their trust, it is imperative that we innovate and operate with a resilience mindset. We have progressed well in improving our resilience capability during 2017.

Our technology profile includes large data-processing platforms enabled through cloud infrastructure, which offers the resilience and scalability of highly redundant architecture, but inherently brings with it cyber, networking and computing risks.

Growth and scalability

Category: Organisational

Owners:
Chief Executive Officer and Chief People Officer

What is the risk and impact?

In response to our continued growth and change in corporate profile, we encounter challenges in adapting our operating model to successfully balance innovation and agility against maturing our operations and enterprise-wide governance.

This could impact the execution of our strategic initiatives, as well as impact our ability to leverage operational cost efficiencies.

What is the strategic context?

Our larger corporate profile brings with it inherent structural, process and governance challenges that require us to evolve to remain effective in exploiting market opportunities and be efficient with our resources.

As we execute our strategic plan, it is essential that we concurrently focus on organising ourselves for success.

Business integration and reorganisation

Category: Organisational

Owners:
Chief Executive Officer and Chief Financial Officer

What is the risk and impact?

The integration of newly acquired businesses and our reorganisation of existing businesses is met with significant challenges and delays.

The adverse impacts may include greater resource utilisation and costs to complete such projects, as well as the opportunity costs of operating fragmented or sub-optimal organisational structures.

What is the strategic context?

Newly acquired businesses, such as SkipTheDishes and Hungryhouse, require integration into the Group. Integrations are inherently complex and therefore form discrete initiatives within our strategy.

As we grow, certain existing businesses also require reorganising to leverage our global scale. These exercises also form part of our strategy.

People and culture

Category: Organisational

Owner: Chief People Officer

What is the risk and impact?

Key talent leaves the business and/or our talent acquisition strategy is ineffective in filling strategic roles.

The loss of key talent has the potential to be disruptive, particularly for positions of leadership. Together with acquisition risk, this can delay and therefore jeopardise the execution and achievement of strategic objectives.

What is the strategic context?

We have had significant changes across our senior leadership team over the past 18 months. As this also brings about cultural change, we can expect a degree of attrition from existing talent. This risk is a new addition to the principal risks for 2017.

Talent management forms a key pillar of our People strategy to ensure both retention and timely acquisition of talent meets the needs of our growing organisation.

Global economic and political headwinds

Category: Financial

Owner:
Chief Financial Officer

What is the risk and impact?

Significant economic or political events weaken order volumes and/or growth projections in one or more of our markets, or threaten to disrupt our operations.

Economic and political factors have the potential to represent both opportunities and risks. For example, UK consumers' "trade down" behaviour was seen to benefit takeaways during the 2007-2012 global recession. Nonetheless, a particularly deep and prolonged event has the potential to change behaviours, which could adversely impact revenue and underlying profitability.

What is the strategic context?

It is widely accepted that the world has entered a more volatile state in recent years with increased economic and political uncertainty. Due to the wide-reaching and systemic nature of this risk, it is strategically important for us to understand that we have taken all necessary steps within our control to mitigate it.

This risk has the potential to impact performance in one or more markets, disrupt operations and potentially threaten the safety of personnel working for us, or on our behalf.

Key 1 Improving Customer experience 2 Bringing greater choice 3 Building brand to drive channel shift

Change	Links to strategic focus areas	How is the risk managed?	Key risk indicators?
↘	1 2 3	**Architecture** – Our platforms are all hosted on Amazon Web Services on a 'three site basis' to provide multi-site resilience and failovers to reduce the risk of major outages and to enable rapid restoration of services. **Monitoring** – Our specialist technology teams provide 24/7 monitoring of our platforms and respond to outages. **Business recovery** – We have implemented recovery plans to minimise disruptions and facilitate the resumption of services.	• Systems availability/ percent uptime levels. • Backup success metrics. • Outage root cause and problem management metrics. • Results of business recovery exercises.
↗	1 2 3	**The right leadership** – We have recruited a number of senior leaders who bring with them experience and thought leadership, which will enable us to accelerate organisational change and to address skill set, process and technology gaps in our operational capability. **Organisational design** – We have a set of organisational design initiatives within our strategy to minimise this risk.	• Operational costs per order. • Status of organisational design initiatives.
↔	1 2	**Project management** – We manage integrations and reorganisations from concept to execution as projects to ensure appropriate governance, structure and accountability is wrapped around them. **Executive sponsorship** – Our Executive Team members act in a steering and decision-making role to help the projects overcome any obstacles.	• Order levels and trends for specific businesses. • Project progress reporting. • Project governance compliance levels.
↗	2 3	**Talent board** – Provides leadership and decision making on investing, succession planning and managing our talent pipeline. **Capability management** – Mapping of existing capabilities to defined talent standards allows a view on strengths, development areas and risks. **Organisational design** – Ongoing progress in enhancing our organisation to be efficient and forward looking in planning for human resources.	• Levels of existing talent. • Number of critical vacancies. • Capability trend analysis. • Ageing of unfulfilled roles.
↗	1 2 3	**Impact assessments** – When events such as the referendum on "Brexit" occur, we conduct analysis to understand possible impacts and to mobilise action plans as necessary. **Cash investments** – We restrict investments of liquid resources to AAA-rated money market funds and lodge deposits with approved counterparties. **Diversification across the globe** – In recent years we have diversified our global footprint, with the consequent advantage of reducing our reliance on primary markets. **Financial planning** – We conduct rigorous financial planning to manage and monitor cost versus revenue performance.	• Net new customers. • Order growth. • Reorder frequencies. • Acquisition cost of new customers. • Restaurant churn rates.

↔ Risk stable   ↗ Risk increased   ↘ Risk decreased

Continuing our track record of strong operational performance

Overview

Group revenue grew 45% year-on-year to £546.3 million (2016: £375.7 million). The Group generated a loss before tax of £76.0 million (2016: £91.3 million profit) after incurring a non-cash impairment charge against goodwill of £180.4 million in relation to the carrying value of the Australia & New Zealand businesses. uEBITDA grew 42% to £163.5 million (2016: £115.3 million) with a margin of 30% (2016: 31%) demonstrating continued profitable growth. Cash flows continue to be strong, with uEBITDA converting to operating cash flows (excluding amounts owing to restaurants) at 91% (2016: 93%).

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Continuing operations		
Revenue	**546.3**	375.7
Cost of sales	**(96.0)**	(35.2)
Gross profit	**450.3**	340.5
Long-term employee incentive costs	**(6.6)**	(3.1)
Exceptional items[1]	**(191.1)**	(14.6)
Other administrative expenses	**(324.5)**	(250.2)
Total administrative expenses	**(522.2)**	(267.9)
Share of results of associates	**(0.6)**	(0.1)
Operating (loss)/profit	**(72.5)**	72.5
Other gains and losses	**(2.0)**	18.8
Finance income	**0.7**	0.6
Finance costs	**(2.2)**	(0.6)
(Loss)/profit before tax	**(76.0)**	91.3
Taxation	**(27.5)**	(19.9)
(Loss)/profit for the year	**(103.5)**	71.4
Basic EPS (pence per share)	**(15.2)**	10.7
Adjusted basic EPS (pence per share)[2]	**16.8**	12.2

1 Includes impairment charges of £180.4 million.

2 Refer to Note 2e of the financial statements on page 97 for a full definition of adjusted measures Refer to the reconciliation of uEBITDA on page 29 and of Adjusted EPS on page 34

3. Applying the foreign exchange rates used in the current year to the results of the prior period

"The Group's revenue growth continued to be strong. This was driven by order growth, increasing average revenue per order and ancillary revenues."

Paul Harrison
Chief Financial Officer

Revenue

Group revenue was driven by order growth, increasing revenue per order and an increase in ancillary revenue. Orders grew by 26% year-on-year, with a strong performance across the Group. The UK achieved 19% year-on-year order growth, which was at the top end of our stated expectations. The international businesses grew orders 40% year-on-year and now generate 39% of Group orders (2016: 35%) as they continue to drive scale in their underpenetrated markets. Group average revenue per order ("ARPO") increased by 13% to £2.92 from £2.59, principally driven by a larger proportion of delivery orders, a higher average order value ("AOV") and an increase in the average restaurant commission rate. Ancillary revenue now represents 8% of Group revenue. Top-placement, the main contributor to this revenue stream, grew 60% year-on-year and now represents 6% of Group revenue (2016: 5%). The Group's revenue also benefited from the movement in foreign exchange rates, contributing £10.0 million in the year[3].

Underlying EBITDA[2]

The Group's uEBITDA was up 42% to £163.5 million (2016: £115.3 million). Operating expenditure such as marketing, overheads and people costs all continued to be leveraged as the business continued to grow. In 2017, these costs grew 27% and now represent 52% of revenue (2016: 60%). This significant operational leverage was used to fund investments in further developing our logistics capabilities, notably in Canada through SkipTheDishes and in the UK through delivery trials.

The income statement includes some significant fluctuations that are not considered part of normal business operations. These are removed from operating profit to arrive at uEBITDA. We believe this 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 or one-off in nature and that do not impact the Group's underlying trading performance. A reconciliation between operating profit and uEBITDA is shown below:

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Operating (loss)/profit	**(72.5)**	72.5
Depreciation and amortisation	**38.4**	24.3
Long-term employee incentive costs	**6.6**	3.1
Exceptional items[1]	**191.1**	14.6
Net foreign exchange (gains)/losses	**(0.5)**	0.2
Share of results from associates below uEBITDA	**0.4**	0.6
uEBITDA[2]	**163.5**	115.3

The uEBITDA measure converts strongly to net operating cash flow due to the beneficial working capital cycle of the Group's business model. In the calculation of cash conversion, we have excluded cash due to be remitted to our Restaurant Partners as we do not consider this as part of our day-to-day operating cash balance.

In 2017, 91% of uEBITDA converted to cash (2016: 93%). The close relationship between uEBITDA and cash demonstrates why management continue to use uEBITDA to assess operational and segmental performance.

Conclusion and integration of acquisitions

Following the announcement, in December 2016, of the intention to acquire Hungryhouse in the UK, the business obtained regulatory approval from the Competition and Markets Authority ("CMA") to conclude the transaction. The positive decision was announced in November 2017, and the transaction completed on 31 January 2018. As with other in-market acquisitions, we plan to integrate this company into the Group to generate additional scale and realise operational synergies.

SkipTheDishes was acquired in December 2016. It has had a very successful year, growing orders 264% year-on-year and assisted Canada to become the third country in the Group to pass the one million orders a month milestone. It has meaningfully contributed to the revenue performance of the Group and, accordingly, we will continue to invest into the Canadian market to deliver strong order growth. The business has demonstrated that, should the conditions be suitable, logistics providers can generate positive, albeit smaller, uEBITDA margins after an initial investment phase.

Goodwill in Australia & New Zealand

At the beginning of 2017, the Group announced its objectives for the Australian business. These included the consolidation of the two operating brands (Menulog and Eat Now) as well as moving the business from two legacy operating systems onto the core Just Eat platform. The platform migration is now complete and the transition to one brand has begun. The change in the platform also necessitated changes to the operating and finance systems.

The Australian market is unique in the Just Eat portfolio with a substantial part of the population living in Sydney and Melbourne. This characteristic makes Australia an attractive market for competitors with the consequence that Australia is today one of our most competitive markets. Furthermore, success is partly dependent on our ability to add delivery capability to complement our marketplace business.

The change in platform offers the businesses in Australia & New Zealand ("ANZ") the potential to integrate with the SkipTheDishes platform. Along with the additional security, scalability and stability that the new platform brings, this integration will be crucial to ensure the continued growth in the ANZ market through the addition of the logistics capability. The technology built by SkipTheDishes allows forecasting of consumer demand, driver allocation and delivery times with very high levels of accuracy. Whilst it will take time to deploy, it is this technology, when launched in Australia, that will place the business in a good position for solid future growth.

Whilst these initiatives are intended to create a much stronger business in Australia, International Financial Reporting Standards require the Group to book a non-cash impairment charge against the goodwill included in the carrying value of the ANZ businesses. This £180.4 million charge reduces the carrying value to £302.2 million.

Loss/profit before tax

The loss before tax for the year was £76.0 million (2016: profit of £91.3 million). This was principally the result of the £180.4 million non-cash impairment charge. Adjusting for this, the result would have been a profit before tax of £104.4 million.

Segmental review

	Year ended 31 December 2017 million	Year ended 31 December 2016 million
Segment orders		
United Kingdom	**105.0**	88.1
Australia & New Zealand	**15.2**	13.8
Established Markets	**33.0**	21.6
Developing Markets	**19.2**	12.9
Total orders	**172.4**	136.4

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Net revenue		
United Kingdom	**303.8**	237.1
Australia & New Zealand	**49.8**	36.8
Established Markets	**148.3**	75.5
Developing Markets	**44.4**	26.2
Total segment revenue	**546.3**	375.6
Head office	**–**	0.1
Total revenue	**546.3**	375.7

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
uEBITDA (See Note 2e)		
United Kingdom	**155.4**	121.8
Australia & New Zealand	**17.3**	7.6
Established Markets	**11.7**	13.3
Developing Markets	**(3.7)**	(13.7)
Total segment uEBITDA	**180.7**	129.0
Share of uEBITDA from associates	**(0.2)**	0.5
Head office	**(17.0)**	(14.2)
Total uEBITDA	**163.5**	115.3

The Group has continued to report four operating segments, these being the UK, Australia & New Zealand, Established Markets and Developing Markets.

Established Markets comprise Canada, Denmark, France, Ireland, Norway and Switzerland. The countries in this segment are mostly further advanced towards maturity. With the exception of Canada, the countries in this segment are profitable with increasing scale expected to drive further profitability over the mid term. SkipTheDishes has been included in the Established Markets segment as it was a Canadian in-market acquisition. This has helped the growth rates of this segment, but had a detrimental impact on margins as we have invested in establishing a presence in several new cities and towns in Canada.

Developing Markets comprise Italy, Mexico and Spain. The countries in this segment are our earlier-stage markets and are much less penetrated than the other segments. These countries are experiencing high rates of growth, and profitability will only follow once further share of the online takeaway delivery market is achieved.

The result of each segment includes its fully allocated share of central technology, product and head office costs.

United Kingdom

It has been another year of success in the UK business. Several operational records were broken, a new flagship television sponsorship was announced, a new industry body to support our restaurant community was formed and the business began working closely with a number of international QSR chains.

Revenue was up 28% to £303.8 million (2016: £237.1 million), whilst uEBITDA grew 28% to £155.4 million (2016: £121.8 million).

This success has been achieved through a combination of strategies, focused on improving both Customer demand and restaurant supply. The key achievements that contributed to success in the year include:

- increasing the number of UK Active Customers at 31 December 2017 to 10.5 million, up 14% (2016: 9.2 million);
- the number of UK orders from mobile devices increasing to 85% (2016: 80%), including 50% from app (2016: 46%). This shift helps increase Customer loyalty and frequency;
- an increase of 6% in ARPO helped by the full year effect of the 100 bps increase in the standard commission rate in April 2016;
- securing and activating sponsorship of The X Factor television show, which helped improve brand awareness and recognition. The show finale was a record order night for the UK business;
- growing the number of restaurants on the platform to 28,400 by adding both independent and QSR chains to the supply. The increase in logistical capability has helped supplement the amount of choice available to our Customers, which has helped increase the number of dining occasions available; and
- continuing to deepen relationships with our Restaurant Partners through ancillary service offerings, data analytics, partner centre and marketing campaigns such as "Local Legends", which highlights and promotes those restaurants that demonstrate great customer service.

All of these factors contributed to orders increasing by 19% to 105.0 million (2016: 88.1 million). Whilst order growth remains strong, as expected, it has slowed and will continue to slow given the scale of the UK business. This year's order growth is at the top end of our stated expectations.

Broadening the reach of our platform to QSR chains is one of the ways we continue to drive order growth. This initiative accelerated during the year such that logistics revenue comprised 1.6% of total UK revenue (2016: 0.2%). In tandem with order growth, we continue to focus on maximising revenue by offering a growing selection of mutually beneficial ancillary services to our Restaurant Partners.

The strength and operational leverage of our core marketplace business resulted in uEBITDA margin being maintained at 51%, despite the incremental investment into delivery logistics. Spend in the three major cost categories of people, marketing and overheads reduced as a percentage of revenue by 400bps. This was offset by the increased expenditure associated with logistics. In the year, the UK business invested £12.2 million into the delivery pilots and trials with QSR chains.

International segments

The success of the UK business continues to demonstrate the long-term value of the positions we have built across the remainder of our portfolio. Whilst other markets have not yet achieved the same relative scale as the UK, several markets have already shown profitable growth and significant uEBITDA margins. This reinforces our belief in scaling to maximise the strength of our business model.

International segment revenue grew by 75% to £242.5 million (2016: £138.5 million). On a constant currency basis, this was year-on-year growth of 63%.

Australia & New Zealand

In March 2017, we set out the agenda that lay ahead for our Australia and New Zealand businesses. There has been significant focus from both the local and UK based technology, operational and finance teams. The technology teams have been focused on upgrading both countries onto the Just Eat core platform. A key reason is that the legacy platforms could not accommodate the increasing peak order volumes nor the addition of delivery services which we see as essential in order to compete in this market. Along with the new logistics capabilities, these changes will bring additional security, scalability and stability to the business.

Our team is now working on combining the two legacy brands under the better-known Menulog name. During the migration, marketing spend was scaled back pending deployment when the transformation was complete. Consequently, in 2017 revenue reached £49.8 million (2016: £36.8 million) growing 35% year-on-year or 25% on a constant currency basis. Operating leverage in the business, together with the reduction in marketing spend noted above, resulted in a significant increase in uEBITDA, which was up 128% to £17.3 million (2016: £7.6 million).

We continue to work on reducing the dependence of the business on the two major cities. This has helped mitigate some of the impact of logistics providers, who are typically concentrated in those locations and has better positioned us as a national business that can deliver sustainable growth in the future.

Established Markets

This segment combines six countries with a range of growth rates that represent similar relative maturity and market positions. The impact of SkipTheDishes in this segment helped accelerate growth such that the Established markets segment grew revenue by 96% to £148.3 million (2016: £75.5 million) and generated uEBITDA of £11.7 million (2016: £13.3 million).

The SkipTheDishes business has had a phenomenal year and its results have had a significant impact on this segment's results. Whilst in aggregate, the other markets in this segment (excluding Benelux) experienced year-on-year order growth of 22%, SkipTheDishes enjoyed pro forma order growth[1] of 264%, making it our fastest growing business. It has continued its expansion across Canada, successfully activating supply, creating demand and building the necessary courier network to service orders. It is funding this expansion, into 57 new towns and cities in 2017, that required investment. In summary, SkipTheDishes generated revenue of £50.4 million and an uEBITDA loss of £8.5 million in 2017.

Our French, Irish, Norwegian and Swiss businesses all performed to plan, and our Danish business delivered its 17th successive year of order growth and has again achieved double-digit revenue growth on a constant currency basis. The other businesses each had record years for revenue and uEBITDA.

Combined, the segment grew orders by 53% and revenue by 96% year-on-year. The constant currency growth was 84%, or 26% excluding the impact of SkipTheDishes and Benelux. As with the UK, the three major cost categories have all leveraged with this growth such that they reduced as a percentage of revenue by 900bps. It is the impact of logistics, and their naturally lower margins, that has caused the year-on-year uEBITDA margin to contract to 8% (2016: 18%). The net impact of this on uEBITDA is a contraction of £1.6 million to £11.7 million (2016: £13.3 million).

1 Pro forma order growth compares 2017 orders with full year 2016 orders, including those processed pre-acquisition.

Developing Markets
This segment consists of the high potential, but earlier-stage markets of Spain, Italy and Mexico.

Revenue from these countries was up 69% to £44.4 million (2016: £26.2 million), or 59% on a constant currency basis. This led to a 73% reduction in uEBITDA losses to £3.7 million (2016: £13.7 million). Together, Spain and Italy accounted for 98% of segmental revenue.

Both sides of the marketplace continue to thrive. Orders grew 49% year-on-year assisted by the continuing expansion into new towns and cities on the supply side and increased app adoption and successful marketing campaigns increasing the number of Active Customers on the demand side. Currently, 59% orders are now placed via the app (2016: 53%). In total, Active Customers increased 36% to 3.0 million (2016: 2.2 million).

Whilst these markets remain considerably underpenetrated, our focus is to continue adding significant numbers of new Customers and Restaurant Partners to drive channel shift and increase market share.

Share of results from associates
The Group's associate, iFood, remains the clear market leader in Brazil, delivering an excellent performance in 2017. It generated revenue of £76.2 million (2016: £28.8 million). This 165% increase (130% increase on a constant currency basis) was driven by a 124% increase in orders to 54.3 million (2016: 24.2 million).

Brazil has significant long-term potential and the success of the local team in capturing this potential has resulted in the creation of a very valuable asset in Brazil, which is not reflected in the Group's headline numbers. As shares in this business become available, we have continued to purchase our full allocation. As a result, we now own 32% of the iFood operation (2016: 30%).

Head office costs
Head office costs were £17.0 million (2016: £14.2 million), reflecting the increase in headcount required to build a great technology company and run an international group.

These include both the ongoing central costs of operating the Group as a whole and those functions required for efficiency of shared expertise, such as finance, legal, marketing, people and the operational data teams. 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 those costs that remain after such allocations.

We invested £78.8 million (2016: £47.0 million) into our central product and technology team, which is either capitalised or allocated to the businesses that use the core technology. This includes the full cost of support and development including all hosting, maintenance, innovation and engineering. The size of the team was maintained at 345 people (2016: 360 people) and continues to be an area of significant investment as we seek to improve both the Customer and restaurant experience.

We increased spend on innovation to enhance future growth rates and profitability. When these costs meet the relevant requirements they are capitalised. Specific, identifiable development costs totalling £18.8 million were capitalised in the year (2016: £10.5 million). Projects where we have invested include the Australia migration, combining the core Just Eat platforms into one global base, building a 'fail-over' site and integrating logistics in order to begin the UK trials with QSR chains.

Items outside of uEBITDA

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Amortisation – Acquired intangible assets	**24.4**	15.5
Depreciation and amortisation – Other assets	**14.0**	8.8
Long-term employee incentive costs	**6.6**	3.1
Exceptional items	**191.1**	14.6
Net foreign exchange (gains)/losses	**(0.5)**	0.2
Share of results from associates below uEBITDA	**0.4**	0.6

Amortisation – acquired intangible assets
The amortisation charge principally related to the intangibles gained as a result of acquisitions completed by the Group over recent years. The total charge for 2017 was £24.4 million (2016: £15.5 million). The increase reflects the full year impact of acquisitions completed in 2016.

Depreciation and amortisation – other assets
The depreciation charges principally related to JCT and Orderpad terminals that are operated in the majority of the restaurants on the Just Eat network. The amortisation charges principally related to the internal development of the Group's platforms. The year-on-year increase in this charge reflects the higher levels of coverage of the Orderpad terminals in restaurants and the increased levels of capitalised technology development costs incurred.

Long-term employee incentive costs
Long-term employee incentive costs of £6.6 million (2016: £3.1 million) primarily related to share awards granted to employees, recognised over the vesting period of the awards.

Exceptional items
Exceptional items of £191.1 million in the current year primarily consisted of the £180.4 million ANZ impairment charge. A further £9.0 million related to accrued consideration, separate to the acquisition consideration, for SkipTheDishes management providing certain services to the Group post-completion, including knowledge sharing regarding operating a delivery function at scale. The remaining costs predominantly related to M&A transaction costs incurred in relation to the acquisition of Hungryhouse.

Costs incurred in the prior year consisted of M&A transaction costs and acquisition costs relating to ANZ and the businesses acquired in Spain, Italy, Brazil and Mexico.

Foreign exchange
A net foreign exchange gain of £0.5 million (2016: £0.2 million loss) arose due to retranslating monetary assets and liabilities not in the functional currency of the subsidiary.

Items below operating profit
Other gains and losses
The business has recorded a mix of non-operational gains and losses on several items during the current and prior years.

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Gain on disposal of Benelux businesses	—	18.7
Movement in minority shareholders' buy-out provision	**(0.5)**	—
Loss on derivative financial instruments	**(0.4)**	—
Fair value loss on contingent consideration	**(1.1)**	—
Fair value gains on available-for-sale investments	—	0.5
Other gains/(losses)	—	(0.4)
Net other (losses)/gains	**(2.0)**	18.8

In 2016, the Group recognised a gain of £18.7 million on the sale of its Benelux business.

Net finance costs
The net finance costs of £1.5 million (2016: £nil) results from interests on deposits held worth £0.7 million (2016: £0.6 million) less finance costs of £2.2 million (2016: £0.6 million). In 2017, the costs increased due to the release of capitalised fees incurred in setting up the Group's previous £200 million revolving credit facility, as it was replaced in the current year by the £350 million facility.

Taxation
The Group's total income tax charge, which is comprised of current and deferred tax, increased to £27.5 million (2016: £19.9 million), resulting in an effective tax rate ("ETR") of -36.2% (2016: +21.8%). The negative ETR is a result of the non-cash, IFRS-based impairment charge against the carrying value of goodwill, which is a non-deductible expense for tax purposes. The ETR on underlying profits after adjusting for the impact of long-term employee incentive costs, exceptional items (including impairment charges), other gains and losses, foreign exchange gains and losses, and amortisation in respect of acquired intangible assets was +23.7% (2016: +23.4%), which is reflective of the significant current tax on profits generated in the UK, Denmark, France, Switzerland and Ireland.

As a result of the Group's growing global footprint, the changing global tax environment and income taxes arising in numerous jurisdictions, there are some transactions for which the ultimate tax determination is uncertain during the ordinary course of business. The calculation of the Group's total tax charge involves estimation and judgement in respect of certain matters where the tax impact is uncertain until a conclusion is reached with the relevant tax authority or through a legal process. Resolving tax issues can take several years and it is not always within the control of the Group. Current tax liabilities are recognised for uncertain tax positions when the Group has a present obligation as a result of a past event and it is probable that there will be a future outflow of funds to a tax authority. These may be, for example, in respect of enquires raised and additional tax assessments issued. The provision held in relation to uncertain tax items totals £17.4 million at the year ended 31 December 2017 (2016: £9.8 million). Included within the uncertain tax provision, is an amount relating to an ongoing transfer pricing audit in Denmark, which has been appealed to the UK and Danish Competent Authorities through a Mutual Agreement Procedure.

"Brazil has significant long-term potential and the success of the local team in capturing this potential has resulted in the creation of a very valuable asset."

Paul Harrison
Chief Financial Officer

Earnings per share

Adjusted basic EPS was 16.8 pence (2016: 12.2 pence), an increase of 38%. Adjusted basic EPS is calculated using the adjusted profit attributable to the equity shareholders as set out in the table below. The adjusted EPS has increased year-on-year due to higher adjusted profits, partially offset by an increase in the weighted average number of Ordinary shares.

Basic EPS declined by 242% to a loss per share of 15.2 pence (2016: 10.7 pence profit). The loss followed the non-cash impairment charge required under International Financial Reporting Standards.

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
(Loss)/profit attributable to equity shareholders	**(102.7)**	71.7
Long-term employee incentive costs	**6.6**	3.1
Exceptional items	**191.1**	14.6
Other gains and losses	**2.0**	(18.8)
Net foreign exchange (gains)/losses	**(0.5)**	0.2
Amortisation in respect of acquired intangible assets	**24.4**	15.5
Share of results from associates below uEBITDA	**0.4**	0.3
Tax impact of the adjusting items	**(7.6)**	(5.0)
Adjusted profit attributable to equity shareholders	**113.7**	81.6
Weighted average number of Ordinary shares for basic earnings per share ('000)	**676,844**	669,462
Adjusted basic EPS (pence per share)[1]	**16.8**	12.2
Basic EPS (pence per share)	**(15.2)**	10.7

"Strong cash flow leaves us in a position of strength, enabling investment in significant new opportunities"

Paul Harrison
Chief Financial Officer

1. See Note 2e of the financial statements on page 97 for a full definition of adjusted measures. Refer to the reconciliation of uEBITDA on page 29 and of Adjusted EPS on page 34

Balance sheet

Due to the relatively low operational capital expenditure requirements of our business model and the cash collected in advance of net settling with our Restaurant Partners, the balance sheets of the operating companies are relatively straightforward. The complexity is added upon consolidation due to the impact of business combinations and the associated judgements.

	As at 31 December 2017 £m	As at 31 December 2016 £m
Non-current assets		
Goodwill	**544.9**	725.2
Other intangible assets	**94.5**	103.4
Property, plant and equipment	**19.0**	12.4
Other non-current assets	**63.7**	48.2
	722.1	889.2
Current assets		
Operating cash	**213.6**	96.8
Cash to be paid to Restaurant Partners	**51.5**	33.8
Cash and cash equivalents	**265.1**	130.6
Other current assets	**27.5**	28.6
	292.6	159.2
Current liabilities	**(248.5)**	(151.9)
Net current assets	**44.1**	7.3
Non-current liabilities	**(39.5)**	(70.8)
Total liabilities	**(288.0)**	(222.7)
Net assets	**726.7**	825.7
Equity		
Share capital and share premium	**569.5**	569.0
Other reserves	**83.1**	88.3
Retained earnings	**65.9**	160.7
Equity attributable to shareholders of the Company	**718.5**	818.0
Non-controlling interests	**8.2**	7.7
Total equity	**726.7**	825.7

In 2017, non-current assets reduced by £167.1 million to £722.1 million (2016: £889.2 million), primarily as a result of the £180.4 million non-cash impairment charge booked in relation to the carrying value of goodwill recognised on the acquisition of the Australia & New Zealand businesses. Over the course of 2017, £18.8 million (2016: £6.6 million) invested on specific technology projects was capitalised where the project met the qualifying criteria of IAS 38 *Intangible Assets*.

The carrying value of property, plant and equipment has increased as the Group continues to expand its restaurant estate, it has increased the coverage of Orderpads within the estate and has completed a refit of several offices.

Other non-current assets includes the Group's £41.4 million investment in our associates iFood and IF-JE Holdings B.V. (2016: £29.7 million). The Group's holding in iFood has now increased to 32% (2016: 30%).

Current assets increased by £133.4 million to £292.6 million (2016: £159.2 million), due to the growth in the closing cash balance.

The cash balance of £265.1 million (2016: £130.6 million) includes £51.5 million (2016: £33.8 million) of cash payable to our Restaurant Partners shortly after the period end. Although the Group controls these cash balances, it does not include this cash as part of its day-to-day available operational cash as it is reimbursed to our Restaurant Partners predominantly on a weekly basis and on-time payment to restaurants is critical.

Current liabilities increased by £96.6 million to £248.5 million (2016: £151.9 million), primarily due to growth in our operations. Within this balance, trade and other payables increased by £73.1 million, the largest movement being the recognition of a liability transferred from provisions of £24.6 million. This primarily represents the first earn-out payment due to the SkipTheDishes vendors. This liability crystallised when the business achieved its 2017 performance targets as agreed under the SPA, signed in December 2016.

Cash flow

The Group continued its high level of cash conversion, benefiting from collecting the gross value of orders made by payment card ahead of making net payments to restaurants. In 2017, net cash generated from operating activities was £166.7 million (2016: £97.0 million).

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
uEBITDA	**163.5**	115.3
Net change in working capital (excluding movement in restaurant payables)	**19.6**	14.3
Income taxes paid	**(22.0)**	(12.7)
Interest cash outflow (including facility fees)	**(3.0)**	(1.1)
Other non-cash items	**1.6**	0.3
Cash flow before exceptional items	**159.7**	116.1
Cash outflow in respect of exceptional items	**(10.7)**	(9.1)
Net cash flow before movement in restaurant payables	**149.0**	107.0
Movement in restaurant payables	**17.7**	(10.0)
Net cash flow from operating activities	**166.7**	97.0

Our uEBITDA measure also converts strongly to net operating cash flow due to the beneficial working capital cycle of our business model. In 2017, 91% of uEBITDA converted to cash excluding those amounts held for restaurants (2016: 93%). If exceptional items were excluded, the cash conversion would be circa 100% in both the current and prior years.

Cash flow statement

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Cash generated from operating activities	**166.7**	97.0
Cash used in investing activities	**(35.7)**	(167.5)
Cash generated from financing activities	**2.7**	2.3
Net increase/(decrease) in cash and cash equivalents	**133.7**	(68.2)
Cash equivalents at beginning of year	**130.6**	192.7
Effect of changes in foreign exchange rates	**0.8**	6.1
Cash equivalents at end of year[1]	**265.1**	130.6

1 Includes £51.5 million (2016: £33.8 million) of Restaurant Partner cash

The Group spent £35.7 million in investing activities during the year (2016: £167.5 million), which predominantly related to cash used in developing our platforms and the purchase of other equipment. The prior year included £160.2 million spent acquiring subsidiaries and associates.

At the balance sheet date, the Group had cash balances of £265.1 million (2016: £130.6 million). The Group has access to a £350 million revolving credit facility (2016: £200 million), which was undrawn at the balance sheet date. Subsequent to the year end, £100 million was drawn down from this facility to fund the acquisition of Hungryhouse. This is discussed further in Note 30 of the financial statements.

Outlook

Just Eat is in a strong position both operationally and financially. Our successful marketplace business remains the core driver of growth and is on course to deliver uEBITDA of £215–235 million in 2018. We will expand our investments in brand, Developing Markets and delivery services, resulting in Group revenue of between £660–700 million and uEBITDA of £165–185 million in 2018.

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.

Paul Harrison
Chief Financial Officer
5 March 2018

Delivering more opportunities for our People

It is our People that make Just Eat the great company it is. We will continue to bring emerging talent into our business, as well as developing our existing colleagues, to nurture tomorrow's leaders of Just Eat.

We are passionate about supporting our growing teams, empowering them to focus on providing excellent service to our Customers and Restaurant Partners. We invest significantly in developing the talent we already have across our global business, offering numerous development opportunities to all employees based on key trends identified in individuals' personal development plans.

This includes opportunities such as training courses run by external experts, coaching, mentoring, webinars, access to online learning resources and professional sponsorship. We have also provided extensive support for all of our managers, ensuring they are well placed to drive and lead high performing, successful teams: from new manager development programmes all the way through to executive leadership development.

900

New employees joined Just Eat in 2017

810

Employees completed a world record

Just Eat now holds the Guinness World Record for creating the world's largest human pizza

The People behind our business

We want our People to be proud to work for Just Eat and feel engaged by our business, and to provide an environment that enables them to be the best that they can be every day.

Our People
There are more than 2,900 Just Eaters across 12 markets, with 896 based in the UK. As a global business, we now have an evolved approach to global mobility and a shared system which enables all our People to view vacancies in each of our markets.

We are proud to offer great opportunities to help our People develop their careers. Just Eat has made over 10 acquisitions since its IPO in April 2014. As a result we have worked to ensure that those brought into the business via acquisition get the same world-class employee experience as all other employees, and can share in the unique culture that Just Eat has created. Our world party is an example of this – in November we welcomed 1,100 Just Eaters from around the world to London for our annual event where we celebrated our successes, ambitions and our inclusive culture.

At the heart of our culture are our values – they are the essence of Just Eat's culture and guide us as we create the world's greatest food community.

» Read more about our succession planning on page 61

Our values

Make Happy

We live for the joy side of life. The right food for every moment. We cherish the love our Restaurant Partners put into their cooking. We are all about the enjoyment our Customers get from eating. It is the smiles that make it worthwhile. What drives us is building more excitement, quality, fun and laughs into everyday food occasions, because food makes people happy.

Razor Sharp

Everything can be made better. With clear direction, a relentless attitude and non-stop innovation, we impact the things that matter most – more choice, fresh experiences and new connections. We focus on getting things done, at pace, and with a laser-like focus. All so that people and restaurants discover more of each other, and the bar is constantly raised for everyone.

Big Hearted

Just Eat is built on relationships with people. The many, the few, the you. Every individual matters and we use every opportunity to make things personal and fair for everyone. We listen to understand, not just to reply. Respect comes as standard – for our Customers, Restaurant Partners and each other – and that is how we build positivity in all our relationships and create new ones.

Hiring great talent
In September, we welcomed Peter Plumb into the business as Chief Executive Officer. This followed on from David Buttress stepping down from the role of CEO and moving into a Non-executive Board role. This year we also hired a Commercial Finance Director, Group Brand Director, UK Sales Director, Chief Data Officer, Chief Information Security Officer, Director of Internal Audit and Risk and Director of Platform Reliability.

In aggregate we welcomed 256 new Just Eaters into our UK team, and more than 900 globally.

To support our growth plans, this year we launched two new global websites for professional careers and graduates. The key feature of both sites is our People, who provide an insight into what makes Just Eat a great place to work. These websites are:

careers.just-eat.com

careers.just-eat.com/graduates

In 2017, the talent acquisition team launched global manager capability training to ensure that Just Eat's approach to hiring remains consistent around the world. In addition, we have rolled out the use of candidate experience surveys, which have provided invaluable insights to ensure we provide the best experience for all candidates.

Early careers
This year we formed a centralised and dedicated team to manage our early careers initiatives with the aim of developing an internal talent pipeline which will grow and develop with our business. We built on the success of our 2016 graduate programme by hiring a further 20 graduates across our engineering, data and AI, product management, finance, commercial and marketing teams. In addition, we hired four apprentices into the business who are now studying on the job to gain a formal qualification.

Learning opportunities anytime, anywhere
Our employees all over the world now have access to Workday Learning, our online learning hub, as well as an individual LinkedIn Learning licence giving them access to thousands of resources to support both their professional and personal development. During the year, more than 2,000 pieces of online learning content have been accessed.

This investment in online learning has helped support 144 job changes in the UK this year; these include promotions, secondments and lateral moves.

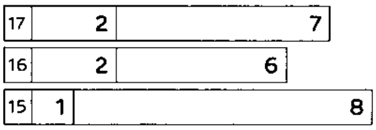
Management development
Our People managers play a crucial role in creating high performing, motivated and engaged teams. Whether a new manager to Just Eat or newly promoted into a managerial role, we want to ensure our managers have access to tools and resources they will need to be successful. In July we launched a 90-day modular management development programme that is available globally through our online learning hub. The programme is supported with bitesize videos, infographics, virtual classrooms and self-evaluations. In 2017, 91 managers completed this new programme across our markets.

Leadership development
In order to meet our business growth ambitions, we need to build on our strengths, identify our areas for improvement and invest in the right people for the future. We ran a comprehensive talent profiling exercise with the top 50 leaders in our global business, benchmarking them against what great leadership looks like. Tailored and actionable development plans were built for each individual and the outputs will inform our Group-wide talent management initiatives for 2018.

Gender breakdown of our Board, senior management and all permanent employees at 31 December 2017:

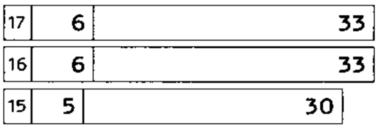
Board membership

22% female



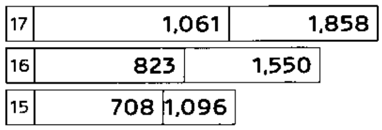
Senior management[1]

15% female



All permanent employees

36% female



Female Male

1 Senior management includes the top two grading levels for roles within the global business This is predominantly our Executive Team and their direct reports.

Reward and benefits

Reward linked to performance

This year we evolved our annual performance-related bonus scheme. The changes enable greater manager discretion, and reinforces the link between reward and performance.

Bonuses for business leaders are determined through a combination of business and personal performance – which ensures that our leaders are all invested in our future success. In addition, we regularly review our compensation packages to ensure they are competitive when compared to other technology companies.

Key employees are eligible to receive share awards, which align their interests with those of shareholders in linking reward to business performance.

Benefits

We support our People through a range of benefits, which are segmented into the following categories: protecting the future, health and wellbeing, and leisure and lifestyle. Employee interest in our benefits grew this year with greater uptake on our core benefits and the successful launch of a much-valued flexible approach to holiday allowance, allowing employees to buy or sell a certain number of days a year.

The Sharesave Plan enables employees to contribute to a regular savings plan to purchase Company shares. Since its launch in 2015, this has proved to be a hugely popular benefit – this year a further 213 employees signed up to the scheme.

Employee Experience

Making Just Eat a great place to work

We want to provide a working environment that supports innovation and collaboration across all of our teams. This year we completed the refurbishment of our London office, and also expanded our space in Bristol.

Creating a diverse and inclusive environment

Just Eat is committed to a culture of respect and a positive, productive working environment, free from any form of discrimination. We are an equal opportunities employer and are committed to treating all individuals, including job applicants, equally. This information can be found within our Equal Opportunities Policy. This year we launched our "Women at Just Eat" group, which aims to encourage greater dialogue around the experience of women who work at Just Eat.

Sponsored by our Chief Product and Technology Officer, Fernando Fanton and Chief Marketing Officer, Barnaby Dawe, this group has created a range of initiatives that aim to reinforce Just Eat as an inclusive and diverse employer.

We have undertaken focus groups and listening tours within our technology team to help understand how we can close the gender divide within the industry. Although the predominance of men in technology is a greater market issue, we are committed to addressing this internally through an overhaul of our recruiting practices, manager training and promotion processes. In addition we have 24 STEM (science, technology, engineering and mathematics) ambassadors (92% female) who volunteer with local schools to promote careers in technology.

Engaging our People

This year we evolved our approach to employee engagement with a new survey, which focused additionally on our culture and the experience of working for Just Eat.

We have also developed our approach to communicating the results and supporting action planning throughout the business.

We keep our People up to date on business matters through monthly "all hands" presentations led by our CEO, Peter Plumb and supported by members of the Executive Team. This is accessible globally and is recorded for on-demand access.

In addition, we use our internal intranet to drive cross-departmental communication and social media to give all employees a platform to share success and cultural stories.

Lisa Hillier
Chief People Officer

Our new offices

This year we undertook a total refurbishment of our London office space – the SKA Gold certification environment providing a variety of working zones to encourage better collaboration between our 896 London-based team members and offering more meeting space and better downtime areas full of natural light and great views of the City.

At Just Eat we believe in doing business responsibly

Our approach to corporate social responsibility is built around our vision of creating the world's greatest food community and embedded across our business.

Our food community is made up of Restaurant Partners, Customers, suppliers, partners and our People. We acknowledge that each of these groups has a role to play in ensuring Just Eat has a positive impact on the communities in which it operates.

We believe in:

- helping our Restaurant Partners grow, thrive and ultimately become better businesses, making a significant contribution to their local community and economy;
- delivering a great experience for Customers, using leading-edge technology to deliver more food choices across our markets; and
- being a business that cares about its People, our impact on the planet and the communities in which we live and work.

As a digital business, the impact of our owned operations on society and the environment is small in comparison to that of other businesses of our scale and profile. Whilst we are proud of the progress we have made in our environmental reporting (see page 144), we know that many of our stakeholders expect us to do more. This is why we have chosen to broaden the scope of our responsible business activities to our wider ecosystem – for example, exploring where it would be appropriate to influence aspects of our Restaurant Partners' operations to drive positive behaviour change.

In 2017, we are proud to have commenced the following initiatives:

Better Fast Food Network
Just Eat has joined forces with Shift, a charity which uses research and design techniques to create products and services which help address social problems.

Alongside six other organisations (Esmée Fairbairn Foundation, Guy's and St Thomas' Charity, Mark Leonard Trust, Tower Hamlets Council, Hackney Council and Birmingham City Council), we have created the Better Fast Food Network to understand the challenges faced by independent fast food outlets and support them to improve gradually and sustainably the healthiness of the meals they serve.

Shift will be undertaking work with and on behalf of these organisations over a period of two years to develop financially sustainable ways to improve the healthiness of UK fast food before setting up a stand-alone organisation that will oversee this work into the future.

Driving up food hygiene standards in the takeaway industry
Just Eat works closely with the Food Standards Agency ("FSA") in the UK to drive up standards in the takeaway industry. In 2017, we helped shape the direction of the FSA's post-Brexit strategy, "Regulating our Future", ensuring that our Restaurant Partners have a voice in the future of food hygiene and safety regulation.

Our new Local Legends programme ensures that only those restaurants with the highest food hygiene ratings are eligible for top-placement in our search engine results page, incentivising those with lower ratings to improve standards.

Sustainable Restaurant Association partnership
In 2017, Just Eat partnered with the Sustainable Restaurant Association ("SRA") in the UK on the first ever "Good to Go" award for the takeaway sector at the SRA's Food Made Good 2017 awards. We have also funded membership of the SRA for six of our most engaged restaurants. The SRA is now consulting with them to improve their practices even further across the pillars of responsible sourcing, environment and society and subsequently share the lessons learned with our wider restaurant estate.

Influencing ethical and sustainable sourcing through Restaurant Services
All the suppliers who supply goods which are sold to our Restaurant Partners via our online shop or via Restaurant Services must sign up to the Just Eat Social and Ethical Compliance policy which has been built around the Ethical Trade Initiative base code. We ask manufacturing partners to submit proof of ethical and quality compliance from third-party test houses or globally recognised industry bodies.

All the pizza boxes sold via our online shop in the UK are made from FSC recyclable material. From March 2018, all single-use plastics were removed from our shops and we started trialling a pre-ticked box on our app and website to encourage Customers to opt out of receiving plastic items that they do not need like cutlery, straws and sauce sachets. We are also partnering with Skipping Rocks Lab to trial edible and decomposable sauce sachets.

Fundraising across our markets
In Italy, we launched the Ristorante Solidale project to raise awareness of and help tackle food waste. After an initial launch in Milan in January 2017, the project, which collects surplus food from our Restaurant Partners and delivers it to local communities in need, was expanded to Turin in October. Ristorante Solidale has delivered more than 1,300 hot meals to over 1,000 people in need in its first year.

Just Eat Ireland has partnered with the Peter McVerry Trust, a charity which aims to eradicate long-term homelessness. Each year on National Takeaway Tuesday, 10% of the value of every order is donated to the Trust and this has seen over €40,000 donated over the past two years. Just Eat also delivered pizzas to the Trust's homeless hostels in Dublin city centre on the day.

FoodCycle: a strategic charity partnership

In 2017, we deepened our partnership with FoodCycle to supplement our fundraising activities with the donation of employee time and expertise to support the charity with its growth and development.

FoodCycle is a UK charity that combines surplus food, volunteers and spare kitchen capacity to create tasty, nutritious meals for people at risk of food poverty and social isolation. In 2017, we supported FoodCycle with strategic and creative advice related to its social media activities and its business intelligence and data analysis. In both these areas, Just Eat employees donated their time and knowledge to help FoodCycle make better decisions to influence its operations and fundraising. For example, 12 members of the Just Eat data team created a "Data for Good" initiative which saw them spending a day working with FoodCycle to analyse the charity's data and revert with findings and recommendations. These included how and where to open or expand FoodCycle hubs and how to incentivise and reward volunteers.

"We at FoodCycle were absolutely blown away by the skills and expertise at the "Data for Good Day". The team involved achieved more in one day than would be possible in six months at FoodCycle. The final presentations have led to tangible information and data sets that will really help FoodCycle grow and develop. We can't thank Just Eat enough!"

Marketing Manager
FoodCycle

Modern Slavery Act 2015

Just Eat is opposed to slavery, servitude, compulsory or forced labour and human trafficking (together, "Modern Slavery"). Just Eat is committed to ensuring that no Modern Slavery takes place in any part of the business which Just Eat controls, or within its supply chain.

During the year, we published a Modern Slavery Act Transparency Statement in compliance with section 54 of the Act, which is available to view on the Company's website.

Code of conduct

We have a comprehensive employee Code of Conduct, governing subjects such as conflicts of interest, fraud, money laundering, bribery and corruption and maintaining a professional yet fun work environment.

It is our policy to conduct all of our business in an honest and ethical manner. Specifically we take a zero-tolerance approach to bribery and corruption. We are committed to acting fairly and with integrity. Effective measures and systems are in place to counter bribery.

We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. We remain bound by the laws of the UK, including the Bribery Act 2010, in respect of our conduct both at home and globally.

Human rights

Whilst the Group has no specific policy in place regarding human rights, all employment policies and practices are equally applied to all employees, officers, consultants, volunteers, interns, and casual and agency workers. Details of the employee code of conduct are discussed above.

Our office environment

In 2017, we completed a total refurbishment of our London head office. Following completion, Just Eat was awarded a Gold SKA rating – the highest accolade for a sustainable fit-out. SKA is a best practice environmental assessment method developed by the Royal Institution of Chartered Surveyors ("RICS").

We are one of only a handful of companies to have achieved SKA Gold certification, having designed a contemporary office which surpasses the standards required by regulations and incorporates innovative solutions to minimise the environmental impact of the office.

Highlights include:

- waste – 96.9% of waste generated during the refurbishment was diverted from landfill;
- energy & CO_2 – reducing energy usage through the implementation of energy-efficient lighting, lighting controls in offices and meeting rooms and the reduction in associated CO_2 emissions; and
- material usage – Just Eat used a number of environmentally sustainable materials including A+ rated flooring such as Interface & Milliken carpets, Havwood FSC certified engineered wooden flooring and Kvadrat fabric sustainable panels which soften acoustics.

FTSE4Good

Just Eat has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series, created by FTSE Russell. This is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance ("ESG") practices.

Corporate governance introduction

Good corporate governance always has been, and always will be, important to us at Just Eat.

It provides the structure and processes within which the Group's entrepreneurial spirit continues to thrive. It enables the Group's ongoing strategy and growth to be achieved in an environment that is both supportive and controlled. It allows the realisation of our aim to maximise shareholder value and stakeholder interests over the long term.

This structured approach provided the basis of our handling of the exceptional amount of change during the past year that I referred to in my Chairman's Statement earlier in this Annual Report. Clearly the passing away of John Hughes in June was both sad and significant. It is, though, a testament to John that under his leadership in the previous years we had assembled a Board well able to navigate the events of the year successfully.

Key corporate governance developments in the year are discussed below:

- Appointment of Executive Chairman
  In February, David Buttress, our then CEO, notified the Board that he was to step down from that role at the end of March to deal with urgent family matters. David agreed to remain on the Board as a Non-executive Director following a four-month leave of absence.

  After careful deliberation by both the Nomination Committee and the Board, we appointed John Hughes, then Non-executive Chairman, as Executive Chairman until a new CEO was appointed. This was to maximise the benefit of John's knowledge of the business and the management team, and to leverage his proven track record of running technology companies. Although we would not normally combine the roles of Chairman and CEO, we believed this to be the appropriate solution in the context of David's leave of absence and John's unique talent.

  At the same time, we commenced the search for the new CEO.

"Our commitments to high standards of corporate governance have helped guide our Board and its Committees as they steered the Group successfully through a year of exceptional change."

Andrew Griffith
Interim Non-executive Chairman

- Appointment of Non-executive Director
  In April, we announced the appointment of Alistair Cox as an additional Independent Non-executive Director. Alistair's successful track record in the technology, talent and listed sectors added significant value to the Board through the year.
- Appointment of Interim Chairman and Interim CEO
  When John Hughes took a leave of absence for medical treatment in April, the Board carefully considered the appropriate response in consultation with John himself. At the Board's request, I, as Senior Independent Director, took on the role of Chairman on an interim basis, and Paul Harrison took on the role of CEO on an interim basis, in addition to his role as CFO. With the support of the rest of the management team, Paul's performance in this interim role was outstanding. I would also like to recognise the support we both received from our other Board colleagues, particularly during this exceptional period.
- Appointment of CEO
  After a thorough and successful recruitment process, in June the Board was delighted to appoint Peter Plumb as CEO commencing in September. This appointment was on the recommendation of the Nomination Committee, and on terms approved by the Remuneration Committee. Peter's excellent track record of creating value for shareholders in high growth consumer digital businesses made him our preferred choice for the role.

- **Board meeting in Madrid**
  In September, we held our first Board meeting in Madrid. As well as the normal Board agenda, we received presentations from our local management team and were able to interact with them on an informal basis. In addition to learning more about the local operations, it was great to see their enthusiasm for the business as is typical of our People in Just Eat.

- **Appointment of Chairman**
  Having completed the appointment of Peter Plumb as CEO, we commenced in earnest the search for a new permanent Chairman. As with Peter, this is a critically important appointment. After a thorough recruitment process we are pleased to have announced the appointment of Mike Evans. Mike Evans will join the Board on 6 March 2018 as an Independent Non-executive Director and Chairman elect. His appointment as Non-executive Chairman will be effective from the conclusion of the Company's Annual General Meeting on 26 April 2018.

UK Corporate Governance Code 2016 ("the Code") compliance

This Corporate Governance Report, including the sections that follow, sets out how the Group has applied the main principles of good governance contained in the Code. The Board considers that the Group was in full compliance with the Code provisions that applied during the year, with one exception during April.

During that period of approximately one month, John Hughes fulfilled the roles of both Chairman and CEO. Whilst that dual role was not consistent with the recommendation of Code provision A.2.1., for the reasons explained earlier, we considered this to be appropriate in the specific circumstances at the time. The Group was compliant with this provision throughout the remainder of the year.

Future developments

I look forward to our new Chairman reporting to you in next year's Annual Report on the coming year. I expect this will include ongoing succession planning for the Board. It will also include updates on how we are addressing the new corporate governance provisions being introduced over the next year. We consider this process of continual development to be as important to our governance as it is to our business as we view good governance as a key element of the ongoing success of Just Eat.

Andrew Griffith
Interim Non-executive Chairman
5 March 2018

» The UK Corporate Governance Code 2016 can be accessed at www.frc.org.uk

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 starts on page 51.
3. Andrew Griffith, the Chairman of our Audit Committee, reports on its work commencing on page 56.
4. Andrew Griffith reports, in his role as Interim Chairman of the Nomination Committee, on that Committee's activities commencing on page 61.
5. Gwyn Burr reports on the remuneration of our Directors in her capacity as Chairman of our Remuneration Committee, commencing on page 65.

An experienced and effective leadership team

Each of our Directors brings a wide range of skills and depth of knowledge that collectively contribute to the effectiveness of the Board as a whole.

Andrew Griffith [A, N, R, I]
Interim Non-executive Chairman, Senior Independent Director (Chairman of the Audit Committee)
Andrew was appointed as a Director in March 2014 and serves as Senior Independent Director. In addition, since 28 April 2017, Andrew has acted as Interim Chairman. Andrew is the Group Chief Operating Officer of Sky plc, Europe's largest entertainment and communications company with 23 million customers and turnover of $16 billion. Andrew was appointed Chief Financial Officer and a member of the Sky plc board in April 2008. Andrew joined Sky in 1999 from Rothschild Group, the investment banking organisation, where he provided financial and strategic advice to corporate clients across the technology, media and telecommunications sectors. Andrew holds a degree in Law from the University of Nottingham and is a qualified Chartered Accountant

Peter Plumb
Chief Executive Officer
Peter was appointed Chief Executive Officer with effect from 18 September 2017. Peter's most recent role was Chief Executive Officer of Moneysupermarket.com Group PLC, a position he held from February 2009 until he stepped down in May 2017. In his eight years as Chief Executive Officer, Peter guided the business to a market leadership position, led the acquisition of MoneySavingExpert.com, and oversaw a six-fold increase in its share price. Prior to Moneysupermarket.com, Peter was UK Managing Director of Dunnhumby Limited, General Manager Europe of Disney Consumer Products, and International Director of Dyson Appliances Limited. Peter is also a Non-executive Director of The Co-operative Group Limited. Peter graduated with a first class honours degree in Civil Engineering at the University of Birmingham and holds an MBA from IMD in Switzerland.

Alistair Cox *Independent Non-executive Director*	**Gwyn Burr** *Independent Non-executive Director*	**Frederic Coorevits** *Non-executive Director*	**Peter Plumb** *Chief Executive Officer*	**Paul Harrison** *Chief Financial Officer*	**Andrew Griffith** *Interim Non-executive Chairman*

Paul Harrison
Chief Financial Officer

Paul was appointed as Chief Financial Officer in September 2016. Prior to joining the Board, Paul served as Chief Financial Officer for WANdisco plc from 2013 to 2016. Previously, Paul served as Group Finance Director of FTSE 100 international software company The Sage Group plc for 13 years, having first been Sage's Group Financial Controller for three years. Prior to that, Paul held a number of senior positions at PricewaterhouseCoopers. Paul is also a Non-executive Director at media company Ascential plc and was, until November 2017, a Non-executive Director of recruitment consultancy firm Hays plc. Paul holds a BA (Hons) in Business Studies from Manchester Metropolitan University and is a Fellow of the Institute of Chartered Accountants in England and Wales (FCA).

David Buttress
Non-executive Director

David joined Just Eat UK in early 2006 and was appointed Chief Executive Officer of Just Eat in January 2013, a position he held until 31 March 2017. He was appointed as a Non-executive Director in August 2017. Beginning his career in 1998 with Coca-Cola Enterprises, David enjoyed a variety of senior sales and management roles. In 2014, David was named Entrepreneur of the Year at the Investor Allstars Awards, and was listed as one of the London Evening Standard's top 1,000 influential people. In 2015, 2016 and 2017 he was also named as one of Britain's most influential people in the Debrett's 500. David is a partner at 83North – a global venture capital firm – and is Non-executive Chairman of the professional Pro14 Dragons rugby team. David holds a BA (Hons) in Law and Business from Middlesex University Business School and was awarded an Honorary Doctorate in 2017 for his services to UK business and entrepreneurship.

Frederic Coorevits S
Non-executive Director

Fred was appointed as a Director in July 2009. Fred is an adviser for SM Trust, for which he has been working for more than 15 years. He manages SM Trust's portfolio of investments, which focuses on the areas of eCommerce, software 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 an MBA and an MSc in Organic Chemistry from Louvain (Belgium).

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

Gwyn was appointed as a Director in March 2014. Gwyn is also Non-executive Director of Sainsbury's Bank plc, Hammerson plc, Metro AG, Ingleby Farms & Forests ApS and Taylor Wimpey plc. 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 BSc in Economics and History from the University of Bradford.

Alistair Cox I
Independent Non-executive Director

Alistair was appointed as a Director in May 2017. He began his career at British Aerospace, subsequently moving to Schlumberger in 1982, where he held roles in field engineering, management and research science based in Europe and the USA. He was a manager at McKinsey & Company from 1991, before joining Blue Circle Industries plc (latterly Lafarge) initially as Group Strategy Director and latterly as Regional Director for Asia. In 2002 he was appointed Chief Executive at Xansa plc, the IT outsourcing organisation. He also served as a Non-executive Director at 3i Group plc from 2009–2015. Alistair is currently Chief Executive of Hays plc, the global recruitment agency, and has held that position since 2007. Alistair is a Chartered Engineer, having graduated with a first class honours degree in Aeronautical Engineering from the University of Salford and holds an MBA from Stanford Graduate School of Business.

Roisin Donnelly N I
Independent Non-executive Director

Roisin was appointed as a Director in October 2016. Roisin has had a 30-year career building market-leading brands with Procter & Gamble in the UK, EMEA, the US and globally. Most recently, she was CMO for Northern Europe, leading six countries. Roisin is an experienced digital leader. She has experience in acquisitions, divestitures and business turnaround. She is a Non-executive Director of Bourne Leisure and Holland & Barrett and a council member of the Advertising Standards Authority. She has received awards including Marketer of the Year and Advertising Age's Woman to Watch. Roisin graduated from the University of Glasgow with a MA (Hons) and is an Honorary Fellow of the Marketing Society.

Diego Oliva A N R I
Independent Non-executive Director

Diego was appointed as a Director in September 2015. Diego has extensive experience in global leadership roles in the technology sector, having spent six years as Regional Director of EMEA at Facebook. He is currently co-founder and Executive Chairman of Glue, a smart home company. Diego also serves as limited partner and adviser at Earlybird Venture Capital, White Star Capital and Wamda Capital, VC funds. Diego holds postgraduate degrees from Harvard Business School, Stockholm University and IE Business School and received a BSc in Economics from Tec de Monterrey.

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- I Independent Non-executive Director
- S Nominee of a major shareholder

Roisin Donnelly
Independent Non-executive Director

Diego Oliva
Independent Non-executive Director

David Buttress
Non-executive Director

Our Board provides leadership in the development, implementation and promotion of the Group's strategy and, monitoring its implementation on an ongoing basis. The Board ensures that the Company's culture and values are aligned with this strategy so that consistency can be achieved at all levels within the organisation.

"Our Board leads the Group at the highest level. Our principal aim is to continue to build and preserve long-term value for the Group's shareholders and other stakeholders while having regard for the interests of our workforce, the community and environment in which we operate."

Andrew Griffith
Interim Non-executive Chairman

A key part of our role is ensuring that the Group has the appropriate people, financial and other resources to achieve these aims. With our standing Committees, we also oversee controls, risk management and senior remuneration. We set the framework to develop the cultural tone for the Group – the Group-wide enthusiasm which has always been a fundamental part of our success. Our aim in this is to maximise value for shareholders and other stakeholders over the long-term. This section of the Corporate Governance Report summarises the role and activities of our Board and is followed by specific reports from our Nomination, Audit and Remuneration Committees.

Board and Committee meetings
The Board meets regularly throughout the year, both at meetings scheduled as part of its annual corporate calendar and other meetings as required for specific matters. At these meetings, it reviews:

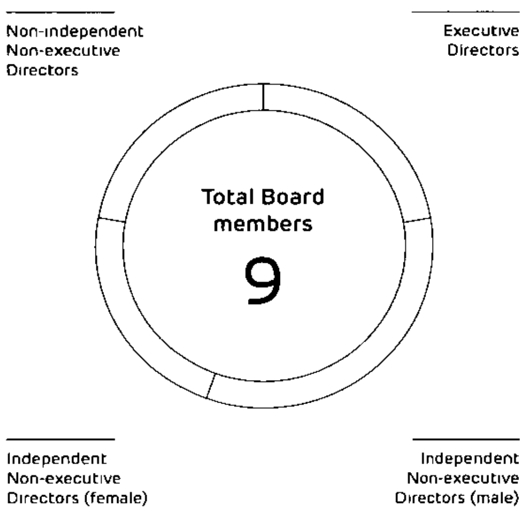
- business performance;
- operational matters of particular note for the Board;
- strategic considerations;
- activities in the Group's industry;
- potential acquisition opportunities;
- shareholder communications and feedback;
- reports of proceedings of Board Committees; and
- progress against previously agreed actions.

In addition to our Executive Directors, members of senior management are regularly invited to present relevant matters to the Board. Executive Directors and members of management may also attend and present at Committee meetings, where appropriate, at the invitation of the respective Committee Chairman.

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 in 2017). Minutes are circulated for comment by all Directors before being formally approved at the next relevant meeting.

» Further details of our current Directors are provided on pages 46 to 47

Board composition



Key matters considered at each main meeting of the Board during the year included:

2017

February (two meetings)

Consideration of Board changes and decision to appoint John Hughes as Executive Chairman.

Review and approval of 2016 annual results, including announcement and Annual Report.

Approval and finalisation of the notice of AGM, including reappointment of Directors as recommended by the Nomination Committee.

Reviews of post-acquisition performance of acquired businesses including SkipTheDishes.

Review of project and technology planning presented by Chief Product and Technology Officer.

Review and revision of Non-executive Director fees.

April[1]

Review of current Board membership, including noting of John Hughes' medical condition; appointment of Andrew Griffith as Interim Chairman; and appointment of Paul Harrison as Interim CEO.

Review of UK business – detailed presentation on this by UK Managing Director.

1 Andrew Griffith and Paul Harrison did not participate in the Board discussions nor decisions regarding their own appointments.

June (two meetings)

Market and competitor overview from external advisers.

Strategy meeting with management.

Technology platform update presented by Chief Product and Technology Officer.

Approval for the appointment of Peter Plumb as CEO.

July

Review of forecast for the second half of the year.

Review and approval of half year results.

Strategy review by Board with presentation from the Executive Team.

September (in Spain)

Meeting with and presentations from Spanish management team.

M&A review in context of previous strategy discussions.

December

Presentation of first impressions of the business by Peter Plumb as new CEO.

Review of ongoing technology roadmap.

Review of market developments and M&A opportunities.

Review of draft Group budget for 2018.

Review and approval of the Tax Strategy for publication on our website.

At every main meeting, the Board also reviews:

Report from the CEO, including key developments in the Group's businesses.

Report from the CFO, including performance of the Group's businesses.

Investor relations update.

Minutes and actions from previous meetings.

Confirmation there are no Director conflicts.

Reports from the Board Committees.

» *Board evaluation commentary on page 63*

Membership of the Board

At the time of writing, the Board has nine members:

- myself, Andrew Griffith, currently Interim Chairman as well as Senior Independent Director;
- two Executive Directors, Peter Plumb (Chief Executive Officer) and Paul Harrison (Chief Financial Officer);
- four other Independent Non-executive Directors, Gwyn Burr, Alistair Cox, Roisin Donnelly and Diego Oliva; and
- two Non-independent Non-executive Directors, Frederic Coorevits, who is nominated by a major shareholder and has served since before the Company's IPO, and David Buttress, who previously served as CEO of the Company until 31 March 2017.

For the purposes of assessing compliance with the Code, the Board considers that Gwyn Burr, Alistair Cox, Roisin Donnelly, Diego Oliva and myself, Andrew Griffith, are independent of management and free from any business or other relationship that could materially interfere with the exercise of their judgement. Our newly appointed Chairman elect, Mike Evans, is also considered by the Board to be independent.

The diversity of our Directors provides great value to the Board with a depth and wide range of experience of both the Group's businesses and of other international businesses, including other publicly listed companies.

They bring significant industry expertise which enables them to make high quality, diverse and relevant contributions to Board discussions. This enriches debates and allows carefully considered judgements to be reached, consensus to be arrived at, and informed decisions then taken.

We provide both support and constructive challenge to management in the review of proposals. We then monitor performance in the achievement of the aims being targeted over both the shorter and longer terms.

All our Directors have a deep interest in ensuring the Group achieves its long-term objectives and are collectively responsible as a Board for this. They each devote sufficient time and focus to their Board duties and responsibilities, and have a shared role in ensuring the successful performance of the Board. A proper balance of influence has been established to ensure no one individual, or separate groups of people, have unfettered decision-making powers. All the Non-executive Directors bring valuable insight to the Board's deliberations and have the opportunity to challenge assumptions and raise concerns at any stage in the decision-making process.

This ensures the final conclusions are reached with the support of the Board as a whole. We believe there is an excellent balance of skills and experience represented on the Board, enabling the effective and successful management of the Company and its business. This included the appointment of a new CEO and new Independent Non-executive Director in 2017. More recently it also included the appointment of our new Chairman elect.

The Board is confident that its membership is appropriate for this stage in the Group's development and is proactively continuing to pursue Board development, which will be crucial to the future prosperity and direction of the business. We believe this forward-looking approach is fundamental to achieving our long-term strategic goals in the interests of our shareholders, people and other stakeholders.

Support to Directors

The Directors have unrestricted access to the Group's management and advisers. They also have the opportunity 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. The Directors have continuous access to the knowledge and expertise of senior management and regularly receive their input at Board meetings. These regular interactions develop their depth of knowledge of the business and also strengthen and enhance the relationships between the Board and management. Access to ongoing training is also available to Directors as required for professional development to refresh their key skills and knowledge, ensuring they are well placed to discharge their duties.

All Directors also have access to the advice and services of the Company Secretary, who acts as Secretary to the Board and each of its Committees. The Company Secretary reports to and advises the Board and Committees directly through their Chairman on compliance relevant procedures and laws and regulations on governance matters. The Company Secretary is also responsible for ensuring there is good communication between the Board and its Committees, senior management and the Non-executive Directors, ensuring that the relevant level of information flows within the organisation. Directors are also able to take external advice at the expense of the Company, should they feel this is necessary.

Role of the Board

Key activities of our Board include the following:

Agreeing 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. During 2017, the Board held an informal strategy meeting with management and then a more formal strategy review with the Executive Team.

In the past year, matters considered have included:

- the Group's ongoing vision internationally;
- the ongoing development of both the customer and restaurant experience;
- development of the Group's ongoing brand strategy;
- the Group's technology and product planning; and
- new business opportunities such as the Hungryhouse acquisition.

Non-executive Directors constructively challenge matters when they feel appropriate as part of the Board as a whole reaching an overall consensus in its decision-making process. As a key part of its debates, the Board reviews and seeks to identify risks at a strategic level.

Aiming 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, presented by the CFO, along with regular updates from the CEO. Periodically, it also includes presentations from the Chief People Officer on plans for the ongoing development of the management team in the context of the growth of the Group.

The Group's Chief People Officer also gives regular presentations to the Remuneration Committee.

Reviews of the performance of executive management is led by the Nomination Committee with the CEO.

Reviewing Group performance against the agreed strategy and considering any variations that may become appropriate to this strategy.

The Board reviews the operational development of the Group and its markets to ensure its strategy remains appropriate. It then considers and decides upon any adjustments that may improve this.

Setting the tone as well as oversees implementation of the Group's values and standards.

The Board leads the Group in a way that is intended to maximise business integrity. This enables the Group's People and other stakeholders to operate in a transparent, ethical, as well as entrepreneurial, manner.

This is an important part of ensuring the long-term success of the Group. It is supplemented by more detailed reviews of specific areas by the Board's standing Committees.

Where appropriate, working with the operating management to assist in the achievement of the strategy.

Directors have open and constructive relationships with members of senior management who can draw on their wide business experience outside of, as well as within, Board meetings.

New Director induction

Overview

The Chairman, supported by the Company Secretary, is responsible for ensuring that new Directors have a thorough and appropriate induction.

Each newly appointed Director has participated in a structured induction programme and has received a comprehensive suite of resources providing detailed information on the Group.

Each induction has been based on the individual Director's requirements and included meetings with relevant Directors, senior management and external advisers to ensure that each new Director understands the Company's business, strategy and governance structure.

Objective

To provide our new Directors with the resources they need in order to be able to maximise their effectiveness in the shortest time practicable.

Process

Provision of resources including papers and minutes from previous Board meetings and key corporate governance policies.

Business briefings with the Executive Directors and the Chairman.

Meetings with members of the Executive Team and senior management.

Meetings with external advisers, as appropriate to the role.

Opportunity to visit different Group sites and attend Company events.

A global leadership team

The Board receives regular reports from key management on the Group's businesses, and in September, the entire Board visited the Group's Spanish operations. This included all Directors meeting and receiving presentations from each member of the local senior management team. It also included consideration of how the experience being gained in Spain could be more widely applied across the Group.

Governance calendar for 2017

The overall calendar of meetings of the Board and its Committees for 2017 is shown below:

	Full report	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Board (main meetings)	p49												
Board (conference calls)	p49												
Audit Committee	p57												
Nomination Committee	p62												
Remuneration Committee	p66												
AGM													

Specific calendars for the Board and its Committees are shown in their individual reports within this review.

Attendance at Board meetings

The attendance of current Board and Committee members at meetings and calls, as compared with the number of meetings held:

	Board attendance	Board	Audit	Remuneration	Nomination
Andrew Griffith	100%	1	1		1
Peter Plumb[2]	100%				
Paul Harrison	100%				
Gwyn Burr	100%			1	
David Buttress[3]	100%				
Frederic Coorevits	100%				
Alistair Cox[4]	100%				
Roisin Donnelly	100%				
Diego Oliva	88%				
Dr. John Hughes[5]	100%				

Key:

Board (eight meetings)

Audit Committee (three meetings)

Remuneration Committee (six meetings)[6]

Nomination Committee (seven meetings)

Board or Committee member not present

Non-Committee member invited to attend some or all of a meeting (although not any part of a Remuneration Committee meeting at which their own remuneration was decided)

Director was not invited to attend this meeting as it related to his own position

1 Denotes Chairman status.

2. Appointed to the Board on 18 September 2017

3 David Buttress was on leave of absence from 1 April 2017–9 August 2017.

4 Appointed to the Board on 2 May 2017.

5. Passed away on 11 June 2017, but was previously Chairman of the Board and Nomination Committee

Directors do not attend meetings of the Remuneration Committee when the Committee is deciding matters in relation to such Directors' remuneration.

Where a Director is unable to attend a particular meeting, full documentation for the meeting is issued to them, their views are sought in advance and briefings are provided subsequent to the meeting as appropriate.

All Directors on the Board at that time attended the AGM except:

- John Hughes who was on a medical leave of absence; and
- David Buttress who was on a leave of absence due to urgent family matters.

Division of responsibilities

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

The Board

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

- Group strategy, which is reviewed by the Board and management regularly during the year;
- the Group's business plan and annual operating budget;
- major investments, acquisitions and capital projects, and the monitoring of their subsequent performance;
- internal controls and risk management, which are reviewed regularly by the Audit Committee;
- 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;
- 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 determined 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 as they were in the past year.

Another important aspect of the division of responsibilities in any listed company is between the roles of the Chairman and the CEO. In Just Eat, these roles are separate and distinct (except as noted in exceptional circumstances during the past year), with a clear division of responsibilities at the head of the Company established, agreed and set out in writing:

Chairman

The Chairman is primarily responsible for managing the Board, facilitating the effective contribution of all Directors, ensuring satisfactory dialogue with shareholders and that all Board members are aware of the views of major shareholders.

Chief Executive Officer

The CEO, together with the CFO, has been delegated appropriate responsibilities and authorities for the effective leadership of the senior management team, the day-to-day running of the business, carrying out the agreed strategy and for implementing specific Board decisions relating to the Group's operations.

Senior Independent Director

The Senior Independent Director is available to the other Non-executive Directors and shareholders, 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. These remits, together with the composition of each Committee, are reviewed periodically as they have been in the past year.

The current terms of reference for the Audit, Remuneration and Nomination Committees are available on the Company's website at www.justeatplc.com.

Audit Committee

» *A summary of the role of the Audit Committee is included on page 56*

Nomination Committee

» *The work of the Nomination Committee is summarised on page 61*

Remuneration Committee

» *A summary of the key matters the Remuneration Committee consider is included on page 66*

Directors tenure as at 5 March 2018

	Appointment date	IPO April 2014	2015	2016	2017	2018	Tenure
Andrew Griffith	12/03/2014						3–4 years (since IPO)
Peter Plumb	18/09/2017						0–1 years
Paul Harrison	26/09/2016						1–2 years
Gwyn Burr	12/03/2014						3–4 years (since IPO)
David Buttress	09/07/2013						4 years (since IPO)
Frederic Coorevits	10/07/2009						4 years (since IPO)
Alistair Cox	02/05/2017						0–1 years
Roisin Donnelly	17/10/2016						1–2 years
Diego Oliva	24/09/2015						2–3 years

Key:

Executive Directors   Non-executive Directors

Shareholder relations
The Board is committed to ensuring that we maintain continual dialogue with existing and potential shareholders based on the mutual understanding of the Company's strategic objectives. A comprehensive investor relations programme underpins this commitment. The Board identifies key shareholders to ensure an appropriate level of contact is established. The Chief Executive Officer, the Chief Financial Officer and I, in my role as Interim Chairman, regularly engage with institutional investors in order to develop an understanding of their views. This feedback is communicated back to, and discussed with, the Board. The Non-executive Directors use this information to ensure any concerns or issues are understood and, if necessary, addressed appropriately.

Presentations given to analysts and investors covering the preliminary and interim results, along with all results and other regulatory announcements as well as further information for investors, are included in the investor relations section of the Company's website at www.justeatplc.com/investors. Additional shareholder information is also set out on page 148.

Shareholders are able to contact the Company through the Company Secretary or Head of Investor Relations at the Company's registered office, listed at the end of this report.

Once Mike Evans takes up his role as Chairman, I will again serve as an additional point of contact for shareholders should they feel that any concerns are not being addressed properly and will be contactable through the Company Secretary.

Disclosures in respect of the DTR requirements under DTR 7.2.6 are given in the Directors' Report on pages 142 to 145 and are included in this section of the report by reference.

Annual General Meeting
All shareholders are encouraged to attend and have the opportunity to ask questions at the Company's AGM and at any other times by contacting the Company. As well as the Chairman, the CEO and the CFO, the Chairmen of the Audit, Nomination and Remuneration Committees attend the AGM to answer questions relating to the responsibilities of those Committees.

The notice convening the 2018 AGM, to be held on 26 April 2018, will be issued along with this Annual Report to the shareholders at least 20 working days in advance of the meeting. This will provide shareholders with the appropriate time, as set out in the Code, 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 registrar and will be published on the Company's website after the meeting.

Andrew Griffith
Interim Non-executive Chairman
5 March 2018

I am pleased to present the Report of the Audit Committee, which provides a summary of the Committee's role and activities during the 2017 financial year.

We reviewed those areas under our remit with management and internal and external auditors, as appropriate. Our activities help ensure the interests of shareholders are protected and the Group's reporting is fair, balanced and understandable.

Membership
The Committee comprises three Independent Non-executive Directors; Gwyn Burr, Diego Oliva and myself (Andrew Griffith) as its Chairman. All our members have relevant sector competence to fulfil their roles, as set out in their biographies on pages 46 to 47. Through my background as a Chartered Accountant and as COO and CFO of another FTSE 100 company, I have relevant financial knowledge and extensive experience.

Role and activities
We met three times as a Committee during the year. The CFO and senior representatives of the financial management team also attend meetings, as do representatives of both the external and internal auditors. The Committee also meets privately with the external auditor at least once per year. Key matters handled by the Committee include review of:

- the independence, objectivity and effectiveness of the external auditor;
- the remuneration and proposed reappointment of the external auditor;
- 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 auditor;
- the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance;
- the Group's accounting policies, significant judgements and estimates, including those set out on pages 95 to 141;
- the Group's system of risk management;
- oversight of Group tax activities and review of the Group's tax strategy statement prior to publication;
- the Group's material legal matters;
- new regulatory reporting requirements;
- key internal policies including data protection, anti-bribery and related policies and whistleblowing arrangements;
- the continued development of the Group's internal audit function, which reports directly to the Committee, and establishing control and risk management procedures;
- the disclosures regarding risk, going concern and the viability statement; and
- whether this 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. Prior to approval of the Annual Report, the Committee receives a paper detailing those steps taken by management to ensure the report meets the fair, balanced and understandable requirement.

"The Audit Committee's primary responsibility is to assist the Board in its oversight and monitoring of financial reporting, internal control and risk management of the Group."

Andrew Griffith
Chairman, Audit Committee

» Further biographic details are set out on pages 46 to 47

Key matters considered at each main meeting of the Audit Committee during the year included:

2017

February (two meetings)

Analysis of 2016 full year results.

Review of 2016 full year results by the external auditor.

Discussion with the external auditor in the absence of management.

Review of the Group's Annual Report for 2016 and recommendation to the Board (a draft of the Annual Report is received in sufficient time ahead of signing, to enable the Committee to challenge the narrative and disclosures where required).

Assessment of performance and effectiveness of 2016 audit against the audit plan.

Review of performance of the external auditor and recommendation to the Board for its reappointment.

July

Analysis of 2017 half year results.

Review of half-year results by the external auditor.

Review of 2017 half year results announcement and recommendation to the Board.

Discussion and examination of 2017 audit plan with the external auditor.

Review of assessment for indicators of impairment.

Update on technology and information security within the Group presented by the Chief Information Security Officer.

November

Review and approval of 2018 internal audit plan.

Commencement of the annual impairment review.

Review of the Group's tax strategy statement before presentation to the Board for approval and publication.

Update on the external audit including independence of the external auditor.

Plans for future external audit partner rotation and discussion of audit fees.

Assessment of risk management including in relation to Brexit.

Review and agreement to recommend the Committee's updated terms of reference to the Board for approval.

Update on refresh of the Group's whistleblowing policy.

At every main meeting, the Audit Committee also reviews:

Report of the CFO.

Report of the external auditor.

Review of risk management and internal controls.

Report of internal auditor.

Minutes and actions from previous meetings.

Significant issues

Prior to each meeting of the Audit Committee at which it is to be considered, management produces a paper providing details of any significant accounting, tax, compliance and legal matters. Members of management are also invited to attend these meetings where further guidance is required. The Group's critical accounting judgements in applying the Group's accounting policies and key sources of estimation uncertainty are included within Note 2 to the financial statements. The risks the Audit Committee considers to be significant for the 2017 Annual Report are disclosed below.

Significant issues the Committee has considered	How the issue was addressed
Impairment of goodwill At December 2017, the Group had goodwill balances totalling £544.9 million (2016: £725.2 million). This is an area of focus for the Committee given the materiality of the Group's goodwill balances and the inherent subjectivity in impairment testing. The judgements in relation to goodwill impairment continue to relate primarily to the assumptions underlying the calculation of the value in use of the business, being the achievability of the long-term business plan and the macroeconomic and related modelling assumptions underlying the valuation process. See Note 13 for further detail on our impairment review.	The Committee received detailed reporting from management and challenged the appropriateness of the assumptions made, including: • the consistent application of management's methodology; • the achievability of the business plans; • assumptions in relation to terminal growth in the businesses at the end of the plan period; • discount rates; and • sensitivity testing. This remains an area of audit focus and external valuation experts assisted management in determining valuations required to complete the fair value less costs to dispose of the Australia & New Zealand businesses. The Committee was satisfied with both the appropriateness of the analysis performed by management that indicated a goodwill impairment charge of £180.4 million in relation to the Australia & New Zealand businesses, and the impairment-related disclosures set out in Notes 5 and 13 to the financial statements.
Global tax environment Just Eat aims to responsibly manage all taxes and tax risks that arise across the Group, in order to provide a competitive, responsible and sustainable outcome in the interests of all stakeholders. Just Eat aims to pay the right amount of tax, in the right place at the right time, by complying with all relevant tax legislation in all Group entities. However, given the geographical spread of the Group's operations, the varied complex nature of local and global tax rules (e.g. OECD's BEPS Actions, EU Commission reforms and State Aid investigations) and the ongoing tax disputes and investigations around the Group, there is significant uncertainty around the interpretation of such tax law and we recognise there is risk and uncertainty around judgements made by management in the reporting of tax in the ordinary course of business, which may be subject to final decisions taken by various tax authorities. See Note 10 for further detail on our global tax environment.	The Committee reviewed the Group's approach to taxation and the Group Tax Strategy. Management continually monitors the status of tax risks and relevant legislative changes and engages with external taxation experts as appropriate. At each Committee meeting, management present updates on such matters. Taxation issues were discussed with senior management and a report prepared by the Group's in-house tax team outlining key tax risks and relevant legislative changes was reviewed. The tax positions and key judgements made within the Group were reviewed and challenged by the Committee to ensure that the Group's effective tax rate, tax provisions (in particular in relation to the ongoing transfer pricing audit in Denmark) and the recognition of deferred tax assets and liabilities were appropriate. The Committee considered the Group's enhanced disclosures, recognising that the Financial Reporting Council ("FRC") has been undertaking a thematic review in this area. The Committee was satisfied with the Group's approach to tax, the amounts reported (as set out in Note 10 in the financial statements) and that Group tax issues were being efficiently monitored and dealt with appropriately. It notes that changes in the global tax landscape mean that the Group must continue to work on its ability to respond quickly to the enhanced global reporting requirements over the next few years.

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.

A review of the Group's principal risks and how it manages them is presented on pages 22 to 27.

The Company has complied with the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, as applicable, 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.

Internal controls and risk management environment *continued*

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;
- defined segregation of duties across key financial processes, which continue to be made more robust as the Microsoft D365 ERP system is rolled out across the Group;
- defined month-end and quarter-end procedures and controls, designed to assess the ongoing integrity of financial records (e.g. reconciliations) and to produce management information for regular financial monitoring and review purposes;
- an established whistleblowing process through which employees may report cases of fraud, impropriety or behaviour contrary to our code of ethics and/or in contravention of policies;
- established operational processes and controls which support the integrity, security and availability of our online services as well as the quality and continuity of Just Eat's operations;
- 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; and
- experienced finance and risk functions that regularly report to the Executive Team to facilitate ongoing assessment and monitoring of key risks and associated potential impacts facing the Group.

Internal audit plan

The Committee agreed the internal audit plan to be undertaken prior to the commencement of the year. At each Committee meeting, the progress of, as well as results from, the internal audit plan is reviewed to ensure that it is in line with the Committee's expectations. The plan was approved to ensure that there was appropriate coverage of the internal control environment, strategic priorities and key risks identified by the Board.

During the year, the audit plan was amended so that additional areas were added to the plan based on the changes that gave rise to increased levels of assessed risk. These changes to the previously agreed audit plan were approved by the Committee.

The Director of Internal Audit provides updates to the Committee at each meeting, summarising the internal audit findings and the progress made against agreed actions from previous audits. Detailed updates on specific audits are provided at the request of the Committee.

PricewaterhouseCoopers LLP ("PwC") has continued to be engaged to support our internal audit work.

How we manage risk

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 is updated to reflect new and developing areas which might impact business strategy.

The Audit Committee actively reviews the risk register and assesses 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 22 to 27.

Review of effectiveness
The Audit Committee, on behalf of the Board, reviews the effectiveness of the internal control systems and the risk management processes on an ongoing basis. This process was in place throughout the year and post-year end to include the date of approval of the Annual Report. At each meeting, the Audit Committee receives a paper from management detailing any whistleblowing activity, any fraud identified and any other issue deemed to be significant. An internal audit update is also presented, detailing the scope of work performed and findings, along with implementation of any previous recommendations. 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 auditor
The Audit Committee has set a policy which is intended to maintain the independence and integrity of the Company's external auditor 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, other audit-related assurance services provided by the auditor relate to the half year reporting, audit of the special purpose financial statements in France, and taxation compliance.

The fees paid for the non-audit services during the year represented 8% of the fees paid for the statutory audit and audit-related assurance services together. Further details of these amounts are included in Note 6 of the financial statements.

The Company complies with applicable rules in relation to non-audit fees to the auditor.

The external auditor is not permitted to provide internal audit services to the Group.

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 auditor will be adversely affected, and approval of the Audit Committee is required. This particular circumstance has not arisen in the past year. The auditor is required regularly to report on and confirm its independence in its role.

Deloitte was appointed as the Group's auditor in 2009 and the most recent partner rotation took place in 2013. The Committee confirms compliance with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, as published by the UK Competition and Markets Authority ("CMA"). A tender is not currently proposed in relation to the current financial year as it continues to be a period of significant growth in which the Company benefits from continuity. However, the Group will put the external audit out to tender to meet the CMA requirements in due course, and the Audit Committee will keep this timing under review. To comply with the Auditing Practices Board's Ethical Standard and to maintain objectivity and independence of the auditor, the current lead audit partner, Anna Marks, is due to rotate after the 2017 year end.

Assessing the performance and effectiveness of the external audit
The Audit Committee has assessed the performance and effectiveness of the 2017 external audit process in the past year.

Process

Primarily through dialogue with the senior members of the finance and company secretarial teams.

Follow-up

A detailed follow-up was performed where additional feedback was sought from senior managers around the business (not limited to the finance team) through the use of audit quality questionnaires.

Results and appointment

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 reappointment of the external auditor.

Objectivity and independence

The Committee believes that the Group's procedures as summarised above safeguard the objectivity and independence of the auditor.

Committee evaluation
The Audit Committee undertakes an annual evaluation of its performance and effectiveness. For 2017, an internal questionnaire was used to evaluate the work of the Committee as part of the Board evaluation process (please see page 63 for further details of the process). The review concluded that the Committee had performed effectively. During the year the Committee also conducted a review of its terms of reference. These were updated to reflect changes to the Code and other guidance published during the period.

Coming year
During the coming year, we will continue in our reviews of the financial reporting process, internal controls and enterprise risk management. In addition, we will monitor the financial integration of Hungryhouse.

On behalf of the Audit Committee

Andrew Griffith
Chairman, Audit Committee
5 March 2018

We assist the Board in determining the succession planning for senior management. This report summarises our membership and activities during 2017.

As in prior years, the Committee continued to seek diversity, including with regard to gender, as part of the overall selection of the highest calibre candidates for appointment to the Board, based on merit and objective criteria.

Membership
The Nomination Committee comprises four Independent Non-executive Directors, Gwyn Burr, Roisin Donnelly, Diego Oliva and myself (Andrew Griffith) as Interim Chairman.

Role and activities
2017 was a busy year for the Committee. We met seven times during the year, which we considered necessary to discharge our duties efficiently as a Committee. 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, makes recommendations to the Board on retirements and appointments of additional and replacement Directors, and has a continuous and proactive approach to succession planning. The Committee's succession planning not only takes into consideration the long-term needs and natural evolution of the Board in the mid term, but that of the short term for unforeseen departures and contingency for unexpected changes.

Appointments
The appointments of both our most recently recruited Independent Non-executive Director, Alistair Cox, and our new Chief Executive Officer, Peter Plumb, followed formal, rigorous and transparent recruitment processes. They were undertaken with the assistance of The Zygos Partnership and Russell Reynolds, respectively, both leading external recruitment firms. Neither of these firms have any other connection with the Company.

The process followed is summarised below:

Selection process for the appointment of new Board members

Selection of recruitment consultants

Appropriate external executive search consultants are selected for the role.

For the Non-executive role in 2017 this was The Zygos Partnership and for the CEO role this was Russell Reynolds.

Candidate specification

A specification for candidates is prepared setting out the agreed key skills and character profile being sought to fit with the current balance, membership and dynamic of the Board.

Potential candidates

A long list of candidates meeting the specification is identified from a specific search as well as the search firm's own database.

This would include candidates from a diverse range of backgrounds and be gender neutral.

Interviews and selection

A shortlist of candidates is then selected by the Nomination Committee and interviewed.

Recommendations and confirmation of appointment

The preferred candidates are recommended to the Board by the Nomination Committee.

Candidates meet with other Directors on the Board as appropriate prior to Board approval for the appointment to be made.

"The Nomination Committee keeps the composition of the Board under review, ensures an appropriate balance of skills and experience is maintained and, as in this year, ensures Board succession planning is in place and implemented."

Andrew Griffith
Interim Chairman, Nomination Committee

Report of the Nomination Committee *continued*

Key matters considered at each main meeting of the Nomination Committee during the year included:

2017

February (two meetings)

Recommendation to the Board for interim appointment of John Hughes as Executive Chairman.

Proposed recruitment of CEO after David Buttress stepped down from this role.

Selection of recruitment firm to assist with recruitment of CEO.

Review of progress in selection of additional Non-executive Director.

April

Update on CEO recruitment.

Agreement to recommend the appointment of Paul Harrison as Interim CEO.

June (two meetings) and July (one meeting)

Update on CEO recruitment and selection from final two candidates for recommendation for appointment.

Consideration of shortlist of recruitment firms to assist in search for Chairman.

September[1]

Agreement to the continuation of Andrew Griffith as Interim Chairman until a new Chairman is appointed.

Confirmation of recruitment firm selected to assist with recruitment of Chairman.

1 Andrew Griffith did not participate in the Board discussions nor decisions regarding his own appointment.

At every main meeting, the Nomination Committee also reviews:

Minutes and actions from previous meetings.

Diversity

One of the pivotal considerations on any appointment to the Board relates to diversity. The Nomination Committee takes an active role in setting and meeting diversity objectives and strategies for the Company as a whole. The Board's policy is to continue to seek and encourage diversity within long and short lists, including with regard to gender, as part of the overall selection process for Non-executive Director roles. In addition, the appointment of Peter Plumb was made within the Group's diversity policies for the appointment of employees, as will any future appointments of Executive Directors.

Further information on diversity in the Group is included on page 38.

Reappointment

In accordance with the provisions of the Code, each Director retires at the AGM of the Company and, if decided appropriate by the Board, may be proposed for reappointment. In reaching its decision, the Board acts on the advice of the Nomination Committee. Following evaluation of their performance I, as Interim Chairman, confirm that the performance of each of the Non-executive Directors being proposed for reappointment continues to be effective and demonstrates ample commitment to their duties.

We consider that they each provide distinct and important contributions to the overall operation and function of the Board.

This review of the performance of the Non-executive Directors included an assessment of their:

- attendance at meetings;
- continued independence (where applicable); and
- ability to devote ample time to the Company outside meetings.

All the Directors being proposed for reappointment attended all meetings they were scheduled to attend unless unavoidably prevented from doing so. They all devote sufficient time to their duties. The evaluation also confirmed that the roles of the Directors in other companies in no way impede their roles within the Company. Indeed, each demonstrates great enthusiasm as well as commitment to their roles. David Buttress will not be seeking re-election and accordingly will retire at the AGM.

Board evaluation

Performance reviews

During 2017, the Board undertook an internally facilitated evaluation of the effectiveness of its own performance and that of its three standing Committees, the individual Directors and the Chairman. The process undertaken is summarised below along with the conclusions and actions to be taken. This process took into account the actions and specific areas of interest arising from the previous year's externally facilitated evaluation. We plan that a follow-up on this will again be internally facilitated during the current year and will be reported on in next year's Annual Report.

Comprehensive questionnaire

All Directors completed a comprehensive questionnaire, with open questions designed to encourage narrative answers, focused on the following areas:

- Strategy
- Risk appetite
- Succession planning and talent development
- Board dynamics
- Chairman's effectiveness
- Audit, Remuneration and Nomination Committees' effectiveness
- Skills, knowledge and experience of Directors

Full Board discussion

The results of the evaluation were reported to the Board in a confidential and non-attributable manner which ensured that these responses were as open, frank and informative as possible. The review of the Chairman's performance was led by the Senior Independent Director and the responses to the section on the Chairman's effectiveness were shared only with the Senior Independent Director.

Having considered and discussed these results, the Board agreed to follow up with specific actions as part of the continuous enhancement of its governance processes.

Conclusions and actions

Conclusions were within three main areas, summarised below with key actions taken:

Strategy	Refine the vision for Just Eat for the next five years, including: • the future purpose of Just Eat; and • what its aims should be and how its strategy is best aligned with these. Marketing strategy, including: • ongoing conversion of telephone-based Customer sales to website transactions; and • monitoring the developing competitive landscape and ensuring the Company's strategy aligns with this.
The business	Focus on building value in the business over different time horizons, with particular emphasis on the long term. Development and enhancement of the succession planning processes. Recognising the benefits of ongoing cultural change in line with continued development of the business.
The Board	Continue to develop a cohesive Board whose collective vision underpins the Company's strong core belief of "who we are". Consider the diversity of thought on the Board, including: • independence of mind, ensuring fresh input in establishing strategy and having a positive impact on the quality of decision making; • reinforcement by senior management of the Non-executive Director knowledge of the business including sharing specific details of challenges faced; and • increased interaction between the Board and members of senior management who bring specific expertise to introduce a fresh perspective, encourage new ways of thinking and facilitate robust debate within the Board.

Governance meetings

In line with the Code, during the past year separate meetings took place amongst the Non-executive Directors and the Chairman without the Executive Directors present to assess the performance of the Executive Directors on an ongoing basis; and the Non-executive Directors only (although taking account of the views of the Executive Directors) to discuss the performance of the Interim Chairman including review of:

- the time he dedicates to the Company's business; and
- his contributions, both at and outside formal meetings.

The Non-executive Directors concluded that the Interim Chairman is well able to, and indeed does, devote ample time and attention to the Company's affairs and that his broad past and current experience provide considerable benefit to his role in the Group. They also confirmed that his external role has no negative impact on the Company. The Board is greatly appreciative of Andrew Griffith stepping into the Chairman role on an interim basis and recognises his enormous contribution in its performance.

Succession planning
We commenced, with the assistance of The Zygos Partnership Limited, the search for a new Chairman following the sad news that John Hughes had passed away in June 2017. This resulted in the appointment of Mike Evans. I will continue in the role as Interim Chairman until Mike Evans takes up his role on 26 April 2018.

The Committee recognises that our People are critical to our continued success and we remain focused on maintaining a high performing, entrepreneurial culture to attract and retain the highest calibre individuals. The Committee oversees matters in relation to the succession planning for the senior leadership team as well as the Board. It considers key new appointments as they arise from external sources. It also oversees the development and management of existing resource within the organisation.

Coming year
We will report to you again next year on the results of our ongoing succession planning and other activities we intend to carry out during 2018.

Andrew Griffith
Interim Chairman
5 March 2018

I am pleased to present our Directors' Remuneration Report for the year ended 31 December 2017.

Company performance
2017 was a year of continued strong growth for Just Eat:

- revenue grew by 45% to £546.3 million;
- uEBITDA grew by 42% to £163.5 million;
- Total Shareholder Return ("TSR") in the year was 33.8%, outperforming the FTSE 250 Index; and
- on 18 December 2017 Just Eat joined the FTSE 100 Index.

The 2017 Directors' Annual Bonus Plan was based around strong financial performance reflecting growth in revenue and uEBITDA, as well as strategic Customer-focused objectives and personal objectives.

The out-turn of the 2017 annual bonus for Peter Plumb, the CEO, and for Paul Harrison, the CFO, is confirmed at 80% of the maximum level, representing 120% and 96% of 2017 paid salaries respectively. The financial measures for our Annual Bonus Plan are revenue and uEBITDA and these were met in full. In line with best practice, we are committed to transparency in reporting and have, therefore, provided details of the performance targets for the annual bonus' financial and strategic metrics on page 69.

Our first post-IPO long-term incentives granted under our Performance Share Plan ("PSP") in April 2015 will vest by reference to performance measured to the end of our 2017 financial year. Whilst neither of our current Executive Directors were participants in these 2015 PSP awards, I am pleased to confirm that the performance criteria for full vesting of these awards was achieved, with an adjusted diluted EPS of 16.6 pence for 2017 (10.5 pence was required for full vesting); and an upper quintile or better TSR ranking against the FTSE 250 (ex IT) over the period of three years to 31 December 2017.

The Remuneration Committee considered that the outcomes for both annual bonus and PSP represented a fair reflection of the performance of the Company and its management team and can be applied without adjustment.

Remuneration policy for 2018
2017 was also a year of significant change in our senior leadership team as explained earlier in this annual report on page 44.

In the context of these changes, the Remuneration Committee concluded that 2017 was not an appropriate time to undertake any material review of our Directors' remuneration policy, which, having first been approved at our 2015 AGM, must be resubmitted to our shareholders for approval at our 2018 AGM.

Accordingly, the Directors' remuneration policy which will be submitted for approval by our shareholders at the 2018 AGM is largely a renewal of our existing policy, and only a limited number of changes have been proposed.

The main changes to the policy are:

- The previous 20% discount to market levels for base salaries will no longer be applied. For Peter Plumb, it was considered appropriate and necessary to provide Peter with a market level salary of £695,000 in order to secure his appointment. We have also increased Paul Harrison's base salary to £450,000 from September 2017 to position it at a level consistent with his experience and performance, as demonstrated through Paul acting up outstandingly as Interim CEO. The new salary levels for our Executive Directors place them at a broadly median level of salary for similarly sized FTSE companies.
- For 2018's Annual Bonus we are introducing a deferral element to the plan.
- The maximum participation level for our CFO in our Annual Bonus Plan will be increased to 150% of base salary (from 120% of base salary).
- At the same time, within our existing policy limits for long-term incentive plans ("LTIPs"), the CFO's annual PSP award will be increased to 200% of base salary (from 160%).

These changes for our CFO for both annual bonus and PSP will, from 2018, give the CFO the same participation levels as our CEO in our incentive plans (annual bonus 150% of base salary; PSP 200% of base salary).

As a Committee, we are confident that the changes detailed above are both necessary and appropriate in the context of the growing size and complexity of Just Eat as a business and its strong performance. The changes to our Directors' remuneration policy which are being proposed at the 2018 AGM are, however, limited and a fuller review of our policy may be appropriate during 2018 as our new senior management team becomes more established.

"This has been a strong year for Just Eat, driven by disciplined implementation of the Group's strategy."

Gwyn Burr
Chairman, Remuneration Committee

Key matters considered at each main meeting of the Remuneration Committee during the year included:

2017

February (two meetings)

Confirmation of Executive remuneration for the coming year, including proposal of remuneration for Interim Executive Chairman role.

Review of arrangements for David Buttress.

Review and approval of 2016 annual bonus out-turn.

Confirmation of Executive Director 2017 annual bonus structure and targets.

Review of proposed 2017 long-term incentive grants.

Review of Executive Team remuneration packages and wider remuneration across the Group.

Review and approval of the Directors' Remuneration Report.

Review and approval of plans for Sharesave offer during the year.

June and July (three meetings)

Review and approval of new CEO remuneration package and contract.

Mid-year review of progress on 2017 annual bonus.

Approval of changes to CFO remuneration package in the context of his appointment as Interim CEO.

Update on gender pay gap analysis.

Market comparison of Group pay/conditions.

Initial review of the Group's Directors' remuneration policy in advance of renewal at 2018 AGM.

December (one meeting)

Update on 2017 annual bonus progress.

Review of proposals for 2018 annual bonus and long-term incentives.

Remuneration plans for role of new Chairman.

Review of proposed updated Group Directors' remuneration policy.

Update on gender pay gap reporting.

Update of share award plans for GDPR implications.

Review of Committee terms of reference.

At every main meeting, the Remuneration Committee also reviews:

Minutes and actions from previous meetings.

One other matter to highlight for 2018 is that our annual grant of PSP awards is being delayed until later in the year. This additional period of time before making 2018's PSP awards will enable us to further consider the performance measures for these awards, and to consult with our leading shareholders as appropriate. It is necessary to undertake a review of performance measures for 2018's PSP awards as the Company is now a member of the FTSE 100 (our previous TSR comparator group was the FTSE 250 (ex IT)), but delaying the grant will also enable us to fully consider the views of the new CEO and, in due course, the views of Mike Evans, as our new Chairman, with regards to our remuneration policy.

Finally, whilst not a matter for the Remuneration Committee, the Board raised the fee levels for Non-executive Directors for 2018; the new fee levels are detailed on page 77.

Shareholder approval
At the AGM, to be held on 26 April 2018, shareholders will be asked to approve three resolutions related to Directors' remuneration matters:

- to approve the Directors' remuneration policy as set out in Part A of this Directors' Remuneration Report;
- to approve the Implementation Report sections of this Directors' Remuneration Report (excluding the Directors' remuneration policy); and
- to approve a new Deferred Bonus Share Plan under which elements of annual bonus will be deferred.

The vote on the Implementation Report is our normal annual advisory vote on such matters. If approved by our shareholders, the Directors' remuneration policy will apply for a maximum of three years from the 2018 AGM and the policy will replace the Directors' remuneration policy previously approved at the 2015 AGM.

I hope that we can continue to rely on the support of our shareholders for the resolutions which will be proposed at the 2018 AGM.

Gwyn Burr
Chairman, Remuneration Committee
5 March 2018

Annual report on remuneration

Introduction

We present this Directors' Remuneration Report to reflect the UK's Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the "DRR regulations"). The Directors' Remuneration Report also describes how the Board has complied with the provisions set out in the UK Corporate Governance Code ("the Code") relating to remuneration matters.

Part A is the Directors' remuneration policy, which will take effect immediately after the 2018 AGM, subject to shareholder approval.

Part B is the Implementation Report.

The Group's auditor has reported on certain parts of the Directors' Remuneration Report and stated whether, in their opinion, those parts of the Directors' Remuneration Report have been properly prepared in accordance with the Companies Act 2006. Those sections of the Directors' Remuneration Report that have been subject to audit are clearly indicated.

Part A: Directors' remuneration policy

The Directors' remuneration policy as set out in this section of the Directors' Remuneration Report applies to the roles of Chairman, Executive Director and Non-executive Director.

The Directors' remuneration policy has been developed mindful of the requirements of the Code and is felt to be appropriate to support the long-term success of the Company whilst ensuring that it does not promote inappropriate risk taking. The policy is consistent with the Company's broader outlook on environmental, social and governance issues.

If approved by the shareholders in a binding vote at the 2018 AGM, the Directors' remuneration policy will apply for a maximum of three years from the 2018 AGM. It will replace the Directors' remuneration policy previously approved at the 2015 AGM.

Summary of changes from previous policy (unaudited)
As detailed in the "changes from previous policy" sections in the Remuneration Policy table, the key changes to the Directors' Remuneration policy are as follows:

Element	Change from previous policy
Base salary	Base salary cap is re-expressed. For base salaries, we are no longer applying the previous 20% discount to market data in setting the appropriate market levels for Executive Directors' salaries.
Benefits	Commuting cost allowances for Executive Directors are removed.
Annual Bonus Plan	Introducing bonus deferral for any outcomes above 75% of base salary. Deferral is made into an award of deferred shares vesting over three years, with one-third of the deferred shares vesting each year. Maximum annual bonus potential for the CFO to be the same level as that of the CEO at 150% of base salary per annum (previously 120% of base salary). Confirming that no material changes will be made to the performance measures nor to the relative weightings for such measures for the Annual Bonus Plan without consulting major shareholders.
Long-term Incentive plan	Confirming that no material changes will be made to the performance measures nor to the relative weightings for such measures for the PSP without consulting major shareholders. Removal of previous scope to make awards of market-priced share options (not used in practice during the previous policy period).

Remuneration Policy table (unaudited)

Element and purpose

Base salary
This is the core element of pay and reflects the individual's role and responsibilities within the Group with some adjustment to reflect their capability and contribution.

Policy and operation	Base salaries will be reviewed each year by the Committee. Salary levels are reviewed by reference to FTSE listed companies of a similar size and complexity. The Committee generally views pan-sector data from companies ±30 in market capitalisation of the Company as an appropriate reference point. The Committee also has 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. Changes to base salaries normally take effect from 1 January.
Maximum	The Remuneration Committee will apply the factors set out in the section above in considering any salary adjustments during the duration of this policy. Increases in base salaries for Executive Directors will be generally guided by any increases for the broader employee population, but on occasion may need to recognise, for example, an increase in the scale, scope or responsibility of the role. No increase will be made if it would take an Executive Director's salary above £788,000 (being the median level of salaries for CEOs in the FTSE 31–100), provided that this figure will be increased in line with UK retail price index inflation for the duration of this policy.
Performance measures	N/A
Changes from previous policy	Cap for base salaries is re-expressed, and relative positioning is confirmed with removal of the application of the previous 20% discount to market data.

Benefits
To provide benefits valued by recipients.

Policy and operation	The Group provides market-competitive benefits in kind. Details of the benefits provided in each year will be set out in the Implementation Report. The Executive Directors receive a car allowance, private medical cover and insurance benefits. The Remuneration Committee reserves discretion to introduce new benefits where it concludes that it is in the interests of Just Eat to do so, having regard to the particular circumstances and market practice. Where appropriate, the Company may meet certain costs relating to Executive Director relocations and (if necessary) expatriate benefits.
Maximum	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 provided that relocation benefits may be paid only in the year of appointment and for a further two financial years). The Remuneration Committee will monitor such costs in practice and ensure that the overall costs do not increase by more than the Remuneration Committee considers to be appropriate in all the circumstances.
Performance measures	N/A
Changes from previous policy	Commuting costs allowances for Executive Directors have been removed.

Pension
To provide retirement benefits.

Policy and operation	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).
Maximum	The maximum employer's contribution is limited to 10% of base salary per annum, although it is not currently anticipated that contributions will increase above the current 5% level for the duration of this policy.
Performance measures	N/A
Changes from previous policy	No material changes.

Element and purpose	
Annual Bonus Plan To motivate employees and incentivise delivery of performance over a one-year operating cycle, focusing on the short/medium-term elements of our strategic aims.	
Policy and operation	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. Annual Bonus Plan outcomes will be calculated following the determination of achievement against performance measures and targets. For the financial year 2018 onwards, the Annual Bonus Plan outcomes will be delivered partly in cash and partly as a deferred award of Just Eat shares. Any Annual Bonus Plan outcomes achieved above 75% of base salary will be delivered as a deferred award of shares, and with the period of deferral being three years with one-third of the amounts deferred vesting and being capable of release at each annual anniversary of the making of the deferred award. Deferred awards will be a right to receive shares for nil cost with the shares either being delivered automatically at vesting or being delivered at a time following vesting at the individual's choice. If appropriate, dividend entitlements for deferred shares will accrue over the deferral period and be delivered as additional vesting shares. Malus/clawback provisions apply to the Annual Bonus Plan, and to amounts deferred in Just Eat shares, as explained in the notes to this table.
Maximum	The maximum level of Annual Bonus Plan outcome for an Executive Director is 150% of base salary per annum for the duration of this policy.
Performance measures	The performance measures applied may be financial or non-financial, corporate, divisional or individual and in such proportions as the Remuneration Committee considers appropriate. The Remuneration Committee would, however, expect to consult with its major shareholders if it proposed changing materially the current performance measures applied for the Annual Bonus Plan (or the relative weightings between such measures) in subsequent financial years. 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 necessary in its judgement to make appropriate adjustments. Attaining the threshold level of performance for any measure will not produce a payout of more than 25% of the maximum portion of overall annual bonus attributable to that measure, with a sliding scale to full payout for maximum performance. The Annual Bonus Plan remains a discretionary arrangement and the Remuneration 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.
Changes from previous policy	Introduces a deferral of any Annual Bonus Plan outcome of over 75% of base salary into shares. Increases the maximum annual bonus potential for the CFO to the same level as that of the CEO at 150% of base salary per annum from 120%. Confirms that no material changes will be made to the performance measures or the relative weightings for such measures for Annual Bonus without consulting major shareholders.

Remuneration Policy table (unaudited) *continued*

Element and purpose

Long-term incentives
To motivate and incentivise delivery of sustained performance over the long-term, and to promote alignment with shareholders' interests, the Group operates the PSP.

Policy and operation	Awards under the PSP may be granted as nil-cost options, conditional awards or forfeitable shares which vest to the extent that performance conditions are satisfied over a period of at least three years. Under the PSP rules, vested awards may also be settled in cash (although this will typically be the case only if required to comply with non-UK legal constraints). Vested awards for Executive Directors will be subject to a further two-year holding period during which time awards may not normally be exercised or released but are no longer contingent on performance conditions nor future employment. If appropriate, dividend entitlements will accrue until the end of the holding period in respect of performance-vested shares and be delivered as additional vesting shares. Malus/clawback provisions apply to the PSP as explained in the notes to this table.
Maximum	The formal limit under the PSP allows awards over shares worth 200% of base salary in a financial year (and 300% in exceptional circumstances). This excludes any dividend equivalent accruals. The Remuneration Committee expressly reserves discretion to make such awards as it considers appropriate within these limits.
Performance measures	The Remuneration Committee may set such performance measures on PSP awards as it considers appropriate (whether financial or non-financial, and whether corporate, divisional or individual). The Remuneration Committee would, however, expect to consult with its major shareholders if it proposed changing materially the current performance measures applied for PSP awards made to Executive Directors (or the relative weightings between such measures) in subsequent financial years. Once set, performance measures and targets will generally remain unaltered unless events occur which, in the Remuneration Committee's opinion, make it appropriate to alter the performance conditions in such manner as the Committee thinks fit. Performance may be measured over such periods as the Remuneration Committee selects at grant, which will not be less than, but may be more than, three financial years. No more than 20% of awards vest for attaining the threshold level of performance conditions.
Changes from previous policy	Removes previously unused facility to grant market-priced share options to Executive Directors. Confirms that no material changes will be made to the performance measures or the relative weightings for such measures for PSP without consulting major shareholders.

All employee share plans
To encourage share ownership by employees, thereby allowing them to participate in the long-term success of the Group and align their interests with those of the shareholders.

Policy and operation	Executive Directors are able to participate in all employee share plans on the same terms as other Group employees as required by HMRC legislation. The Sharesave Plan and Share Incentive Plan ("SIP") are all employee share plans established under HMRC tax-advantaged regimes and follow the usual form for such plans.
Maximum	The maximum participation levels for all employee share plans will be the limits for such plans set by HMRC from time to time.
Performance measures	Consistent with normal practice, such awards are not subject to performance conditions.
Changes from previous policy	No material changes.

Element and purpose	
Shareholding guidelines To further align the interest of Executive Directors with those of shareholders.	
Policy and operation	Executive Directors are expected to retain 50% of the shares vesting under all share plans (after any disposals for the payment of applicable taxes) until such time as they hold a minimum of 400% of their base salary in shares. Only beneficially owned shares and performance vested share awards (discounted for anticipated tax liabilities) may be counted for the purposes of the guidelines (and this includes performance-vested shares subject to a continued holding period). Share awards do not count prior to vesting. Once shareholding guidelines have been met, individuals are expected to retain these levels as a minimum. The Remuneration Committee will review shareholdings annually in the context of this policy.
Maximum	N/A
Performance measures	N/A
Changes from previous policy	No material changes.
Chairman and Non-executive Director fees To enable the Company to recruit and retain a Chairman and Non-executive Directors of the highest calibre, at the appropriate cost.	
Policy and operation	The fees paid to the Chairman and the fees of the other Non-executive Directors aim to be competitive with other 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 or for acting as Senior Independent Director. 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. Fees are paid monthly in cash.
Maximum	The aggregate fees (and any benefits) of the Chairman and 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 per annum). Any increases actually made will be appropriately disclosed. The Company reserves the right to vary the structure of fees within this limit including, for example, introducing time-based fees or reflecting the establishment of new Board Committees.
Performance measures	N/A
Changes from previous policy	No material changes.

Notes to the Remuneration Policy table

1. Travel and hospitality
Whilst the Committee does not consider travel and hospitality to form part of benefits, it has been advised that corporate hospitality (whether paid by the Company or another) and certain instances of business travel (including any related tax liabilities settled by the Company or the Group) for Executive Directors, Non-executive Directors and the Chairman (including their family members) may technically be considered as benefits. The Remuneration Committee expressly reserves the right to authorise such activities and reimbursement of associated expenses 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.

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

Notes to the Remuneration Policy table *continued*

4. Malus and clawback

Malus (being the forfeiture of unvested awards) and clawback (being the ability of the Company to claim repayment of paid amounts as a debt) provisions apply to the PSP and Annual Bonus Plan (including any future deferred amounts). These provisions may be applied where the Remuneration Committee considers it appropriate to do so following:

- a misstatement of accounts;
- a miscalculation of vesting/payouts;
- an act/omission that justifies summary dismissal for misconduct (which has no time limit); and
- in respect of malus only, circumstances where the Committee believes there is a risk of serious reputational damage to the Group.

5. Discretions reserved in operating incentive plans

The Remuneration Committee will operate the Annual Bonus Plan and PSP according to their respective rules and the above Remuneration Policy table. The Remuneration Committee retains certain discretions, consistent with market practice, in relation to the operation and administration of these plans including:

- (as described in the Remuneration Policy table) the determination of performance measures and targets and resultant vesting and payout levels;
- (as described in the Remuneration Policy table) the ability to adjust performance measures and targets to reflect events and/or to ensure the performance measures and targets operate as originally intended;
- (as described in the Termination Policy section below) the determination of the treatment of individuals who leave employment, based on the rules of the incentive plans, and the treatment of the incentive plans on exceptional events, such as a change of control of the Company; and
- the ability to make adjustments to existing awards made under the incentive plans in certain circumstances (e.g. rights issues, corporate restructurings or special dividends).

6. Differences between the policy on remuneration for Directors and the policy on remuneration of other employees

When determining Executive Directors' remuneration, the Committee takes into account pay throughout the Group to ensure that the arrangements in place remain appropriate. This is more fully discussed on page 74.

7. Commitments under previous policies

Subject to the achievement of any applicable performance conditions, Directors are eligible to receive payment from any commitments or awards made prior to the approval and implementation of the Directors' remuneration policy detailed in this report.

Service contracts (unaudited)

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 or the individual on 12 months' notice. 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 base salary for the duration of the notice period (and for the CEO only, car allowance and pension contributions). Contracts do not contain change of control provisions but do contain provisions allowing for summary termination.

The date of each Executive Director's contract is:

Name	Date of service contract
Peter Plumb	6 July 2017
Paul Harrison	14 November 2017

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 the 15 minutes preceding the meeting.

Chairman and Non-executive Directors

Each Non-executive Director and the Chairman is engaged for an initial period, 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 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.

Service contracts (unaudited) *continued*

Chairman and Non-executive Directors continued

For each Non-executive Director the effective date of their latest letter of appointment is:

Name	Date of appointment	Term
Frederic Coorevits	10 July 2009	Annual reappointment
Andrew Griffith	12 March 2014	Annual reappointment
Gwyn Burr	12 March 2014	Annual reappointment
Diego Oliva	24 September 2015	Annual reappointment
Roisin Donnelly	17 October 2016	Annual reappointment
Alistair Cox	2 May 2017	Initial engagement (first annual reappointment at 2018 AGM)
David Buttress[1]	9 August 2017	Retiring from the Board effective 26 April 2018

1 David Buttress was an Executive Director from 8 April 2014 to 8th August 2017.

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 the 15 minutes preceding the meeting.

Recruitment remuneration policy (unaudited)

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 necessary to deliver the Group's strategic aims.

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 on the previous pages and structure a package in accordance with that policy. Consistent with the DRR 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 PSP will operate (including the maximum award levels) as detailed in the remuneration policy table in relation to any newly appointed Executive Director.

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 in the year of appointment and for a further two financial years.

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 PSP. 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 PSP (for example, specific arrangements under Listing Rule 9.4.2).

All buy-outs, whether under the Annual Bonus Plan, PSP 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. Exceptionally, where necessary, such buy-outs may include a guaranteed or non-prorated annual bonus in the year of joining.

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

Termination policy summary (unaudited)

It is appropriate for the Committee to consider treatment on a termination having regard for 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" on page 72) and any treatments that the Committee may choose to apply under the discretions available to it under the terms of the Annual Bonus Plan, the proposed new Deferred Share Bonus Plan and the PSP.

Termination policy summary (unaudited) *continued*
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", e.g. leaving through disability or otherwise at the discretion of the Committee	If a leaver is leaving for other reasons	Other exceptional cases, e.g. change in control
Annual Bonus Plan	The Committee has the discretion to determine the annual bonus which will typically be limited to the period actually worked.	No awards made.	The Committee has the discretion to determine the annual bonus.
Deferred Share Bonus Plan	Awards normally preserved in all leaver cases, but release is not typically accelerated, except in the case of death in service. The Committee has the ability to release a good leaver's awards early.	Awards will lapse on termination for cause; otherwise awards are retained but release is not accelerated.	Awards received early unless the Committee determines otherwise.
PSP	Receive a prorated award subject to the application of the performance conditions at the end of the normal vesting period. The Committee retains standard discretions to vary time prorating, release any holding period, or accelerate vesting to the date of cessation (determining the performance conditions at that time) for a good leaver.	All awards will normally lapse.	Receive a prorated award subject to the application of the performance conditions at the date of the event, subject to standard Committee discretions to vary time prorating.

SIP and the Sharesave Plan provide 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.

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.

The same reward principles guide reward decisions for all Group employees, including Executive Directors, although remuneration packages differ to take into account appropriate factors in different areas of the business:

Annual bonus – the majority of Group employees participate in an annual bonus plan, although the quantum and balance of corporate to individual objectives varies by level.

PSP – key Group employees participate in the PSP currently based on the same performance conditions as those for Executive Directors, although the Committee reserves the discretion to vary the performance conditions for awards made to employees below Board level.

All employee share plans – the Committee considers it is important for all employees to have the opportunity to become shareholders in the Company. The Company offers a Sharesave Plan across eight countries.

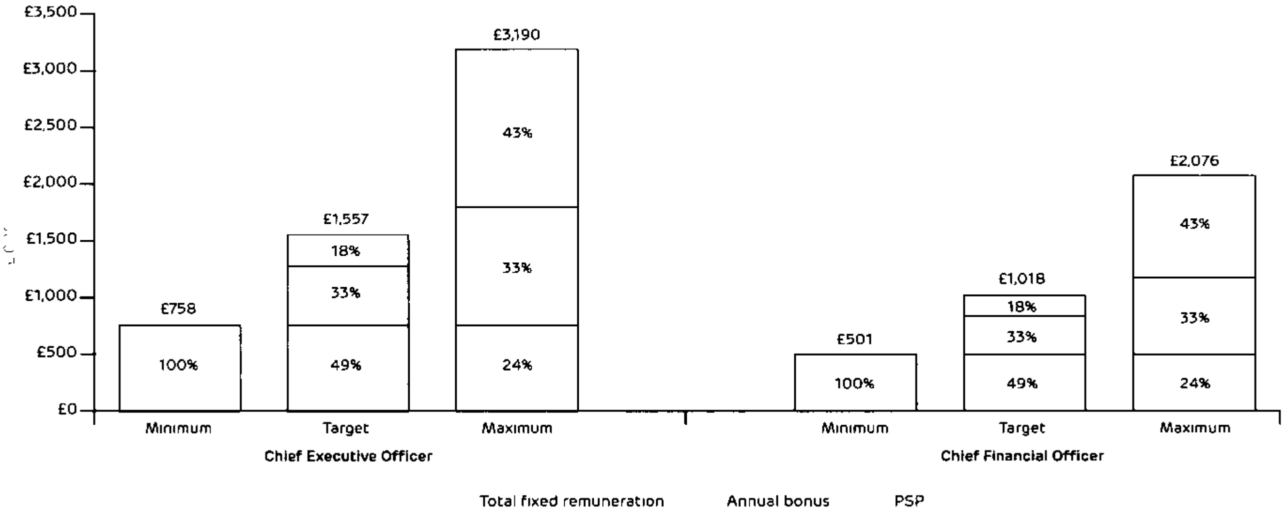
Reflecting standard practice, the Company did not consult with employees in preparing this Remuneration Report. The Remuneration Committee is cognisant of requests from, amongst others, the Investment Association for companies to publish ratios comparing CEO to employee pay. The Remuneration Committee has not, however, published this data in the Directors' Remuneration Report given the absence of a common methodology for these comparisons; the Company's expectation is that it will publish ratios showing comparisons in future years when, as can be expected, UK regulations develop a common methodology.

Statement of consideration of employment conditions elsewhere in the Group *continued*

Potential rewards under various scenarios

The potential total rewards available to the Executive Directors, ignoring any change in share price and dividend equivalent accruals, are shown below:

Illustrations of application of remuneration policy



The above chart aims to show how the remuneration policy set out above for Executive Directors is applied using the following assumptions.

Minimum

Consists of base salary, benefits and pension.

Base salary is the salary to be paid in 2018.

Benefits measured on the basis of assumptions regarding the cost of car allowances and insurance benefits.

Pension measured as the 5% of base salary receivable either as a pension contribution or as cash, and ignoring any reduction to payments made in cash for employer's NICs.

Name	Base salary £'000	Benefits £'000	Pension £'000	**Total fixed £'000**
Chief Executive Officer	695	28	35	**758**
Chief Financial Officer	450	28	23	**501**

On target

Based on what the Executive Director would receive if performance was on target:

Annual Bonus Plan: consists of the on-target annual bonus (75% of base salary, 50% of maximum).

PSP: consists of the threshold level of vesting (40% of base salary, 20% of maximum).

Maximum

Based on the maximum remuneration receivable:

Annual Bonus Plan: consists of the maximum annual bonus (150% of base salary).

PSP: assumes maximum vesting of awards and valued as on the date of grant (normal award 200% of base salary).

Consideration of shareholders' views

Each year the Remuneration Committee takes into account the approval levels of remuneration-related matters at our AGM in determining that the current Directors' remuneration policy remains appropriate for the Company, and considers any specific representations made by our shareholders on pay matters.

The Remuneration Committee also seeks to build an active and productive dialogue with investors on developments on the remuneration aspects of corporate governance generally and any changes to the Company's Executive pay arrangements in particular.

Part B: Implementation Report

Summary of implementation of Directors' remuneration policy in 2018 (unaudited)

Element of remuneration policy	Detail of implementation of policy for 2018
Base salary	Base salaries for Executive Directors in 2018 are as follows: (with the next review envisaged in January 2019): Peter Plumb – £695,000. Paul Harrison – £450,000.
Benefits	Provision of car allowance and any other changes to the benefits offered to the Executive Directors in 2018 will be in line with changes for all employees, specifically non-taxable insurance coverage for all employee groups.
Pension	No changes to the pension arrangements for Executive Directors are anticipated for 2018. Pension contributions of 5% of base salary are paid into the Group's defined contribution pension plan. If impacted by HMRC limits on contributions, amounts can be paid as a cash supplement in lieu of pension contributions (reduced for the impact of employer's NICs).
Annual Bonus Plan	Subject to the approval of the Directors' remuneration policy at the 2018 AGM, it is proposed that the Annual Bonus Plan for 2018 will operate as described in this section. The proposed Annual Bonus Plan maximum potential levels for 2018 are to be as follows: Peter Plumb – 150% of base salary. Paul Harrison – 150% of base salary. The performance measures for the Annual Bonus Plan in 2018 will be a mix of revenue (35% weighting), uEBITDA (35% weighting) and personal/strategic objectives (30% weighting). Given the competitive nature of the Company's sector, the specific performance targets for the 2018 Annual Bonus Plan are considered to be commercially sensitive and accordingly are not disclosed. The Committee currently intends to disclose the financial performance targets for the year ended 31 December 2018 on a retrospective basis in the 2018 Directors' Remuneration Report. Additionally, so far as commercial sensitivity will allow, details of the personal/strategic objectives for 2018 will also be disclosed. Annual Bonus Plan outcomes for 2018 will be settled following the determination of achievement against performance measures and targets and will be delivered in cash for outcomes up to 75% of base salary and above this level of attainment in an award of deferred shares. The deferred shares will vest over three years from the making of the award, with one-third of the award vesting and capable of being released at each annual anniversary of the making of the award.
Long-term incentives provided under the Just Eat Performance Share Plan ("PSP")	Subject to the approval of the Directors' remuneration policy at the 2018 AGM, it is proposed that the PSP award levels for Executive Directors for 2018 are to be as follows: Peter Plumb – 200% of base salary. Paul Harrison – 200% of base salary. A holding period applies so that any PSP awards for which the performance vesting requirements are satisfied will not be released for a further two years from the third anniversary of the original award date. The performance conditions for PSP awards to be made in 2018 remain to be finalised at the current time. It is the Remuneration Committee's intention to consult with its major shareholders before the performance conditions for 2018's PSP awards are settled and the awards are made. As the Company has joined the FTSE 100 it is necessary for the Committee to revisit the performance measures for new PSP awards in 2018 (the previous comparator group for the TSR performance conditions for PSP was the FTSE 250 (ex IT)).
All employee share plans	Executive Directors have the opportunity to participate in the Company's HMRC tax-advantaged share plans on the same basis as all other UK employees.
Shareholding guidelines	Guideline levels are 400% of base salary level for all Executive Directors. 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.

Summary of implementation of Directors' remuneration policy in 2018 (unaudited) *continued*

Chairman and Non-executive Directors' fees

A breakdown of Non-executive Directors' current annual fees is provided below.

	Base fee £	Committee Chairman fee £	Senior Independent Director fee £	Committee membership fees £	**Total £**
Andrew Griffith[1]	62,500	15,000	12,500	5,000	**95,000**
Gwyn Burr	62,500	15,000	—	5,000	**82,500**
Diego Oliva	62,500	—	—	10,000	**72,500**
Roisin Donnelly	62,500	—	—	—	**62,500**
Alistair Cox	62,500	—	—	—	**62,500**
David Buttress	62,500	—	—	—	**62,500**

1. For the period during which he is fulfilling the role of Interim Chairman, Andrew Griffith has not been paid any additional fees.
2 Frederic Coorevits acts as a Non-executive Director but receives no fee.

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.

For the year ended 31 December 2017:

	Salary and fees £	Taxable benefits £	Bonus scheme[5] £	Long-term incentives[6,7] £	Pension £	Other[8] £	**Total £**
Dr. John Hughes[1]	129,474	10,666	—	—	—	—	**140,140**
Andrew Griffith	82,500	—	—	—	—	—	**82,500**
Peter Plumb[2]	200,481	7,212	240,576	—	10,024	—	**458,293**
Paul Harrison[3]	452,500	19,264	434,400	5,763	24,446	52,830	**989,203**
David Buttress[4]	323,986	41,606	—	548,277	14,099	—	**927,968**
Alistair Cox[9]	39,769	—	—	—	—	—	**39,769**
Gwyn Burr	70,500	—	—	—	—	—	**70,500**
Diego Oliva	60,000	—	—	—	—	—	**60,000**
Roisin Donnelly	60,000	—	—	—	—	—	**60,000**

1 Dr John Hughes was paid fees at his normal Chairman's fee rate of £220,000 for the period he served as Chairman. For the period he served as Executive Chairman, he was paid an annual rate of £465,000, on a per diem basis, being a rate equivalent to David Buttress' 2016 base salary.
2 Peter Plumb joined on 18 September 2017 and received his salary of £695,000 per annum for the portion of the year worked.
3 Paul Harrison was paid a base salary of £400,000 per annum, for the period he was CFO prior to becoming Interim CEO As Interim CEO, he was paid an acting up allowance of £100,000 per annum on a per diem basis For the part of the year in which Paul Harrison was CFO after having acted as Interim CEO, Paul Harrison was paid a base salary at the rate of £450,000 per annum.
4. David Buttress was paid a base salary of £465,000 per annum for the period he was CEO and until the end of his notice period For the period he was a Non-executive Director he was paid a Non-executive Director's base fee of £60,000 per annum Untaken holiday at the end of his notice period was paid to David and is included in the salary figure.
5. More details regarding the annual bonus for 2017 are set out on page 69
6 The value of the PSP award for David Buttress was calculated using a three month average share price to 31 December 2017 of 765.13 pence applied to 71,658 shares. This number of shares represented a pro rata reduction of his 2015 PSP award to which the original performance conditions were applied as set out on pages 78 and 81
7. The LTIP value for Paul Harrison represents the intrinsic gain of his Sharesave option when it was granted on 20 September 2017, being the difference between the option price (520 pence) and the then market value of Just Eat shares (686.5 pence), multiplied by the number of option shares (3,461 shares)
8. The other column includes the amounts paid to Paul Harrison in relation to his relocation.
9. Non-executive Director appointed with effect from 2 May 2017

For the year ended 31 December 2016:

	Salary and fees £	Taxable benefits £	Bonus scheme £	Long-term incentives £	Pension £	Other[3] £	**Total £**
Dr. John Hughes	180,000	26,685	—	—	—	—	**206,685**
David Buttress	465,000	127,881	657,743	—	23,250	—	**1,273,874**
Paul Harrison[1]	107,692	485	121,184	—	5,385	254,916	**489,662**
Andrew Griffith	62,500	—	—	—	—	—	**62,500**
Gwyn Burr	57,500	986	—	—	—	—	**58,486**
Diego Oliva	50,000	—	—	—	—	—	**50,000**
Roisin Donnelly[2]	10,448	—	—	—	—	—	**10,448**

1 CFO appointed with effect from 26 September 2016.
2 Non-executive Director appointed with effect from 17 October 2016
3 The other column includes amounts paid to Paul Harrison in relation to his recruitment

Single total figure table (audited) *continued*
The three non-independent Non-executive Directors (Frederic Coorevits, Benjamin Holmes and Michael Risman) who served during 2017 and 2016 (part of 2016 only for Benjamin Holmes and Michael Risman), received no remuneration during these years.

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 relevant 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	**2017 £**	2016 £
Dr. John Hughes	**10,666**	12,514
David Buttress	**15,923**	21,931

Further detail on the Joint Ownership Awards is provided on page 80.

Paul Harrison was reimbursed for commuting costs whilst interim CEO of £11,199. Peter Plumb receives a car allowance of £25,000 and Paul Harrison also receives a car allowance of £25,000 since 18 September 2017.

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 25.

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 their salary if they die during their term of employment by the Company.

Summary of David Buttress' departure terms (audited)
David Buttress' stepping down as CEO was announced on 10 February 2017. David served as our CEO until 31 March 2017 and became a Non-executive Director on the expiry of a six-month notice period on 9 August 2017.

David's transition terms can be summarised as follows:

- David was paid his base salary, benefits and pension for the duration of his notice period to 9 August 2017.
- David did not participate in the 2017 Annual Bonus Plan.
- David did not receive a PSP award for 2017, but retains his 2015 and 2016 PSP awards. However, at the vesting of these awards: (1) the original performance conditions will be applied; (2) time prorating will be applied (on the basis of David ceasing to be employed in an executive capacity at 9 August 2017); and (3) the originally specified two-year post-performance vesting holding periods for these awards will continue to apply.
- David retains his JSOP awards. In accordance with their original terms, these awards will continue to vest in monthly increments. The final vesting date for any part of the JSOP awards is 1 January 2019. The performance conditions for these awards have already been met in full. There has been no acceleration of vesting for these awards.

Summary of Peter Plumb's recruitment terms (audited)
Peter's appointment terms are similar to the terms of his 2018 remuneration (see pages 77 to 78). For 2017:

- Peter was entitled to participate in the 2017 Annual Bonus Plan on a pro rata basis considering the period for which Peter has been in post from 18 September 2017 to 31 December 2017.
- Peter was granted a 2017 PSP award on 18 September 2017 over 58,364 shares, being a time prorated award for 2017 at Peter's normal annual PSP participation level (200% of base salary) for that part of the 2017 financial year for which Peter was employed. This award is subject to the same performance conditions as the 2017 PSP award to the CFO (see pages 80 to 81).

Summary of Paul Harrison Interim Chief Executive Officer terms (audited)
Paul served as the Interim CEO of Just Eat from 28 April 2017 until Peter came into post as CEO on 18 September 2017. During this period, Paul was paid an incremental annual salary of £100,000 beyond his CFO salary for the period, with the actual amount paid calculated on a per diem basis. For this period, Paul also received a travel allowance which covered taxable travel expenditure.

External appointments (unaudited)

Paul was a Non-executive Director of Hays plc until 15 November 2017 and currently is a Non-executive Director for Ascential plc. During 2017, Paul was paid £130,080 in aggregate as Non-executive Directors' fees in relation to these roles. Peter is a Non-executive Director of Co-operative Group. For the period from 18 September 2017 to 31 December 2017, Peter received £17,732 for this role. In accordance with the Company's Directors' remuneration policy, Peter and Paul are entitled to retain these fees.

Short-term incentives (audited)

Annual Bonus Plan

For 2017, bonuses were payable based on certain personal/strategic and financial performance targets which had been agreed at the start of the year.

	Peter Plumb			Paul Harrison	
	Weighting as % of bonus	**% achieved in 2017**	Total bonus earned £	**% achieved in 2017**	Total bonus earned £
Personal/strategic measures	30%	**10%**	30,072	**10%**	54,300
Financial measures:					
Revenue targets	35%	**35%**	105,252	**35%**	190,050
uEBITDA targets	35%	**35%**	105,252	**35%**	190,050
Total bonus achieved	100%	**80%**	240,576	**80%**	434,400

Against the specific financial measures (each weighted with 35% of total annual bonus potential), out-turns were as follows:

Performance measure	Threshold performance level for the 2017 annual bonus (25% of each element)	On-target performance level for the 2017 annual bonus (50% of each element)	Maximum performance level for 2017 annual bonus (100% of each element)	Performance level attained for 2017 annual bonus	**% of the maximum potential achieved**
Revenue targets	£485m	£511m	£537m	£546m	**100%**
uEBITDA targets	£139m	£146m	£161m	£164m	**100%**

In calculating the outcomes against financial measures, the Remuneration Committee has, consistent with how it applied the Directors' remuneration policy for the annual bonus in past years, used its judgement to exclude the impacts of acquisitions and disposals in the year. The adjustments removed both the positive and negative impacts of these actions so as to ensure the integrity of measuring performance against the initially set targets, within which these actions were not envisaged. Likewise, the targets and related outcomes were calculated on a constant currency basis.

The strategic measures (20% of total bonus opportunity) related to customer-based metrics and were particularly stretching. Although progress was made the targets were not achieved and no payments were earned under these elements of the 2017 annual bonus where both Restaurant Partners' and Customers' experiences were considered.

For Peter Plumb and Paul Harrison, personal measures (10% total weighting) for the 2017 annual bonus were achieved in full. As Peter Plumb joined part-way through the year, the personal element of his 2017 annual bonus was determined on the basis of the Interim Chairman's assessment of his personal performance since coming into post. For Paul Harrison, the personal element of his 2017 annual bonus was determined on the basis of outstanding performance whilst Interim CEO and performance against specific objectives set at the commencement of the 2017 financial year. These included:

- a complete review and strengthening of the senior financial team and associated functions;
- managing UK and international implementation of a revised ERP system; and
- overseeing the remodelling of Fleet Place House to deliver an outstanding employee experience.

Long-term incentives (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 for which performance conditions are measured.

The April 2015 award under the PSP vests in 2018 and therefore David Buttress is eligible to receive a pro rated award in accordance with his departure terms. The performance conditions of this award (summarised on page 81) have been met in full.

Adjusted diluted EPS for 2017: 10.5 pence required for full vesting (16.6 pence actual).

Upper quintile or better TSR ranking against the FTSE 250 (ex IT) over the period to 31 December 2017 required for full vesting: upper quintile ranking was percentile 80 (Just Eat at percentile 92).

Long-term incentives (audited) *continued*

Joint Share Ownership Plan ("JSOP")

JSOP awards were made under the JSOP to selected individuals including John Hughes and David Buttress prior to the Company's admission to the London Stock Exchange in 2014.

JSOP awards have been structured involving a loan to participants, which is repaid when JSOP shares are sold. As detailed in the taxable benefits section on page 78, the Company makes annual payments to reimburse participants for the income tax charge that arises on the outstanding loan amount each year.

The JSOP 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 vesting on the fourth anniversary of the vest start date. Performance conditions which applied to the JSOP awards have already been met in full as reported in prior Directors' Remuneration Reports.

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

		Number granted		Number vested		Number sold		
Scheme	Hurdle price pence	Prior to 2017	**During 2017**	Prior to 2017	**During 2017**	Prior to 2017	**During 2017**	**Number of shares over which interest is held at 31 December 2017**[2]
Dr. John Hughes[1]								
JSOP 2011	12.0	1,620,000	—	1,620,000	—	1,387,097	**232,903**	—
JSOP 2013	34.0	540,000	—	472,500	**67,500**	—	**540,000**	—
2014 JSOP tranche 1	57.7	352,350	—	300,965	**51,385**	154,153	**198,197**	—
2014 JSOP tranche 2	66.3	352,350	—	212,878	**139,472**	—	**352,350**	—
2014 JSOP tranche 3	76.3	352,350	—	124,790	**227,560**	—	**352,350**	—
David Buttress								
2014 JSOP tranche 1	57.7	1,839,375	—	1,801,054	**38,321**	1,456,171	**383,204**	—
2014 JSOP tranche 2	66.3	919,674	—	670,595	**229,919**	498,156	**325,718**	**95,800**
2014 JSOP tranche 3	76.3	919,701	—	440,690	**229,925**	268,246	**325,727**	**325,728**

1. Dr. John Hughes' estate elected to exercise his JSOPs and sell his shares after he passed away.
2. Total of unvested and vested interests (excluding those sold)

JSOP interests were sold by David Buttress on 24 August 2017 for 635.60 pence per share resulting in a total gain on sale of £4,987,198. A further 250,000 shares were transferred out of the JSOP on this date.

Performance Share Plan ("PSP")

Details of the PSP awards held by Directors are detailed in the table below:

	As at 1 January 2017 (number)	Awards granted (number)	Awards vested (number)	Awards exercised (number)	Awards lapsed[2] (number)	**As at 31 December 2017 (number)**	Face value of awards granted in 2017[1] (£)	Earliest exercise date of awards granted in 2017	Latest exercise date of awards granted in 2017
David Buttress	330,642	—	—	—	154,497	**176,145**	—	—	—
Paul Harrison	111,537	111,343	—	—	—	**222,880**	640,000	15-Mar-22	15-Mar-27
Peter Plumb	—	58,364	—	—	—	**58,364**	400,320	18-Sep-22	18-Sep-27

1 The face values for the PSP awards made in 2017 have been calculated using the grant price in accordance with the plan rules For the awards granted on 15 March 2017, the grant share price was 574 80 pence which is the average share price over five days immediately preceding the grant date For the awards made on 18 September 2017 the grant share price was 685.90 pence which is the average share price over five days immediately preceding the grant date. Details of the performance measures for the PSP awards are on page 81

The minimum closing share price in 2017 was 496 pence and the maximum closing share price in 2017 was 824 pence The closing share price on 31 December 2017 was 781 pence

2 Refer to page 78 for David Buttress' departure terms.

Long-term incentives (audited) *continued*

Performance Share Plan ("PSP") continued

The performance measures and targets for the PSP awards made in 2015, 2016 and 2017 were based on adjusted EPS and relative TSR performance as summarised below:

Performance measure	2015 award (50% growth in adjusted EPS and 50% TSR)	2016 award (50% growth in adjusted EPS and 50% TSR)	2017 award (50% growth in adjusted EPS and 50% TSR)
Adjusted EPS growth 20% of this part vests at threshold performance rising on a pro rata basis until 100% vests. Measured over three financial years commencing with the year of award.	Target range between 8.5 pence and 10.5 pence for 2017.	Target range between 11.0 pence and 13.8 pence for 2018.	Target range between 18.5 pence and 23.9 pence for 2019.
TSR 20% of this part vests at threshold performance rising on a pro rata basis until 100% vests. Measured over three financial years commencing with the year of award.	Target range between median performance against the constituents of the FTSE 250 (excluding investment trusts) rising on a pro rata basis until full vesting for upper quintile performance.	Target range as for 2015.	Target range as for 2015.

Detail

The EPS condition applies to the EPS achieved in the final year only of the three financial year performance period, based on the reported fully diluted EPS (subject to such adjustments as the Committee considers appropriate).

The TSR condition 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 comparator group is the constituents of the FTSE 250 (ex IT) as at the start of the relevant performance period.

The Committee selected these performance conditions as they provide a suitable balance between absolute growth (through EPS) and relative out-performance (through TSR).

Sharesave Plan

	As at 1 January 2017 (number)	Awards granted (number)	Exercise price (pence)	Awards vested (number)	Awards exercised (number)	Awards lapsed (number)	**As at 31 December 2017 (number)**	Earliest exercise date	Latest exercise date
David Buttress	5,521	—	326.0	—	—	—	**5,521**	01-Nov-18	30-Apr-19
Paul Harrison	—	3,461	520.0	—	—	—	**3,461**	01-Nov-20	30-Apr-21

Statement of Directors' shareholding and share interests (audited)

The tables below detail the total number of Directors' interests in shares for the Chairman, any Non-executive Directors with shares and each Executive Director at 31 December 2017:

	Unvested JSOP	Vested but unsold JSOP	Total JSOP	PSP	**Total interest in shares**
David Buttress	268,246	153,282	421,528	176,145	**597,673**
Paul Harrison	—	—	—	222,880	**222,880**
Peter Plumb	—	—	—	58,364	**58,364**

Statement of Directors' shareholding and share interests (audited) *continued*

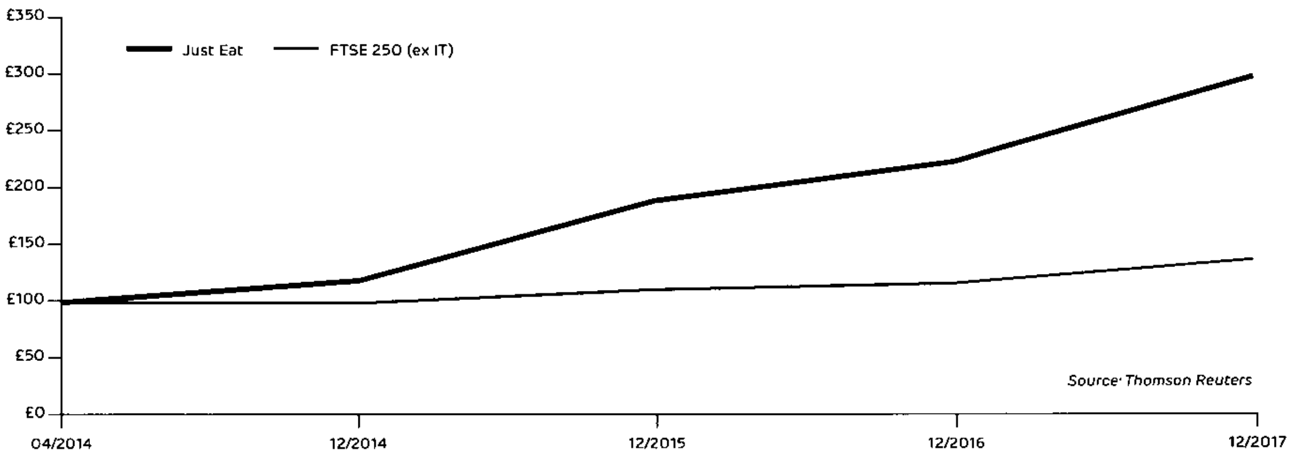
	Unvested JSOP	Vested but unsold JSOP	Total JSOP	Sharesave	Shares held	**Total interest in shares**
David Buttress	—	—	—	5,521	750,000	**755,521**
Paul Harrison	—	—	—	3,461	14,622	**18,083**
Peter Plumb	—	—	—	—	—	—

The shareholdings and awards set out above include those held by any Non-executive Directors with shares and the Executive Directors and their respective connected persons. Following John Hughes' passing away in June 2017, his estate disposed of all interests in Just Eat shares so that no such interests were held by 31 December 2017.

There have been no changes in the interests in shares detailed above between 31 December 2017 and the date of this report.

Under the shareholding 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 the number of shares to the value of any vested and exercisable interest under the Company's JSOP) equivalent to at least 400% of base salary. At the 2017 year end, Paul Harrison (having commenced work on 26 September 2016) and Peter Plumb (having commenced work on 18 September 2017) did not comply with this requirement. In accordance with the Company's shareholding guidelines, Paul Harrison and Peter Plumb will be expected to retain 50% of the Ordinary shares vesting under all share plans, after any disposals for the payment of applicable taxes, until they attain the required level of shareholding.

Performance graph and CEO remuneration table (unaudited)
The following graph shows the TSR performance of an investment of £100 in Just Eat plc shares from its listing in April 2014 to the end of the 2017 financial year compared with a £100 investment in the FTSE 250 Index (ex IT), over the same period. The FTSE 250 Index (ex IT) was chosen as a comparator because it represents a broad equity market index of which the Company was a constituent for the majority of 2017 (although the Company joined the FTSE 100 on 18 December 2017).



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

	Single total figure of remuneration £	Annual bonus payout against maximum %	Long-term incentive vesting rates against maximum opportunity %
2017 Peter Plumb[1]	**458,293**	**80%**	**N/A**
2017 David Buttress[1]	**903,814**	**N/A**	**100%**
2016 David Buttress	1,273,874	94%	N/A
2015 David Buttress	5,025,550	100%	100%
2014 David Buttress	3,857,963	100%	100%

1. In 2017 both David Buttress and Peter Plumb held the role of CEO, and hence two lines are shown For David Buttress the figure excludes any amount of Non-executive Directors' fees paid for 2017

As the Company listed in April 2014, part of the 2014 remuneration relates to when Just Eat was a privately owned group.

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

The table below presents the year-on-year percentage change in remuneration received by the Chief Executive Officer, compared with the change in average remuneration received by all UK employees. This was chosen as a suitable comparator group as it includes UK contact centre employees but excludes senior management and international employees who are on different pay structures.

Percentage increase in remuneration between 2016 and 2017	CEO	All UK employees
Salary	18%	15%
Short-term incentives	56%	40%
All taxable benefits	35%	604%

The data for the CEO in 2016 and 2017 is shown on the basis of a comparison between data for David Buttress in 2016 and a blended position for 2017, reflecting the amounts paid to each of David Buttress, John Hughes, Paul Harrison and Peter Plumb for the part of the year in which each held the role of CEO (or Executive Chairman). The increases in the average salaries and short-term incentives for all UK employees was impacted by the outsourcing of call centre employees in 2017.

Relative importance of spend on pay (unaudited)

The table below details the change in total employee pay between 2016 and 2017, as detailed in Note 7 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 in April 2014, prior to the IPO as part of a capital restructuring. uEBITDA and revenue have been used as a comparative measure 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	**2017 £m**	2016 £m
Total gross employee pay	29%	**114.0**	88.4
Revenue	45%	**546.3**	375.7
uEBITDA	42%	**163.5**	115.3

Consideration by the Directors of matters relating to Directors' remuneration (unaudited)

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

- Gwyn Burr, Chairman;
- Andrew Griffith; and
- Diego Oliva.

FIT Remuneration Consultants LLP ("FIT") was selected by the Committee in 2014 as its remuneration adviser, after a tender and presentation process involving four leading firms. FIT exclusively advises the Committee and does not provide any other advice to the Group, nor does it advise management. This has, the Committee believes, ensured its objectivity and independence. FIT is a member of the Remuneration Consultants Group and complies with its voluntary code of conduct in relation to Executive remuneration consulting in the UK. FIT's professional fees for 2017 were £133,826 plus VAT and were charged on the basis of the firm's standard terms of business for advice provided.

The Remuneration Committee also consulted with the Chief Financial Officer, Chief People Officer and the Company Secretary who attended, by invitation, various Remuneration Committee meetings during the year, although no Executive is permitted to participate in discussions or decisions regarding his or her own remuneration.

Statement of voting at the Annual General Meeting (unaudited)

On 27 April 2017, the shareholders approved the 2016 Directors' Remuneration Report as detailed in the table below.

	Votes for (% of votes cast)	Votes against (% of votes cast)	Votes withheld
2016 Directors' Remuneration Report	508,206,654 (90.3%)	54,452,744 (9.7%)	525,787

The Directors' remuneration policy was last approved at the 2015 AGM held on 13 May 2015.

	Votes for (% of votes cast)	Votes against (% of votes cast)	Votes withheld
Directors' remuneration policy	422,824,523 (99.6%)	1,839,119 (0.4%)	141,000

Independent auditor's report

to the members of Just Eat plc

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2017 and of the Group's loss 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 Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; 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.

We have audited the financial statements of Just Eat plc (the 'Parent Company') and its subsidiaries (the 'Group') which comprise:

- the consolidated income statement;
- the consolidated statement of other comprehensive income;
- the consolidated and Parent Company balance sheets;
- the consolidated and Parent Company statements of changes in equity;
- the consolidated and Parent Company cash flow statements; and
- the related Notes 1 to 42, including the accounting policies.

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.

Basis for opinion

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

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters

The key audit matters that we identified in the current year were:

- The impairment review of goodwill and intangible assets at the Australia & New Zealand ("ANZ") and Mexican ("MEX") cash-generating units ("CGUs") and the subsequent impairment of goodwill at the ANZ CGU; and
- Tax uncertainties in relation to the ongoing Danish transfer pricing investigation.

The key audit matter in respect of business combinations which was reported in the prior year is no longer assessed as a key audit matter for the year ended 31 December 2017 as there were no similar combinations.

Materiality

The materiality that we used for the Group financial statements was £5.4 million which represents 5.2% of the Group's pre-tax loss of £76.0 million adjusted for impairment charges of £180.4 million.

Scoping

The most significant component of the Group is the UK operation which accounts for 56% of revenue, 144% of pre-tax profit (before impairment charges) and 1% of net assets. The Group audit team directly performs the audit of the UK business.

Full scope audits were also performed for the French, Danish, Australia & New Zealand and SkipTheDishes operations for the year ended 31 December 2017 by component teams.

These locations, along with consolidation adjustments and the UK holding companies, represent the principal business units and account for 83% out of the £546.3 million of the Group's revenue, 96% out of £726.7 million of the Group's net assets and 101% out of £104.4 million of the Group's pre-tax profit (before impairment).

Significant changes in our approach

A full scope audit was performed by a component team on the SkipTheDishes operations for the first time in 2017 following the acquisition in 2016.

Conclusions relating to going concern, principal risks and viability statement

Going concern We have reviewed the Directors' statement in Note 2 to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements. We are required to state whether we have anything material to add or draw attention to in relation to that statement required by Listing Rule 9.8.6R(3) and report if the statement is materially inconsistent with our knowledge obtained in the audit.	**We confirm that we have nothing material to report, add or draw attention to in respect of these matters.**
Principal risks and viability statement Based solely on reading the Directors' statements and considering whether they were consistent with the knowledge we obtained in the course of the audit, including the knowledge obtained in the evaluation of the Directors' assessment of the Group's and the Company's ability to continue as a going concern, we are required to state whether we have anything material to add or draw attention to in relation to: • the disclosures on pages 22–27 that describe the principal risks and explain how they are being managed or mitigated; • the Directors' confirmation on page 22 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity; or • the Directors' explanation on page 23 as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions. We are also required to report whether the Directors' statement relating to the prospects of the Group required by Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	**We confirm that we have nothing material to report, add or draw attention to in respect of these matters.**

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The impairment review of goodwill and intangible assets at the Australia & New Zealand and Mexican cash generating units and the subsequent impairment of goodwill at the Australia & New Zealand Cash Generating Unit

Key audit matter description
As described in the Report of the Audit Committee on page 58, and Notes 12 and 13 to the consolidated financial statements, determining whether the carrying value of goodwill and intangible assets is recoverable remains a key judgement.

As at 31 December 2017, the Group recognised goodwill of £544.9 million (2016: £725.2 million) and intangible assets of £94.5 million (2016: £103.4 million).

In 2017, an impairment of £180.4 million to goodwill has been recognised at the ANZ CGU as a result of challenges with the operating platform, the operation of the two brands (which are being merged) and increased competition in the marketplace. Goodwill allocated to this CGU (prior to impairment) was £451.6 million and intangible assets were £40.8 million.

Consistent with prior periods, the Mexico CGU has been identified as having a potential risk of future impairment, due to the significant growth required in the short-term forecasts before a long-term growth rate is applied, being eight years. We note that there is a high degree of judgement in the position and therefore potential for management bias as the forecasts are sensitive to change. Goodwill allocated to this CGU is £19.6 million and intangible assets of £1.2 million.

The key assumptions applied by the Directors in the impairment reviews are:

- short and medium-term growth rates which are based on management budgets;
- the terminal growth rate which is based on long term inflation forecasts; and
- country specific discount rates.

How the scope of our audit responded to the key audit matter
In order to address this key audit matter we audited the assumptions used in the ANZ and MEX impairment models. As part of our work, we:

- checked the mechanical accuracy of the underlying valuation models;
- agreed the key assumptions to the Board approved budgets;
- understood and challenged whether the cash flows are compliant with IAS 36 requirements by comparing the individual components to this standard, in particular the exclusion of any new revenue streams;
- challenged sensitivity analysis run by management through comparison to recent performance in that CGU (and over the last three years) and other CGUs with similar characteristics;
- sought input from our valuation specialists to assess the country-specific WACC rate calculations and long-term growth rates, by testing the inputs to the calculation to external sources and macro-economic data;
- assessed and challenged management's forecasting through comparison against other markets, growth pattern of established markets and external data on the wider market (e.g. competition); and
- for the ANZ impairment, sought input from our valuation specialists to assess the fair value less costs of disposal ("FVLCD") calculation and understood and challenged the differences between the value in use ("VIU") and FVLCD models.

We also considered the adequacy of the Group's disclosures in respect of the impairment at ANZ and whether the sensitivity disclosures provided for both ANZ and MEX, represent reasonably possible changes in key assumptions.

Key observations
We have assessed the impairment calculations for goodwill and intangible assets for ANZ and MEX and are satisfied that the assumptions applied within the models are reasonable. We consider that the disclosures appropriately reflect the impairment charge for ANZ and the sensitivities for both ANZ and MEX.

Tax uncertainties in relation to the ongoing Danish transfer pricing investigation

Key audit matter description
The total provision against uncertain tax positions in the current year is £17.4 million (2016: £9.8 million).

Our key audit matter is focused on the element of the provision relating to an ongoing transfer pricing investigation by the Danish tax authorities, where there is significant judgement and potential exposure of up to £126.0 million.

As set out in Note 10 and the Report of the Audit Committee on page 58, a local transfer pricing audit was performed by the Danish Tax Authorities, resulting in a formal notice of assessment being issued in January 2018.

The Group has assessed the relevant legislation, regulations and compliance obligations and disagrees with the assessment issued and has made a local appeal against it. In addition, the Group has filed a Mutual Agreement Procedure ("MAP") application through which the UK and Danish tax authorities will negotiate an agreement. Determination of the tax provision is subject to inherent judgement and therefore also potential bias by management, in assessing the probable outflow of taxes that will be borne by the entity relating to this matter where the appeal process is ongoing.

The Group's accounting policy on taxation is on page 105 and the critical accounting judgements and key sources of estimation uncertainty on page 95.

How the scope of our audit responded to the key audit matter
We have performed the following procedures to address this key audit matter:

- inspected the latest correspondence between the Group and the Danish tax authorities;
- read and assessed the opinions management has obtained in relation to uncertain tax positions, in order to verify whether the position reached in challenging the assessment is consistent;
- engaged our tax specialists, both in the UK and Denmark, to challenge the estimates and judgements used when calculating the associated provision, based on our knowledge of tax law;
- reviewed and challenged the reports of management's experts, and how these have been utilised in estimating the provision; and
- assessed and challenged the level of provision, in light of the final notice of assessment, and the basis of the provision calculation.

We also considered the adequacy of the Group's disclosure of the tax provision both in Note 10 as well as the related accounting policy and key source of estimation uncertainty.

Key observations
The results of our audit work were satisfactory and we concur that the total level of provision is within an acceptable range, based on the information currently available and the opinions received by management's experts. We consider the disclosures made to be reflective of management's assessment and in line with appropriate accounting standards.

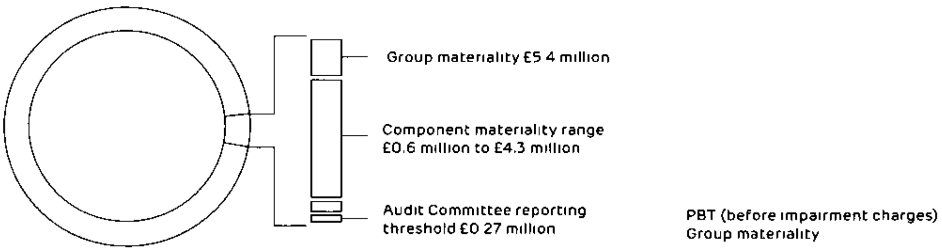
Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that make 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.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent Company financial statements
Materiality	£5.4 million (2016: £4.0 million)	£2.2 million (2016: £2.0 million)
Basis for determining materiality	5.2% of pre-tax profit (before impairment) of £104.4 million. Pre-tax profit has been adjusted for impairment to exclude the effect of non-recurring charges. The increase in materiality reflects the increase in the size and scale of the Group. The benchmark in the prior year was unadjusted pre-tax profit.	Materiality was determined on the basis of the Parent Company's net assets. This was then capped at 40% of Group materiality. This materiality equates to 0.4% of net assets.
Rationale for the benchmark applied	In determining our final materiality based on our professional judgement, we have considered a number of benchmarks or financial indicators including the final loss before tax figure of £76.0 million, revenue, the growth history of the business, exceptional items and other gains or losses. Profit before tax is a key performance indicator for users of the financial statements and key stakeholders to measure the performance of the Group. The materiality applied represents 1% of revenue and 0.7% of equity.	Net assets has been chosen as a benchmark as it is considered the most relevant benchmark for investors and is a key driver of shareholder value.

Profit before tax (before impairment charges) £104.4 million



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.27 million (2016: £0.2 million) for the Group and £0.1 million (2016: £0.1 million) for the Parent Company, 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.

The most significant component of the Group is the UK operation, which accounts for 56% of revenue (2016: 63%), 144% of pre-tax profit (before impairment charges) (2016: 112%) and 1% of net assets (2016: -2%). The Group audit team performs the audit of the UK trading business and holding companies directly.

Full scope audits were also performed for the French, Danish, Australia & New Zealand and SkipTheDishes operations for the year ended 31 December 2017 by component teams under the direction and supervision of the Group audit team. In addition, Ireland, Canada, Spain and Italy were subject to a limited scope audit of specific account transactions and account balances by the Group audit team. They were selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement.

These locations, along with the consolidation adjustments and UK holding companies represent the principal business units and account for £530.5 million out of the £546.3 million of the Group's revenue, £104.9 million profit out of £104.4 million of the Group's pre-tax profit (before impairment charges) and £717.9 million out of £726.7 million of the Group's net assets.

At the Parent Company level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

An overview of the scope of our audit *continued*

	Revenue £m	Pre-tax profit (before impairment) £m	Net assets £m
Full audit	455	105	701
Limited scope procedures	75	0	17
Out of scope	16	(1)	9

Our audit work was executed at levels of materiality applicable to each individual entity which were lower than Group materiality and ranged from £0.6 million to £4.3 million (2016: £2.0 million to £3.0 million).

We have maintained close supervision with component auditors throughout the audit process. Planning meetings were held with all significant component teams prior to the commencement of the audit. The purpose of this planning meeting was to ensure sufficient level of understanding of the Group's business and a discussion of the significant risks and planned audit approach.

We have followed a programme of planned visits that has been designed so that a senior member of the Group audit team visits each of the significant locations where the Group scope was focused at least once every two years, and the most significant of them at least once a year.

During 2017, we have visited the Australian and SkipTheDishes operations and performed alternative procedures as set out above for the French and Danish components. The French, Danish and Australian components were also visited in 2016.

The audit visits were timed to enable us to be involved in the completion of detailed audit procedures as well as attending key meetings with component management and auditors.

In addition to our planned visits, we send detailed instructions to our component audit teams, include them in our team briefings and perform detailed reviews of the significant work papers. We maintain close communication throughout the audit period and attend component close meetings to discuss all significant findings raised with financial management representatives from both Group and the components.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

In this context, matters that we are specifically required to report to you as uncorrected material misstatements of the other information include where we conclude that:

- Fair, balanced and understandable – the statement given by the Directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- Audit committee reporting – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- Directors' statement of compliance with the UK Corporate Governance Code – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

We have nothing to report in respect of these matters.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Report on other legal and regulatory requirements

Opinions 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.

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

- 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; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

Matters on which we are required to report by exception
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 in respect of these matters.

Other matters
Auditor tenure
We were appointed by the Directors on 22 January 2010 and confirmed at the subsequent Board meeting to audit the financial statements for the year ended 31 December 2009 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is nine years, covering the years ended 31 December 2009 to 31 December 2017.

Consistency of the audit report with the additional report to the audit committee
Our audit opinion is consistent with the additional report to the audit committee we are required to provide in accordance with ISAs (UK).

Anna Marks FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor

Reading, United Kingdom
5 March 2018

Consolidated income statement

Year ended 31 December 2017

	Notes	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Continuing operations			
Revenue	3	**546.3**	375.7
Cost of sales		**(96.0)**	(35.2)
Gross profit		**450.3**	340.5
Long-term employee incentive costs	4,32	**(6.6)**	(3.1)
Exceptional items (including impairment charges)	5	**(191.1)**	(14.6)
Other administrative expenses		**(324.5)**	(250.2)
Total administrative expenses		**(522.2)**	(267.9)
Share of results from associates	15	**(0.6)**	(0.1)
Operating (loss)/profit	6	**(72.5)**	72.5
Other gains and losses	8	**(2.0)**	18.8
Finance income	9	**0.7**	0.6
Finance costs	9	**(2.2)**	(0.6)
(Loss)/profit before tax		**(76.0)**	91.3
Taxation	10	**(27.5)**	(19.9)
(Loss)/profit for the year		**(103.5)**	71.4
Attributable to:			
Equity shareholders		**(102.7)**	71.7
Non-controlling interests	29	**(0.8)**	(0.3)
		(103.5)	71.4
Earnings per Ordinary share (pence)			
Basic	11	**(15.2)**	10.7
Diluted	11	**(15.2)**	10.5

Adjusted earnings per Ordinary share[1] (pence)			
Basic	2,11	**16.8**	12.2
Diluted	2,11	**16.6**	12.0
Reconciliation of operating profit to uEBITDA[1]			
Operating (loss)/profit		**(72.5)**	72.5
Depreciation and amortisation	6	**38.4**	24.3
Long-term employee incentive costs	4,32	**6.6**	3.1
Exceptional items (including impairment charges)	5	**191.1**	14.6
Net foreign exchange (gains)/losses	6	**(0.5)**	0.2
Share of results from associates below uEBITDA		**0.4**	0.6
uEBITDA[1]	2,3	**163.5**	115.3

1. Refer to Note 2e for a full definition of uEBITDA and Adjusted EPS.

Consolidated statement of other comprehensive income

Year ended 31 December 2017

	Notes	**Year ended 31 December 2017 £m**	Year ended 31 December 2016 £m
(Loss)/profit for the year		**(103.5)**	71.4
Items that may be reclassified subsequently to the income statement:			
Exchange differences on translation of foreign operations – Group	26	**(2.6)**	97.9
Exchange differences on translation of foreign operations – associates	26	**(3.8)**	7.7
Exchange differences on translation of foreign operations reclassified to the income statement on disposal	26	**—**	0.1
Exchange differences on translation of non-controlling interests	29	**(0.1)**	(0.2)
Fair value (losses)/gains on cash flow hedges	27	**(0.1)**	1.8
Fair value gains on available-for-sale investments	27	**0.1**	—
Income tax related to fair value gains on cash flow hedges	27	**—**	(0.5)
Net fair value gains on cash flow hedges reclassified to goodwill	27	**—**	(1.3)
Other comprehensive (loss)/income for the year		**(6.5)**	105.5
Total comprehensive (loss)/income for the year		**(110.0)**	176.9
Attributable to:			
Equity shareholders		**(109.1)**	177.4
Non-controlling interests	29	**(0.9)**	(0.5)
Total comprehensive (loss)/income for the year		**(110.0)**	176.9

Consolidated balance sheet

As at 31 December 2017

	Notes	As at 31 December 2017 £m	As at 31 December 2016 £m
Non-current assets			
Goodwill	12	**544.9**	725.2
Other intangible assets	13	**94.5**	103.4
Property, plant and equipment	14	**19.0**	12 4
Investments in associates	15	**41.4**	29.7
Available-for-sale investments	16	**4.2**	4.1
Deferred tax assets	10	**18.1**	14.4
		722.1	889.2
Current assets			
Operating cash		**213.6**	96.8
Cash to be paid to Restaurant Partners		**51.5**	33.8
Cash and cash equivalents	33	**265.1**	130.6
Inventories	17	**2.8**	1.7
Trade and other receivables	18	**24.2**	26.5
Derivative financial instruments	20	**0.1**	—
Current tax assets		**0.4**	0.4
		292.6	159.2
Total assets		**1,014.7**	1,048.4
Current liabilities			
Trade and other payables	19	**(185.2)**	(112.1)
Derivative financial instruments	20	**(0.6)**	—
Current tax liabilities		**(36.4)**	(22.0)
Deferred revenue	21	**(3.3)**	(3.8)
Provisions for liabilities	22	**(22.6)**	(13.6)
Borrowings	23	**(0.4)**	(0.4)
		(248.5)	(151.9)
Net current assets		**44.1**	7.3
Non-current liabilities			
Deferred tax liabilities	10	**(18.2)**	(25.9)
Deferred revenue	21	**(0.8)**	(0.9)
Provisions for liabilities	22	**(20.2)**	(43.1)
Borrowings	23	**(0.3)**	(0.6)
Other long-term liabilities	23	**—**	(0.3)
		(39.5)	(70.8)
Total liabilities		**(288.0)**	(222.7)
Net assets		**726.7**	825.7
Equity			
Share capital	24	**6.8**	6.8
Share premium account	25	**562.7**	562.2
Translation reserve	26	**88.3**	94.7
Other reserves	27	**(5.2)**	(6.4)
Retained earnings	28	**65.9**	160.7
Equity attributable to shareholders of the Company		**718.5**	818 0
Non-controlling interests	29	**8.2**	7.7
Total equity		**726.7**	825.7

The consolidated financial statements on pages 90 to 137 were authorised for issue by the Board of Directors and signed on its behalf by:

Peter Plumb

Peter Plumb
Chief Executive Officer

Paul Harrison
Chief Financial Officer

Just Eat plc
5 March 2018

Company registration number
06947854 (England and Wales)

Consolidated statement of changes in equity

Year ended 31 December 2017

	Notes	Share capital £m	Share premium account £m	Translation reserve £m	Other reserves £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
At 1 January 2016		6.8	555.5	(11.0)	(6.4)	80.6	625.5	0.4	625.9
Profit/(loss) for the year		—	—	—	—	71.7	71.7	(0.3)	71.4
Other comprehensive income/(loss)		—	—	105.7	—	—	105.7	(0.2)	105.5
Total comprehensive income/(loss) for the year		—	—	105.7	—	71.7	177.4	(0.5)	176.9
Tax on share options	10, 28	—	—	—	—	0.8	0.8	—	0.8
Issue of capital (net of costs)	24, 25	—	6.2	—	—	—	6.2	—	6.2
Exercise of share options	25	—	0.5	—	—	—	0.5	—	0.5
Share based payment charge	4	—	—	—	—	2.8	2.8	—	2.8
Lapse of JSOP awards	27	—	—	—	(0.5)	—	(0.5)	—	(0.5)
Exercise of JSOP awards	27	—	—	—	0.5	—	0.5	—	0.5
Partial disposal of Mexican business	28, 29	—	—	—	—	4.8	4.8	7.3	12.1
Adjustment to Mexican NCI	29	—	—	—	—	—	—	0.5	0.5
At 31 December 2016		6.8	562.2	94.7	(6.4)	160.7	818.0	7.7	825.7
Loss for the year		—	—	—	—	**(102.7)**	**(102.7)**	**(0.8)**	**(103.5)**
Other comprehensive loss		—	—	**(6.4)**	—	—	**(6.4)**	**(0.1)**	**(6.5)**
Total comprehensive loss for the year		—	—	**(6.4)**	—	**(102.7)**	**(109.1)**	**(0.9)**	**(110.0)**
Tax on share options	10, 28	—	—	—	—	**2.0**	**2.0**	—	**2.0**
Exercise of share options	25	—	**0.5**	—	—	—	**0.5**	—	**0.5**
Share based payment charge	4	—	—	—	—	**6.1**	**6.1**	—	**6.1**
Exercise of JSOP/SIP awards	27	—	—	—	**1.2**	—	**1.2**	—	**1.2**
Adjustment for cash-settled share options	28	—	—	—	—	**(0.2)**	**(0.2)**	—	**(0.2)**
Adjustment to Mexican NCI	29	—	—	—	—	—	—	**1.4**	**1.4**
At 31 December 2017		**6.8**	**562.7**	**88.3**	**(5.2)**	**65.9**	**718.5**	**8.2**	**726.7**

Consolidated cash flow statement

Year ended 31 December 2017

	Notes	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Operating (loss)/profit		**(72.5)**	72.5
Adjustments for:			
Amortisation of intangible assets	13	**31.1**	18.1
Depreciation of property, plant and equipment	14	**7.3**	6.2
Loss on disposal of property, plant and equipment and intangible assets	6	**0.9**	0.5
Share of results from associates	15	**0.6**	0.1
Increase in provisions		**0.3**	6.1
Non-cash long-term employee incentive costs	4, 32	**6.6**	3.0
Impairment charges	5	**180.4**	—
Other non-cash items		**(0.3)**	—
		154.4	106.5
Increase in inventories		**(0.2)**	(0.5)
(Increase)/decrease in receivables		**(4.6)**	3.0
Increase in payables		**42.7**	1.9
Decrease in deferred revenue		**(0.6)**	(0.1)
Net cash generated by operations		**191.7**	110.8
Interest paid		**(0.7)**	(0.4)
Facility fees paid		**(2.3)**	(0.7)
Income taxes paid		**(22.0)**	(12.7)
Net cash generated from operating activities		**166.7**	97.0
Investing activities			
Interest received		**0.7**	0.6
Acquisition of subsidiary businesses	30	**(0.4)**	(154.7)
Hungryhouse deposit	30	**—**	(6.0)
Acquisition of interests in associates	15	**(2.6)**	(7.2)
Acquisition of available-for-sale investments	16	**—**	(3.5)
Disposal of subsidiary businesses	8	**3.6**	16.7
Disposal of minority stake in Mexican business	29	**1.2**	9.3
Funding provided to associates	34	**(0.8)**	(2.1)
Funding provided by minority interests	29	**1.4**	0.5
Purchase of intangible assets	13	**(24.0)**	(11.7)
Purchase of property, plant and equipment		**(14.6)**	(9.5)
Other cash (outflows)/inflows		**(0.2)**	0.1
Net cash used in investing activities		**(35.7)**	(167.5)
Financing activities			
Proceeds from exercise of options and awards		**3.1**	2.4
Repayment of borrowings	23	**(0.4)**	—
Cash outflow on the acquisition of minority interests		**—**	(0.1)
Net cash generated from financing activities		**2.7**	2.3
Net increase/(decrease) in cash and cash equivalents		**133.7**	(68.2)
Cash and cash equivalents at beginning of year		**130.6**	192.7
Effect of changes in foreign exchange rates		**0.8**	6.1
Cash and cash equivalents at end of year		**265.1**	130.6

Notes to the consolidated financial statements

Year ended 31 December 2017

1. General information

Just Eat plc (the "Company") and its subsidiaries (the "Group") operate a leading digital marketplace for takeaway food delivery. Further details about the Group's operations and principal activities are disclosed within the Strategic Report on pages 2 to 43. 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 England and Wales. Its registered address is Masters House, 107 Hammersmith Road, London W14 0QH, United Kingdom.

2. Basis of preparation

This section describes how these financial statements have been prepared, as well as the critical accounting judgements and key sources of estimation uncertainty that the Group has identified that could potentially have a material impact on the consolidated financial statements in the next 12 months. This note also sets out the significant accounting policies that relate to the financial statements as a whole. Where an accounting policy is generally applicable to a specific note to the financial statements, the policy is described within that note. Where the Group believes any new accounting standards yet to be adopted could have a material impact, these have also been disclosed in this note.

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

In the application of the Group's accounting policies, 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. Any 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 are those which management has made in applying the Group's accounting policies that could potentially have a material impact on the consolidated financial statements in the next 12 months. In the current year, the only critical judgement identified by management relates to capitalised development costs.

Revenue derived from connection fees and the fair value measurement of equity-settled transactions with employees, are no longer considered to be critical judgements, as the risk of significant differences is considered remote. The recognition of deferred tax assets and liabilities is also no longer considered to be a critical judgement, as there have been no new acquisitions completed during the year and in turn, no judgements were made in the current year.

Capitalised development costs

Internally developed websites, apps and other software, that together make up the Just Eat ordering platforms are capitalised as an intangible asset where it is determined by management that the ability to develop the asset is technically feasible and the project will generate probable economic benefits. The total amount capitalised in the year was £18.8 million (2016: £10.5 million), see Note 13 for further details.

Key sources of estimation uncertainty

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

The Group has identified impairment of goodwill and intangible assets, and taxation to be the key sources of estimation uncertainty.

As there were no new business combinations that completed during the year, the risk of a significant difference in the carrying value of acquired intangible assets occurring in the next 12 months is considered remote. Fair value of deferred consideration is also no longer considered to be a key source of estimation uncertainty as the risk of a material adjustment to the carrying value of SkipTheDishes Restaurant Partners Inc.'s ("SkipTheDishes") deferred consideration is considered remote.

Impairment of goodwill and intangible assets

The Group's balance sheet includes significant carrying values of goodwill and intangible assets. Impairment exists when the carrying value of an asset or cash-generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal ("FVLCD") and its value in use ("VIU").

Determining whether an asset is impaired requires an estimation of the VIU of the CGU to which the asset has been allocated. The VIU calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to. In some instances, the cash flow forecasted period is greater than five years as the CGU is in immature markets that are currently lacking penetration, and where future investment in the business is expected to result in its long-term growth being achieved. The VIU is sensitive to the discount rate used as well as the expected future cash inflows.

2. Basis of preparation *continued*

Key sources of estimation uncertainty continued

Impairment of goodwill and intangible assets *continued*

Where the VIU calculation indicates a CGU may be impaired, management estimates the CGU's FVLCD using level 3 measurement techniques. This involves management completing a DCF model using variables a market participant would likely apply. This DCF is different to the VIU, as cash flows are modelled for 10 years and a higher discount rate is applied to reflect the additional risk premium a market participant would expect. The FVLCD is also sensitive to the discount rate and the expected future cash inflows.

The highest risk of impairment resides in the Australia & New Zealand ("ANZ") CGU and the Mexico CGU. An impairment charge of £180.4 million was recognised in the current year relating to the ANZ CGU. The key assumptions used to determine the recoverable amount for ANZ, Mexico and all other CGUs, including a sensitivity analysis, are disclosed and further explained in Note 12.

Taxation

The Group's tax charge is the sum of the total current and deferred tax charges arising in each jurisdiction. As a result of the Group's growing global footprint and the changing global tax environment and income taxes arising in numerous jurisdictions, there are some transactions for which the ultimate tax determination is uncertain during the ordinary course of business. The calculation of the Group's total tax charge involves estimation and judgement in respect of certain matters where the tax impact is uncertain until a conclusion is reached with the relevant tax authority or through a legal process. Resolving tax issues can take several years and is not always within the control of the Group. Current tax liabilities are recognised for uncertain tax positions when the Group has a present obligation as a result of a past event and it is probable that there will be a future outflow of funds to a taxing authority. These may be, for example, in respect of enquiries raised and additional tax assessments issued.

Liabilities in respect of uncertain tax positions are measured based on management's interpretation of country-specific tax law and assigning probabilities to the possible likely outcomes and range of taxes payable in order to ascertain a weighted average probable liability. In-house tax experts, external tax experts and previous experience are used to help assess the tax risks when determining and recognising such liabilities. See Note 10 for further details of the £17.4 million tax provision held at 31 December 2017, which includes an amount relating to the ongoing transfer pricing audit in Denmark.

Where the final amounts payable are different to the liabilities recognised in previous periods, the required adjustments in respect of prior years are recorded in the current period in the income statement, or directly in equity, as appropriate.

Significant accounting policies that relate to the financial statements as a whole

a) Accounting convention

The financial statements have been prepared on the historical cost basis, except for assets and liabilities acquired as part of a business combination, deferred contingent consideration, provisions, available-for-sale investments, derivative financial instruments, and other financial assets and liabilities recognised at fair value through profit or loss, which have been measured at fair value. The policies have been consistently applied to all years presented.

b) Basis of consolidation

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

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities and is achieved through direct or indirect ownership of voting rights, through currently exercisable or convertible potential voting rights, or by way of contractual agreement. Where necessary, adjustments are made to the financial statements of subsidiaries to align with the Group accounting policies. All intercompany transactions and balances between Group entities, including unrealised profits arising from them, are eliminated upon consolidation.

Non-controlling interests represent the equity in a subsidiary not attributable, directly or indirectly, to the Company and are presented separately within equity in the consolidated balance sheet, separately from equity attributable to shareholders of the Company. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

c) Foreign currencies

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

2. Basis of preparation *continued*

Significant accounting policies that relate to the financial statements as a whole continued

c) Foreign currencies *continued*

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 operation where 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. 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), 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.

d) Going concern

For reasons noted on page 23, the financial information has been prepared on a 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 the date of signing these financial statements.

Although for the year ended 31 December 2017 the Group incurred a loss before tax of £76.0 million, the Group had net current assets of £44.1 million and cash net of borrowings of £264.4 million. For the year ended 31 December 2017, the Group generated cash inflows from operating activities of £166.7 million. 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 2 to 43. Note 33 describes the Group's objectives, policies and processes for managing its exposure to market risk, credit risk and liquidity risk.

e) Non-GAAP information

The Group has provided the readers with additional information in the Annual Report that is regularly reviewed by management. Certain information presented is derived from amounts calculated in accordance with IFRS but is not itself an expressly permitted GAAP measure.

Underlying EBITDA ("uEBITDA")

The main measure of profitability used by management to assess the performance of the Group's businesses is uEBITDA. It is defined as earnings before finance income and costs, taxation, depreciation and amortisation ("EBITDA"), and additionally excludes long-term employee incentive costs, exceptional items, foreign exchange gains and losses, other gains and losses, and the share of results from associates falling outside this definition.

The Chief Operating Decision Maker ("CODM") uses uEBITDA to assess internal performance in conjunction with uEBITDA margin, as management believe it closely correlates to cash generated from operating activities, as it excludes items that are either non-cash or non-recurring in nature. Management believe it is both useful and necessary to report uEBITDA as a performance measure as it enhances the comparability of profit or loss across segments. Accordingly, Executive Team incentives are partially based on uEBITDA results.

A reconciliation of uEBITDA to operating profit is provided in the income statement and in Note 3 on a segmental basis.

Adjusted earnings per share

Adjusted earnings per share is the main measure of earnings per share used by the Group and is calculated using an underlying profit measure attributable to the equity shareholders. It is defined as profit attributable to the equity shareholders, before long-term employee incentive costs, exceptional items, other gains and losses, foreign exchange gains and losses, amortisation in respect of acquired intangible assets, share of results from associates below uEBITDA, and the tax impact of these adjusting items.

The Directors believe that it is both useful and necessary to report Adjusted EPS, as the measure is:

- used for internal performance rating;
- used in setting the Executive Team remuneration; and
- useful in connection with discussions within the investment analyst community.

A reconciliation of adjusted profit is provided in Note 11.

2. Basis of preparation *continued*

New and amended standards adopted by the Group

No new standards, amendments or interpretations to standards effective for the first time for the financial year beginning on 1 January 2017 have had a material impact on the Group's financial position or performance, nor the disclosures in these financial statements.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory at 31 December 2017 and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations on its results, financial position and cash flows is set out below:

IFRS 9 *Financial Instruments*

This standard is effective for accounting periods commencing on or after 1 January 2018. The standard addresses the classification and measurement of financial instruments and will require additional disclosures. Further to this, a new impairment measurement model for financial assets based around expected credit losses has been introduced. There is no longer a requirement for a credit event to have occurred before a credit loss is recognised.

There is also a new hedge accounting model that aligns with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

The Group intends to designate equity instruments, such as those in Note 16, as fair value through other comprehensive income. Fair value movements in this category have not been significant in previous years.

We have considered the impact of the standard to the 2017 financial statements, and the Directors have determined that the new standard will not have a material impact to the Group.

IFRS 15 *Revenue from Contracts with Customers*

This standard is effective for accounting periods commencing on or after 1 January 2018.

When IFRS 15 is adopted, it can be applied either on a fully retrospective basis, requiring the restatement of the comparative periods presented in the financial statements, or with the cumulative impact of IFRS 15 applied as an adjustment to equity on the date of adoption. When the latter approach is applied, it is necessary to disclose the impact of IFRS 15 on each line item in the financial statements in the reporting period. The Group has not yet determined which method will be adopted.

IFRS 15 provides a single, principles-based five-step model to be applied to all contracts with Customers:

1) identify the contract with the Customer;
2) identify the performance obligations in the contract, introducing the new concept of "distinct";
3) determining the transaction price;
4) allocating the transaction price to the performance obligations in the contracts, on a relative stand-alone selling price basis; and
5) recognise revenue when (or as) the entity satisfies its performance obligation.

IFRS 15 also introduces new guidance on, amongst other areas, combining contracts, discounts, variable consideration and contract modifications. It requires that certain costs incurred in obtaining and fulfilling customer contracts be deferred on the balance sheet and amortised over the period an entity expects to benefit from the customer relationship.

Management has conducted a detailed accounting scoping analysis across each of the Group's operating segments and their various revenue streams. Management has assessed accounting implementation approaches for each revenue stream based on the potential materiality, complexity and volatility of the impact.

Qualitatively, management expects no change in the treatment of order-driven revenue, top-placement fees and most of other revenue. The revenue stream with a change under IFRS 15 is connection fees, which are currently being deferred between 12 and 36 months. From 2018, the performance obligations relating to connection fees will be deemed to have been satisfied over the average life of a Restaurant Partner's relationship, which management has estimated to be 48 months. Under both of the IFRS 15 transition options available, the impact of this change is not expected to be material to the Group.

IFRS 16 *Leases*

This standard is effective for accounting periods commencing on or after 1 January 2019, with early adoption permitted. The Group does not intend to adopt the standard before its effective date.

When IFRS 16 is adopted, the two methods available to apply this standard are the "fully retrospective basis", or the "modified retrospective basis". The fully retrospective basis requires the restatement of the comparative periods presented in the financial statements, whereas the modified retrospective basis allows the Group to assume the carrying amount of the initial right-of-use asset to be the same as the lease liability, meaning no restatement of prior years is required in the first year of adoption. When the latter approach is applied, it is necessary to disclose the impact of IFRS 16 on each line item in the financial statements in the reporting period. The Group intends to apply the modified retrospective basis when adopting this standard on 1 January 2019.

2. Basis of preparation *continued*

New standards and interpretations not yet adopted continued

IFRS 16 *Leases continued*

IFRS 16 replaces IAS 17 ***Leases*** and will primarily change lease accounting, with lessor accounting under IFRS 16 expected to be similar to lessor accounting under IAS 17. Lessee accounting under IFRS 16 will be similar in many respects to IAS 17 accounting for finance leases, but is expected to be substantively different to existing accounting for operating leases.

Where a contract meets IFRS 16's definition of a lease and the Group acts as a lessee, lease agreements will give rise to the recognition of a non-current asset representing the right to use the leased item, and a loan obligation for future lease payables on the Group's balance sheet.

Lease costs will be recognised in the form of depreciation of the right-of-use asset and interest on the lease liability, which may impact the phasing of operating profit and profit before tax, compared to existing cost profiles and presentation in the income statement, and will also impact the classification of associated cash flows.

Management is still assessing the appropriate discount rates to be applied to each individual lease liability. However, if the Group had implemented IFRS 16 on 1 January 2017, using an assumed discount rate of 5% for each lease liability, we approximate the impact on the 2017 Annual Report, using the modified retrospective basis would be as follows:

Income statement

Other administrative expenses would reduce by £6.7 million, due to the derecognition of the lease expense. Depreciation expense would increase by £5.5 million to reflect the current year depreciation of the right-of-use asset. Finance costs would increase by £1.8 million to reflect the current year unwind of the discounted lease liability.

Cumulatively, the above will not result in a material impact to operating profit or profit before tax. The uEBITDA measure will, however, increase by £6.7 million due to the lease expense being replaced with depreciation and interest expense, both not being included within uEBITDA.

Balance sheet

At 31 December 2017, a right-of-use asset of £28.6 million would be recognised as a non-current asset, along with a £25.9 million non-current lease liability and £5.7 million current lease liability. The £3.0 million differential arises due to the current year impact on profit before tax (£0.6 million), with the remaining balance being attributed to the present value of the lease liability, and the timing of lease payments with regard to leases incentives.

Cash flow statement

The £6.7 million lease expense is reclassified from operating activities to financing activities. As both uEBITDA and operating cash increase by the same amount, its uEBITDA will still closely correlate to cash generated from operating activities.

3. Operating segments

The Group's businesses are managed on a geographical basis. Selected financial data is presented on this basis below.

Accounting policy

Revenue recognition and deferred revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration net of discounts, VAT and other sales-related taxes.

The following criteria must also be met before revenue is recognised:

Commission

Commission revenue generated from restaurants is earned and recognised at the point of order fulfilment to the restaurant's Customers. Commission revenue also include delivery fees, discounts and vouchers.

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.

Top-placement fees

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

Connection fees

Restaurant Partners pay a one-off fee to join the Just Eat network, which comprises an equipment fee and a connection fee. The equipment provided is an order confirmation terminal situated at restaurant sites for the purposes of communicating between end-user Customers and restaurants via the central Just Eat ordering infrastructure.

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 equipment. The equipment connection fee revenue is payable on connection but deferred and recognised on a straight-line basis over 12 months.

In addition, the 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.

3. Operating segments *continued*

Accounting policy *continued*

Other revenue

Other revenue includes the sale of branded merchandise to Restaurant Partners. Merchandise revenue is recognised when the goods are delivered and the significant risks and rewards of ownership have transferred to the restaurant.

The Group has four reportable segments, which remain unchanged from the comparative year: United Kingdom, Australia & New Zealand, Established Markets and Developing Markets. Established Markets includes the operations in Canada, Denmark, France, Ireland, Norway, Switzerland and Benelux (sold August 2016). Developing Markets includes Italy, Mexico and Spain. Each segment includes businesses with similar operating characteristics and at a similar stage of development.

The principal measure of profit used by the CODM to assess and manage performance is uEBITDA. The CODM is Peter Plumb, the Group's Chief Executive Officer.

Segment revenue

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
United Kingdom	**304.1**	238.3
Less inter-segment revenue	**(0.3)**	(1.2)
United Kingdom	**303.8**	237.1
Australia & New Zealand	**49.8**	36.8
Established Markets	**148.3**	75.5
Developing Markets	**44.4**	26.2
Total segment revenue	**546.3**	375.6
Head office	**3.3**	2.8
Less head office inter-segment revenue	**(3.3)**	(2.7)
Total revenue	**546.3**	375.7

Revenue by source

	Year ended 31 December 2017		Year ended 31 December 2016	
	£m	**%**	£m	%
Commission revenue	**458.4**	**84**	305.2	81
Payment card and administration fees	**60.1**	**11**	48.5	13
Discounts[1]	**(14.5)**	**(3)**	(7.7)	(2)
Order-driven revenue	**504.0**	**92**	346.0	92
Top-placement fees	**31.6**	**6**	19.7	5
Connection fees and other revenue	**10.7**	**2**	10.0	3
Ancillary revenue	**42.3**	**8**	29.7	8
Total revenue	**546.3**		375.7	

1 In the current year, the impact of discounts and vouchers has been reclassified from other revenue to order-driven revenue. The prior year comparatives have been adjusted accordingly

Order-driven revenue by segment was as follows: United Kingdom £283.2 million (2016: £223.4 million), Australia & New Zealand £47.8 million (2016: £34.2 million), Established Markets £134.9 million (2016: £65.5 million), and Developing Markets £38.1 million (2016: £22.9 million).

3. Operating segments *continued*

Segment uEBITDA and results

	Notes	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
United Kingdom		**155.4**	121.8
Australia & New Zealand		**17.3**	7.6
Established Markets		**11.7**	13.3
Developing Markets		**(3.7)**	(13.7)
Total segment uEBITDA		**180.7**	129.0
Share of uEBITDA from associates[1]		**(0.2)**	0.5
Head office		**(17.0)**	(14.2)
uEBITDA		**163.5**	115.3
Long-term employee incentive costs	4	**(6.6)**	(3.1)
Exceptional items (including impairment charges)[2]	5	**(191.1)**	(14.6)
Net foreign exchange gains/(losses)		**0.5**	(0.2)
EBITDA		**(33.7)**	97.4
Depreciation	14	**(7.3)**	(6.2)
Amortisation – acquired intangible assets	13	**(24.4)**	(15.5)
Amortisation – other intangible assets	13	**(6.7)**	(2.6)
Share of results from associates below uEBITDA[1]		**(0.4)**	(0.6)
Operating (loss)/profit		**(72.5)**	72.5
Other gains and losses	8	**(2.0)**	18.8
Finance income	9	**0.7**	0.6
Finance costs	9	**(2.2)**	(0.6)
(Loss)/profit before tax		**(76.0)**	91.3

1. Respective amounts that fall either inside or outside of the Group's definition of uEBITDA.
2. The current year includes an impairment charge of £180.4 million which relates to the carrying value of goodwill included within the Australia & New Zealand CGU (see Note 12)

Segment assets and liabilities

		Assets as at 31 December		Liabilities as at 31 December	
	Notes	2017 £m	2016 £m	2017 £m	2016 £m
United Kingdom		**219.3**	233.9	**(95.9)**	(71.0)
Australia & New Zealand[1]		**354.8**	545.9	**(28.1)**	(27.7)
Established Markets		**239.3**	218.4	**(113.8)**	(40.6)
Developing Markets		**183.2**	171.0	**(45.0)**	(37.1)
Total segment assets/(liabilities)		**996.6**	1,169.2	**(282.8)**	(176.4)
Head office		**3,276.8**	3,036.4	**(602.6)**	(1,360.8)
Associates	15	**41.4**	29.7	**—**	—
		4,314.8	4,235.3	**(885.4)**	(1,537.2)
Consolidation adjustments:					
Elimination of intercompany debtors and creditors		**(597.4)**	(1,314.5)	**597.4**	1,314.5
Elimination of investments		**(2,702.7)**	(1,872.4)	**—**	—
Total assets and liabilities		**1,014.7**	1,048.4	**(288.0)**	(222.7)

1. The current year includes a reduction of the goodwill of £180.4 million which relates to the Australia & New Zealand impairment charge (see Note 12)

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3. Operating segments *continued*

Segment net book value of non-current assets

	Notes	As at 31 December 2017 £m	As at 31 December 2016 £m
United Kingdom		**8.5**	12.4
Australia & New Zealand		**313.1**	512.6
Established Markets		**167.8**	176.1
Developing Markets		**129.3**	128.0
		618.7	829.1
Head office		**62.0**	30.4
Associates	15	**41.4**	29.7
Net book value of non-current assets		**722.1**	889.2

Property, plant & equipment, and intangible assets

		Additions Year ended 31 December[1]		Depreciation and amortisation Year ended 31 December	
	Notes	2017 £m	2016 £m	2017 £m	2016 £m
United Kingdom		**2.6**	2.9	**3.0**	3.5
Australia & New Zealand		**0.2**	1.3	**15.0**	10.2
Established Markets		**3.2**	113.6	**8.9**	4.6
Developing Markets		**1.9**	98.2	**4.0**	3.2
		7.9	216.0	**30.9**	21.5
Head office		**30.8**	12.3	**7.5**	2.8
Total property, plant & equipment, and intangible assets	13, 14	**38.7**	228.3	**38.4**	24.3

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

4. Long-term employee incentive costs

The total expense recorded in relation to the long-term employee incentives was £6.6 million (2016: £3.1 million). This charge comprises £6.1 million (2016: £2.8 million) in respect of share based payments and £0.5 million (2016: £0.3 million) in respect of provisions for employer's social security costs on the exercise of options. See Note 32 for more details on the Group's share based payment schemes.

5. Exceptional items

Exceptional items are costs (such as impairment charges, M&A transaction and integration 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.

	Notes	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Impairment charges	12	**180.4**	—
M&A transaction costs		**1.7**	9.5
Acquisition integration costs		**9.0**	5.1
Total exceptional items		**191.1**	14.6

Impairment charges

During the year ended 31 December 2017, an impairment charge of £180.4 million was recorded in respect of the Group's Australia & New Zealand ("ANZ") businesses. The charge was driven by lower projected cash flows in the business' plans resulting in management's reassessment of expected future business performance in light of the current trading environment.

The Australian market is unique in the Just Eat portfolio with a substantial part of the population living in Sydney and Melbourne. This characteristic makes Australia an attractive market for competitors with the consequence that Australia is today one of our most competitive markets. Furthermore, success is partly dependent on our ability to add delivery capability to complement our marketplace business.

5. Exceptional items *continued*

Impairment charges continued

The change in platform offers the businesses in Australia & New Zealand ("ANZ") the potential to integrate with the SkipTheDishes platform. Along with the additional security, scalability and stability that the new platform brings, this integration will be crucial to ensure the continued growth in the ANZ market through the addition of the logistics capability. The technology built by SkipTheDishes allows forecasting of consumer demand, driver allocation and delivery times with very high levels of accuracy. Whilst it will take time to deploy, it is this technology, when launched in Australia, that will place the business in a good position for solid future growth.

Whilst these initiatives are intended to create a much stronger business in Australia, IAS 36 *Impairment of Assets* prevents the Group from including these cash flows in the valuation of this business. Consequently, an impairment charge of £180.4 million against goodwill reduces the carrying value of the ANZ businesses to £302.2 million.

M&A transaction costs

M&A transaction costs relate to legal, due diligence and other costs incurred as a result of the Group's acquisitions (see Note 30) and aborted acquisitions. For the year ended 31 December 2017, they include £1.3 million (2016: £6.3 million) of costs in respect of the acquisition of Hungryhouse Holdings Limited ("Hungryhouse").

Acquisition integration costs

The acquisition integration costs relate to the integration of recently acquired businesses into the Group. For the year ended 31 December 2017, £9.0 million relates to accrued consideration (separate to the acquisition consideration) of SkipTheDishes' management providing certain services to the Group post-completion.

For the year ended 31 December 2016, the costs relate to the integration of Menulog and the four businesses acquired during the first half of 2016 (La Nevera Roja/PizzaBo/hellofood Brazil/hellofood Mexico). They include the non-recurring costs of running two offices and platforms during employee consultation processes, redundancy costs, lease termination costs and related advisers' fees. In addition, they include the cost of recruiting a new Menulog senior management team and advisers' costs in respect of litigation and other matters that pre-dated the Group's acquisition of Menulog in June 2015.

6. Operating (loss)/profit

Operating profit or loss is stated after charging for depreciation, amortisation, long-term employee incentive costs, exceptional items (including impairment charges), foreign exchange gains and losses, and share of results from associates, but before other gains and losses, finance income and finance costs.

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

	Notes	**Year ended 31 December 2017 £m**	Year ended 31 December 2016 £m
Total staff costs	7	**114.0**	88.4
Exceptional items (including impairment charges)	5	**191.1**	14.6
Net foreign exchange (gains)/losses		**(0.5)**	0.2
Loss on sale of property, plant and equipment and intangible assets		**0.9**	0.5
Operating lease charges	31	**6.7**	4.2
Depreciation	14	**7.3**	6.2
Amortisation – acquired intangible assets	13	**24.4**	15.5
Amortisation – other intangible assets	13	**6.7**	2.6
Research and development		**13.6**	12.5

Other than exceptional items, all of the above items are included within other administrative expenses in the income statement. Research and development costs are predominantly staff costs, which are included within staff costs.

6. Operating (loss)/profit *continued*

Auditor's remuneration

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

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Deloitte LLP and its associates' audit fees:		
Parent Company	**0.4**	0.4
Subsidiary undertakings	**0.2**	0.2
Total Deloitte LLP and its associates' audit fees	**0.6**	0.6
Deloitte LLP and associates' non-audit services:		
Audit-related assurance services	**0.2**	0.1
Taxation compliance and advisory services	**—**	0.1
Total Deloitte LLP and its associates' non-audit fees	**0.2**	0.2
Total Deloitte LLP and its associates' fees	**0.8**	0.8
Fees paid to other auditors for the audit of the Company's subsidiary undertakings	**—**	—

Details of the Group's policy on the use of the auditor for non-audit services and how the auditor's independence and objectivity were safeguarded are set out in the Audit Committee Report on page 60. No services were provided pursuant to contingent fee arrangements.

7. Staff costs

The table below presents staff costs, including those in respect of the Directors, recognised in the income statement.

Accounting policy

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

Staff costs recognised

	Notes	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Wages and salaries		**92.6**	74.4
Social security costs		**11.2**	8.7
Pension costs		**3.6**	2.2
Long-term employee incentive costs	4, 32	**6.6**	3.1
Total staff remuneration		**114.0**	88.4

Average number of Group employees

	Year ended 31 December 2017	Year ended 31 December 2016
Operations	**1,007**	707
Technology and product	**440**	286
Sales	**311**	247
Marketing	**146**	106
Management and administration	**212**	275
Average number of full-time equivalent members of staff	**2,116**	1,621

Details of the Directors' remuneration are included in the Annual report on remuneration on pages 67 to 83.

8. Other gains and losses

Other gains and losses are excluded from uEBITDA because they result from non-cash activities (such as the fair valuing of financial instruments) or are not derived in the ordinary course of business (such as the disposal of a subsidiary).

Accounting policy

Other gains and losses comprises profits or losses arising on the disposal or deemed disposal of operations, gains and losses on financial assets classified as fair value through profit or loss, gains and losses on derivative financial instruments, and movements in provisions for deferred consideration or obligations to acquire minority interests. They have been disclosed separately in order to improve a reader's understanding of the financial statements and are not disclosed within operating profit as they are non-trading in nature.

	Notes	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Gain on disposal of Benelux businesses		—	18.7
Movement in minority shareholders' buy-out provision	22	(0.5)	—
Loss on derivative financial instruments	33	(0.4)	—
Fair value loss on contingent consideration	22	(1.1)	—
Fair value gains on available-for-sale investments		—	0.5
Other losses		—	(0.4)
Net other (losses)/gains		**(2.0)**	18.8

On 2 August 2016, the Group disposed of its Benelux operations (Belgium and Netherlands) to Takeaway.com for £19.3 million in total consideration, which resulted in a gain on disposal of £18.7 million. A cash inflow of £14.6 million was received in the year ended 31 December 2016, and the balance of £3.6 million was received in the year ended 31 December 2017.

9. Finance income and finance costs

Finance income comprises interest received from bank deposits. Finance costs predominantly arise from the amortisation of costs incurred in setting up the Group's revolving credit facility, which remains undrawn at the end of the year ended 31 December 2017.

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Interest received	0.7	0.6
Total finance income	**0.7**	0.6
Bank interest and facility fees	2.2	0.6
Total finance costs	**2.2**	0.6

10. Taxation

This note explains how the Group tax charge arises. The deferred tax section also provides information on expected future tax charges and sets out the tax assets held across the Group, together with management's view on whether or not they are expected to be utilised in the future. Taxation is a key source of estimation uncertainty (see Note 2).

Accounting policy

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 profit for the year, using tax rates prevailing in each respective jurisdiction and any adjustment to tax payable in respect of previous years.

Deferred tax

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

Deferred tax 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 and associates, 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.

10. Taxation *continued*

Accounting policy *continued*

Deferred tax *continued*

Deferred tax liabilities are 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.

Tax deductions on the exercise of share options

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

Income tax expense

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Current taxation		
Current year	**38.0**	29.0
Adjustment for prior years	**(0.3)**	0.1
	37.7	29.1
Deferred taxation		
Temporary timing differences	**(10.0)**	(8.6)
Adjustment for prior years	**(0.2)**	(0.7)
Effect of tax rate change	**—**	0.1
	(10.2)	(9.2)
Total tax charge for the year	**27.5**	19.9

UK corporation tax was calculated at 19.25% (2016: 20%) of the taxable profit for the year. The UK government announced in the summer 2015 budget a reduction in the standard rate of corporation tax from 20% to 19%, effective from 1 April 2017. The Finance Bill 2016 subsequently reduced the main rate of corporation tax to 17%, effective from 1 April 2020.

Taxation for territories outside of the UK was calculated at the rates prevailing in the respective jurisdictions.

Taxation on items taken directly to equity in respect of share options was a net credit of £2.0 million (2016: £0.8 million credit), which comprised of £0.9 million relating to current tax and £1.1 million relating to deferred tax.

In the prior year, taxation on items taken directly to other comprehensive income (£0.5 million debit) relates to fair value gains on cash flow hedges which have been reclassified to goodwill.

10. Taxation *continued*

Factors affecting the tax expense for the year

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

	Year ended 31 December 2017			Year ended 31 December 2016		
	Before adjusting items £m	**Adjusting items £m**	**Total £m**	Before adjusting items £m	Adjusting items £m	Total £m
(Loss)/profit before tax	**148.0**	**(224.0)**	**(76.0)**	106.2	(14.9)	91.3
UK rate of 19.25% (2016: 20%)	**28.5**	**(43.1)**	**(14.6)**	21.2	(2.9)	18.3
Adjusted for the effects of:						
Non-deductible expenditure	**0.6**	**2.5**	**3.1**	1.0	2.0	3.0
Non-taxable income	**(5.9)**	**—**	**(5.9)**	(5.3)	—	(5.3)
Share based payments	**—**	**0.3**	**0.3**	—	0.1	0.1
Impairment charges	**—**	**34.7**	**34.7**	—	—	—
Profit on deemed disposals of businesses	**—**	**—**	**—**	—	(3.8)	(3.8)
Prior year adjustments	**(0.5)**	**—**	**(0.5)**	(0.7)	0.1	(0.6)
Unrecognised deferred tax asset changes	**2.3**	**(0.7)**	**1.6**	1.5	0.9	2.4
Overseas tax rates	**(0.3)**	**(1.4)**	**(1.7)**	(1.1)	(1.4)	(2.5)
Other overseas taxes	**10.4**	**—**	**10.4**	8.2	—	8.2
Associates results	**—**	**0.1**	**0.1**	—	—	—
Reduction in UK tax rate	**—**	**—**	**—**	0.1	—	0.1
Total tax charge for the year	**35.1**	**(7.6)**	**27.5**	24.9	(5.0)	19.9
Effective tax rate	**23.7%**		**(36.2%)**	23.4%		21.8%

The effective tax rate on underlying profits ("Underlying ETR") is 23.7% (2016: 23.4%). Underlying profit is defined as profit before tax before long-term employee incentive costs, exceptional items, other gains and losses, foreign exchange gains and losses, amortisation in respect of acquired intangible assets and share of results from associates below uEBITDA.

The total tax charge of £27.5 million (2016: £19.9 million) is made up of: a current tax charge of £37.7 million (2016: £29.1 million), primarily consisting of corporate tax arising in the UK, Denmark, France, Ireland and Switzerland; and a deferred tax credit of £10.2 million (2016: £9.2 million) resulting from the recognition of a deferred tax asset on tax losses arising in Australia and the unwinding of deferred tax liabilities arising on acquired intangibles.

As a result of the geographical spread of the Group's operations and the varied, increasingly complex nature of local and global tax law, there are some transactions for which the ultimate tax determination is uncertain during the ordinary course of business. The provision held in relation to uncertain tax items totalled £17.4 million at 31 December 2017 (2016: £9.8 million).

Included within the total uncertain tax provision is an amount held in relation to an ongoing transfer pricing audit in Denmark. In 2012, the transfer pricing arrangements of the Group were updated, in line with the OECD Transfer Pricing Guidelines, to reflect the commercial and economic reality of the Group's Headquarters being established in the UK. An Advanced Pricing Agreement ("APA") was submitted by the Group to the Danish and UK Competent Authorities to obtain certainty over the position taken. The Danish Tax Authorities subsequently opened a local transfer pricing audit into the periods covered by the APA and in January 2018 issued a formal notice of assessment from their findings, making a claim that the taxable income for financial year 2013 should be increased, equalling an additional tax payment of £126 million, including interest and surcharges. The Company strongly disagrees with the claim made by the Danish Tax Authorities and have appealed the assessment through a Mutual Agreement Procedure ("MAP") between the UK and Danish Competent Authorities. During the MAP, the two tax authorities enter into discussions with the intention of resolving the transfer pricing dispute. Management believes that this issue will be resolved through the MAP, with the outcome being full elimination of the potential double taxation. Such an outcome may result in a reallocation of income between the UK and Denmark with different tax rates applying over different time periods and net interest charges. An amount has been provided in respect of this uncertain tax position. This is a key source of estimation uncertainty as outlined in Note 2.

Underlying ETR is expected to trend towards the UK prevailing corporation tax rate. However, the Group's future tax charge and actual underlying ETR will be driven by a few factors including: the timing of the recognition of tax losses, changes in the mix of business profits, local or international tax reform (for example any arising from the implementation of the OECD's BEPS actions and EU state aid investigations), new challenges by the tax authorities or the resolution of ongoing enquiries raised by tax authorities and the impact of any acquisitions, disposals or restructurings.

10. Taxation *continued*

Deferred tax

	Losses (assets) £m	Share based payment (assets) £m	Short-term temporary differences (assets) £m	Short-term temporary differences (liabilities) £m	Acquired intangibles (assets) £m	Acquired intangibles (liabilities) £m	Total £m
At 1 January 2016	3.4	2.4	0.6	(0.2)	0.1	(19.7)	(13.4)
Foreign exchange movements	1.0	—	—	—	—	(3.4)	(2.4)
Credit to the income statement	3.7	0.3	0.3	—	—	4.3	8.6
Effect of rate change	—	—	(0.1)	—	—	—	(0.1)
Debit to equity	—	(0.4)	—	—	—	—	(0.4)
Prior year adjustment	0.3	—	0.4	—	—	—	0.7
Arising on acquisition	2.4	—	—	—	—	(6.9)	(4.5)
At 31 December 2016	10.8	2.3	1.2	(0.2)	0.1	(25.7)	(11.5)
Foreign exchange movements	**(0.4)**	—	—	**(0.1)**	—	**0.1**	**(0.4)**
Credit to the income statement	**1.8**	**0.7**	**0.2**	**0.1**	—	**7.2**	**10.0**
Credit to equity	—	**1.1**	—	—	—	—	**1.1**
Prior year adjustment	**0.3**	—	—	**(0.1)**	—	—	**0.2**
Arising on acquisition	—	—	—	—	—	**0.5**	**0.5**
At 31 December 2017	**12.5**	**4.1**	**1.4**	**(0.3)**	**0.1**	**(17.9)**	**(0.1)**

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Analysed as:		
Deferred tax liabilities	**(18.2)**	(25.9)
Deferred tax assets	**18.1**	14.4
Net deferred tax liability	**(0.1)**	(11.5)

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.

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 2017 was £20.4 million (2016: £18.0 million). The asset would be recognised if sufficient suitable taxable profits were made in the future and the recovery of the asset became probable.

Deferred tax assets not recognised

	As at 31 December 2017 £m	As at 31 December 2016 £m
Accelerated capital allowances	**1.5**	1.2
Short-term timing differences	**0.4**	0.2
Unrelieved tax losses[1]	**18.5**	15.6
Unrelieved tax losses in associates	—	1.0
Total	**20.4**	18.0

1 The majority of the Group's tax losses for which no deferred tax has been recognised do not expire A total of £10 7 million of gross losses (unrecognised deferred tax asset of £3 2 million) expire in five to ten years' time and a £13.1 million of gross losses (unrecognised deferred tax asset of £3.6 million) expire in 10 to 20 years' time.

11. Earnings per share

The Group uses earnings per share to incentivise management. The principal measure used is adjusted earnings per share. See the Report of the Remuneration Committee for further details.

Basic earnings per share was calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year, excluding unvested shares held pursuant to the Group's Joint Share Ownership Plan ("JSOP") and Share Incentive Plan ("SIP").

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 has potentially dilutive shares in the form of share options and unvested shares held pursuant to the Group's JSOP and SIP (see Note 32).

Adjusted earnings per share is the main measure of earnings per share used by the Group and is calculated using an underlying profit measure attributable to equity shareholders, which is defined as profit attributable to equity shareholders, before long-term employee incentive costs, exceptional items, other gains and losses, foreign exchange gains and losses, amortisation of acquired intangible assets, share of results from associates below uEBITDA, and the tax impact of these adjusting items (see Note 2e).

Basic and diluted earnings per share

	Notes	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
(Loss)/profit attributable to equity shareholders		**(102.7)**	71.7
Long-term employee incentive costs	4, 32	**6.6**	3.1
Exceptional items (including impairment charges)	5	**191.1**	14.6
Other gains and losses	8	**2.0**	(18.8)
Net foreign exchange (gains)/losses		**(0.5)**	0.2
Amortisation in respect of acquired intangible assets	13	**24.4**	15.5
Share of results from associates below uEBITDA		**0.4**	0.3
Tax impact of these adjusting items		**(7.6)**	(5.0)
Adjusted profit attributable to equity shareholders		**113.7**	81.6

	Number of shares ('000) Year ended 31 December 2017	Year ended 31 December 2016
Weighted average number of Ordinary shares for basic earnings per share	**676,844**	669,462
Effect of dilution:		
Share options and awards	**5,159**	6,420
Unvested JSOP shares	**943**	3,547
Shares held in escrow	**—**	48
Weighted average number of Ordinary shares adjusted for the effect of dilution	**682,946**	679,477

	Year ended 31 December 2017 (pence)	Year ended 31 December 2016 (pence)
Earnings per Ordinary share		
Basic	**(15.2)**	10.7
Diluted[1]	**(15.2)**	10.5
Adjusted earnings per Ordinary share		
Basic	**16.8**	12.2
Diluted	**16.6**	12.0

1 Ordinary shares are only treated as dilutive when their conversion would decrease earnings per Ordinary share or increase loss per Ordinary share from continuing operations

12. Goodwill

The consolidated balance sheet contains a significant goodwill carrying value which arises when the Group acquires a business and pays a higher amount than the fair value of its net assets, primarily due to synergies expected to materialise. Goodwill is not amortised but is subject to annual impairment reviews. Impairment of goodwill is a key source of estimation uncertainty (see Note 2).

Accounting policies

Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is obtained ("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.

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 CGUs expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the CGU may be impaired. If the recoverable amount of the CGU 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 CGU and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset in the CGU. 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.

Impairment of assets

Under IFRS, the Group is required to test annually for indicators of impairment. When an indication of impairment exists, 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 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 determined as the higher of FVLCD and VIU. In assessing VIU, 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.

In assessing FVLCD, management apply an appropriate valuation method to determine fair value as if the asset (or CGU) were to be sold in an orderly manner to a market participant.

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 charge is recognised immediately in profit or loss and included within exceptional items.

Carrying value of goodwill

	Notes	**2017 £m**	2016 £m
At 1 January		**725.2**	457.1
Arising on acquisition		**—**	181.2
SkipTheDishes acquisition adjustment[1]		**1.5**	—
Impairment charges[2]	5	**(180.4)**	—
Foreign exchange movements		**(1.4)**	86.9
At 31 December		**544.9**	725.2

1 Due to timing constraints between the acquisition of SkipTheDishes on 14 December 2016 and the publication of the 2016 Annual Report, the prior year acquisition accounting was provisional. The prior year valuation of the acquired intangible assets was based on estimated inputs. In the current year, the valuation models and acquisition accounting have been finalised, resulting in an increase in goodwill of £1.5 million (see Note 30).

2. Impairment charges at 31 December 2017 relate to the Group's ANZ business. Accumulated impairment charges were £180.4 million (2016: £nil).

Goodwill has arisen on the acquisition of businesses and is attributable to the future growth of the acquired businesses, through expansion of their networks of Restaurant Partners and the number of orders per restaurant, anticipated future operating synergies, and the ability to leverage the Group's existing intellectual property in new markets around the world. In addition, the goodwill balances represented the value of the businesses' active Customer bases and assembled workforce, which do not meet the recognition criteria of an intangible asset.

12. Goodwill *continued*

Goodwill allocated by CGU

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

CGU	Acquisitions	As at 31 December 2017 £m	As at 31 December 2016 £m
ANZ	Menulog Group Limited ("MGL")	**271.2**	456.0
SkipTheDishes	SkipTheDishes Restaurant Services Inc.	**91.8**	92.5
Spain ("ES")	SinDelantal Internet, S.L., La Nevera Roja	**58.4**	56.0
Italy ("IT")	Click Eat, Jeb S.r.l, Clicca e Mangia, PizzaBo	**42.4**	40.8
France ("FR")	FBA Invest SaS	**44.0**	42.3
Mexico ("MX")	SinDelantal Mexico SA de C.V., hellofood Mexico	**19.6**	20.3
Other CGUs[1]		**17.5**	17.3
Total goodwill		**544.9**	725.2

1 Other CGUs include Canada, Denmark, Ireland, Switzerland and United Kingdom. The individual amount of goodwill assigned to these CGUs is not considered significant in comparison with the Group's carrying value of goodwill.

Impairment review

The Group tests goodwill annually for indicators of impairment. When an indication of impairment exists, the Group reviews the carrying amount and recoverable amount of the investment.

The recoverable amount is the higher of FVLCD and VIU. However, in line with IAS 36, FVLCD is only determined where VIU would result in an impairment.

The key assumptions used in the VIU calculations are the discount rate and the anticipated future cash flows (which is a function of increases in both revenue and in costs, along with other factors). The key assumptions used in the FVLCD are similar to the VIU. However, the assumptions are based on a likely market participant's perspective when completing a DCF model.

In both the VIU and FVLCD calculations, management uses discount rates that reflect current market assessments of the time value of money and the risks specific to the particular CGU. The assumptions on growth in future cash flows are based on past experience, recent results and management's future expectations.

The main drivers for future order growth are the continued investment in marketing, which helps drive brand awareness and drive Customer traffic to the Group's platforms, and the investment in technology, which ensures the platforms are stable, secure, efficient and scalable. This investment ensures that both the relevant overall market as well as the CGU's market share increases over the medium to long-term.

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). A suitable medium-term growth rate, based on previous experience of growth rates (including historical growth rates of all CGUs), has been applied individually to reflect each CGU's activity in this period. After this, a long-term growth rate is applied.

For the VIU, management typically forecast cash flows for periods up to five years, but there are some CGUs that are forecasted for longer periods. These CGUs are located in immature markets which are currently lacking penetration, and where future investment in the business is expected to result in its long-term growth being achieved outside of five years. For these CGUs, management believe it is appropriate to use forecasts extending beyond five years as they correlate with our experience in similar markets.

For the FVLCD, management typically forecasts cash flows up to 10 years, in line with what a market participant would likely model. Management believe this to be appropriate as it is unlikely for a growing business' cash flows to immediately drop to the long-term growth rate after year five.

12. Goodwill *continued*
Impairment review continued

	ANZ	Skip	ES	IT	FR	MX	Other
VIU assumptions							
Pre-tax discount rate[1]	12.2%	10.7%	14.0%	14.9%	11.5%	12.7%	8.4–10.3%
Terminal growth rate[2]	2.5%	2.0%	1.9%	1.4%	1.8%	3.0%	1.0–2.0%
Number of years forecasted before terminal growth rate applied	5	5	5	5	5	8	5
FVLCD assumptions							
Post-tax discount rate	13.5%						
Terminal growth rate[2]	2.5%						
Estimated costs of disposal (% of sale price)	1.0%						

1. Pre-tax discount rates have been calculated using the Capital Asset Pricing Model, the inputs of which include a country risk-free rate, equity risk premium, Group size premium and a risk adjustment (beta)
2. Terminal growth rate is based on long-term inflationary rates in the country of operation

During the year ended 31 December 2017, a non-cash impairment charge solely relating to goodwill of £180.4 million was recorded in respect of the Group's ANZ subsidiaries. The recoverable amount of the ANZ CGU is £302.2 million, which was determined using the VIU method. The charge was driven by lower projected cash flows within the business plans resulting in management's reassessment of expected future business performance in light of the current trading environment (see Note 5).

For all other CGUs, the VIU exceeds the carrying value of the CGU. As a result, no impairment charges were required either in the current or prior year.

Sensitivity analysis
For all CGUs, the recoverable amount was determined by measuring their VIU. The Group has conducted a sensitivity analysis on each CGU's VIU which included reducing the anticipated future cash flows and increasing the discount rates. With the exception of the ANZ and MX CGUs, no reasonably expected change in the key assumptions used in the VIU calculations would give rise to an impairment charge.

	ANZ	Skip	ES	IT	FR	MX	Other
Sensitivity assumptions							
Sensitised discount rate applied	14.2%	12.7%	16.5%	16.9%	13.5%	14.7%	10.4–12.3%
Sensitised cash flows[1]	39.2%	56.4%	52.3%	46.1%	56.5%	89.7%	32.6–41.2%

1. When sensitising each CGU's cash flows, a downside cash flow forecast is prepared by reducing the cash flows in each year of the forecast, rather than reducing the cash flows by a set percentage The above disclosure shows the decline of the forecasted cash flows in the final year of the forecast, before long-term growth rates are applied.

The sensitised discount rate (of 14.2%) if applied to the ANZ CGU would result in an additional impairment charge of £66.9 million. The sensitised discount rate (of 14.7%) if applied to the MX CGU does not result in an impairment charge.

The sensitised cash flows applied in the ANZ and MX CGUs would result in additional impairment charges of £116.8 million and £21.8 million respectively. In order for an impairment not to occur in Mexico, the sensitised cash flows in year eight would need not to fall below 61.9%.

13. Other intangible assets

Other intangible assets predominantly arise on acquisition of subsidiaries or are internally developed. Capitalised development costs is a critical judgement in applying the Group's accounting policies (see Note 2). Other intangible assets are amortised as well as being tested at least annually for impairment.

Accounting policy

Intangible assets are recorded at cost, net of amortisation and any provision for impairment. Amortisation is calculated on a straight-line basis over the assets' useful economic lives. The cost of intangible assets arising from a business combination or associate is determined at their fair value on the date of initial recognition.

The Group has four classes of intangible asset: patents, licences and intellectual property ("IP"), restaurant contracts, brands, and development costs. Due to both the absence of a contractual arrangement and a practice of establishing such contracts with Customers, acquired Customer/user lists are not classified as an intangible asset and remain as part of goodwill.

Patents, licences and IP

Patents, licences and IP are generally acquired as part of a business combination, and predominantly relate to acquired operating platforms such as websites and apps. Software licences are also included in this category.

The useful economic life is typically between three and five years, depending on the period over which benefits are expected to be realised from the asset.

The initial fair values are established as the estimated costs to replace the acquired platforms.

Restaurant contracts

Restaurant contracts are generally the primary revenue-generating assets of a business combination and relate to the acquired contractual agreements between the business and the restaurants.

The useful economic life is determined as the period over which the acquired restaurant contracts are reasonably expected to transfer economic benefits to the Group, which is usually between three and ten years.

The initial fair values are established with reference to the present value of their post-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 to accurately reflect local risks and uncertainties associated with the asset.

Brands

Brands are acquired as part of a business combination.

The useful economic life is determined as the period of time over which the acquired brand is reasonably expected to transfer economic benefits to the Group, which is usually between three and ten years.

The initial fair values are established using the relief from royalty valuation method. The cash flows and discount rates used in the relief from royalty valuation model are risk adjusted to the extent deemed necessary to accurately reflect local risks and uncertainties associated with the asset.

Development costs

Internally developed websites, apps and other software, that together comprise the Just Eat ordering platforms, are capitalised to the extent that incremental costs can be separately identified, the product is technically feasible, expenditure can be measured reliably, and sufficient resources are available to complete the project. Where these conditions are not met the amounts are expensed as incurred.

The useful economic life is typically three years, from the date the developed asset is available for use.

13. Other intangible assets *continued*
Carrying value of other intangible assets

	Notes	Patents, licences and IP £m	Restaurant contracts £m	Brands £m	Development costs £m	Total £m
Cost						
At 1 January 2016		12.3	54.0	19.1	2.7	88.1
Additions		0.6	—	—	10.5	11.1
Arising on acquisition		3.9	14.5	7.9	—	26.3
Arising on disposal of Benelux		—	(1.6)	—	—	(1.6)
Foreign exchange movements		0.9	10.2	3.1	—	14.2
At 31 December 2016		17.7	77.1	30.1	13.2	138.1
Additions		**5.6**	**—**	**—**	**18.8**	**24.4**
SkipTheDishes acquisition adjustment[1]	30	**(0.8)**	**4.0**	**(5.0)**	**—**	**(1.8)**
Transfers		**4.6**	**—**	**—**	**(4.6)**	**—**
Disposals		**(3.9)**	**(0.8)**	**(1.0)**	**(0.5)**	**(6.2)**
Foreign exchange movements		**(0.1)**	**(0.3)**	**—**	**—**	**(0.4)**
At 31 December 2017		**23.1**	**80.0**	**24.1**	**26.9**	**154.1**
Amortisation						
At 1 January 2016		5.4	8.0	2.0	0.1	15.5
Charge for the year		3.7	10.4	2.9	1.1	18.1
Arising on disposal of Benelux		—	(1.6)	—	—	(1.6)
Foreign exchange movements		0.3	1.9	0.5	—	2.7
At 31 December 2016		9.4	18.7	5.4	1.2	34.7
Charge for the year		**6.3**	**13.0**	**9.0**	**2.8**	**31.1**
Transfers		**0.3**	**—**	**—**	**(0.3)**	**—**
Disposals		**(3.9)**	**(0.8)**	**(1.0)**	**(0.1)**	**(5.8)**
Foreign exchange movements		**—**	**(0.3)**	**(0.1)**	**—**	**(0.4)**
At 31 December 2017		**12.1**	**30.6**	**13.3**	**3.6**	**59.6**
Carrying amount						
At 31 December 2017		**11.0**	**49.4**	**10.8**	**23.3**	**94.5**
At 31 December 2016		8.3	58.4	24.7	12.0	103.4

1 Due to timing constraints between the acquisition of SkipTheDishes on 14 December 2016 and the publication of the 2016 Annual Report, the prior year acquisition accounting was provisional, as permitted under IFRS 3 *Business Combinations*. The prior year valuation of the acquired intangible assets was based on estimated inputs In the current year, the valuation models and acquisition accounting have been finalised, resulting in an increase in intangible assets of £1 8 million (see Note 30).

The cash outflow in respect of additions of intangible assets was £24.0 million (2016: £11.7 million). Of the amortisation charge for the year ended 31 December 2017, £24.4 million (2016: £15.5 million) related to acquired intangible assets and £6.7 million (2016: £2.6 million) related to other intangible assets.

At 31 December 2017, other than through the acquisition of Hungryhouse (see Note 30), the Group did not enter into any significant contractual commitments for the acquisition of intangible assets (2016: £nil).

Patents, licences and IP
As at 31 December 2017, the patents, licences and IP carrying amount was £11.0 million (2016: £8.3 million). The weighted average remaining amortisation period for this category is 3.2 years.

Restaurant contracts
As at 31 December 2017, the restaurant contracts carrying amount of £49.4 million (2016: £58.4 million) included £33.0 million (2016: £40.7 million) in respect of the restaurant contracts acquired as part of the June 2015 acquisition of Menulog and £9.5 million (2016: £7.5 million) in respect of the restaurant contracts acquired as part of the December 2016 acquisition of SkipTheDishes.

The weighted average remaining amortisation period for restaurant contracts is 4.5 years.

Brands
As at 31 December 2017, the brands carrying amount of £10.8 million (2016: £24.7 million) included £7.9 million (2016: £12.9 million) in respect of the brands acquired as part of the June 2015 acquisition of Menulog and £2.0 million (2016: £6.1 million) in respect of the brand acquired as part of the December 2016 acquisition of SkipTheDishes.

The weighted average remaining amortisation period for brands is 6.4 years.

13. Other intangible assets *continued*

Development costs

Development costs of £11.1 million were not available for use at 31 December 2017 (2016: £6.5 million), and therefore, have not been amortised.

The weighted average remaining amortisation period for development costs (excluding work in progress) is 0.4 years.

14. Property, plant and equipment

The Group maintains fixtures and fittings, equipment and leasehold improvements, which are depreciated over their useful economic lives.

Accounting policy

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

Carrying value of property, plant and equipment

	Fixtures and fittings £m	Equipment £m	Leasehold improvements £m	Total £m
Cost				
At 1 January 2016	4.7	12.0	2.8	19.5
Additions	1.3	7.2	1.0	9.5
Arising on acquisition	—	0.2	—	0.2
Disposals	(0.1)	(5.7)	—	(5.8)
Foreign exchange movements	0.2	1.5	0.1	1.8
At 31 December 2016	6.1	15.2	3.9	25.2
Transfers	**(0.5)**	**0.5**	**—**	**—**
Additions	**1.1**	**7.3**	**5.9**	**14.3**
Disposals	**(0.5)**	**(2.8)**	**—**	**(3.3)**
Foreign exchange movements	**—**	**0.1**	**—**	**0.1**
At 31 December 2017	**6.2**	**20.3**	**9.8**	**36.3**
Accumulated depreciation				
At 1 January 2016	2.8	6.7	1.4	10.9
Charge for the year	1.5	4.1	0.6	6.2
Disposals	(0.3)	(4.7)	—	(5.0)
Foreign exchange movements	0.1	0.6	—	0.7
At 31 December 2016	4.1	6.7	2.0	12.8
Charge for the year	**1.1**	**5.1**	**1.1**	**7.3**
Transfers	**(0.5)**	**0.5**	**—**	**—**
Disposals	**(0.4)**	**(2.4)**	**—**	**(2.8)**
Foreign exchange movements	**—**	**0.1**	**(0.1)**	**—**
At 31 December 2017	**4.3**	**10.0**	**3.0**	**17.3**
Carrying amount				
At 31 December 2017	**1.9**	**10.3**	**6.8**	**19.0**
At 31 December 2016	2.0	8.5	1.9	12.4

At 31 December 2017, the Group did not enter into any significant contractual commitments for the acquisition of property, plant and equipment (2016: £nil).

15. Investments in associates

The Group holds an interest in associates where it has significant influence, with the most significant associate being IF-JE Participações S.A. ("IF-JE").

Accounting policy

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 does not control or have joint control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The results, assets and liabilities of associates 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.*

The investment in an associate is initially recognised at cost. At the acquisition date, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate is recognised as goodwill. Goodwill is included within the carrying amount of the investment. Under the equity method, the carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

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

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

Carrying value of investments in associates
Carrying value of associates under equity accounting method:

	Notes	2017 £m	2016 £m
At 1 January		**29.7**	16.6
Investment in IF-JE NL		**—**	3.4
Increase in investment in IF-JE	22, 34	**16.1**	2.1
Share of IF-JE NL results		**—**	(0.1)
Share of IF-JE results		**(0.6)**	—
Foreign exchange movements	26	**(3.8)**	7.7
At 31 December		**41.4**	29.7

During the year, no dividends have been received from associated undertakings (2016: £nil).

Increase in investment in IF-JE Participações S.A. ("IF-JE")
On 2 May 2017, the Group acquired a further 1.5% stake in its associated undertaking IF-JE (see Note 22 for further details). The Group also provided working capital funding of £0.8 million (see Note 34 for further details).

IF-JE Holdings B.V. ("IF-JE NL")
On 20 July 2016, the Company's subsidiary Just Eat Holding Limited acquired a 33% stake in IF-JE NL for a total consideration of £3.4 million. This associate is 67% owned by Movile Internet Movel S.A. ("Movile"). On 2 August 2016, the Group sold a 49% stake in its enlarged Mexican business to IF-JE NL.

Cash outflow on acquisition of interests in associates
During the year ended 31 December 2017, the cash outflow on acquisition of interests in associates was £2.6 million in respect of the acquisition of a further 1.5% interest in the associated undertaking IF-JE (see Note 22).

IF-JE
The only material associate held by the Group is IF-JE, in which it has a 31.9% stake (2016: 30.4%). Summarised consolidated financial information is set out below:

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Revenue	**76.2**	28.8
uEBITDA	**(0.7)**	1.9
(Loss)/profit after tax	**(1.1)**	0.1
Group's share of uEBITDA	**(0.2)**	0.6
Group's share of losses after tax[1,2]	**(0.6)**	—
Group's share of total comprehensive loss[1,2]	**(0.6)**	—

1. The Group's share of losses after tax and total comprehensive loss include amortisation of acquired intangibles recognised by the Group, but not by IF-JE
2. The (loss)/profit after tax and total comprehensive loss were entirely derived from continuing activities

15. Investments in associates *continued*

IF-JE continued

	As at 31 December 2017 £m	As at 31 December 2016 £m
Non-current assets	**41.6**	34.3
Current assets	**33.4**	18.5
Non-current liabilities	**(4.3)**	(5.3)
Current liabilities	**(37.3)**	(17.3)
Net assets and total equity	**33.4**	30.2
Group's share of interest in associated undertaking's net assets	**10.7**	9.2
Carrying value of interest in associated undertaking	**38.0**	26.4

16. Available-for-sale investments

The Group holds an interest in other unlisted investments where it does not have significant influence. This predominantly comprises the investment in Flypay Limited ("Flypay"), acquired in September 2016.

Accounting policy

Available-for-sale investments are initially measured at cost, and then revalued to fair value. Gains and losses arising from valuation are taken to other comprehensive income, and then recycled through the income statement on realisation. If there is objective evidence that the asset is impaired, any cumulative loss recognised in other comprehensive income is reclassified to the income statement within other gains and losses.

Carrying value of available-for-sale investments

	2017 £m	2016 £m
At 1 January	**4.1**	0.1
Investment in Flypay	**—**	3.5
Fair value movement – other comprehensive income	**0.1**	—
Fair value movement – profit or loss	**—**	0.5
At 31 December	**4.2**	4.1

On 28 September 2016, the Group acquired an 8% shareholding in Flypay for £3.5 million. The level 3 measurement techniques and inputs applied in fair valuing Flypay included a comparison to valuations used by other comparable companies that have recently raised capital.

17. Inventories

The Group's inventory comprises packaging materials and consumable items sold to restaurants, as well as JCTs and Orderpads held in the United Kingdom prior to their sale to other Group companies.

Accounting policy

Inventories are stated at the lower of cost and net realisable value. Cost comprises of 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.

Carrying value of inventories

	As at 31 December 2017 £m	As at 31 December 2016 £m
Finished goods	**2.8**	1.7

There is no material difference between the carrying value of inventories and its fair value or replacement cost. The cost of inventories recognised as an expense in the income statement during the year was £1.6 million (2016: £1.2 million).

18. Trade and other receivables

The Group's trade and other receivables predominantly consist of the deposit paid to acquire Hungryhouse and other prepaid costs. Trade receivables are shown net of an allowance for bad or doubtful debts.

Accounting policy

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. An impairment provision is created for receivables where there is objective evidence the Group will not be able to collect in full.

Carrying value of trade and other receivables

	Notes	As at 31 December 2017 £m	As at 31 December 2016 £m
Trade receivables		**2.1**	2.1
Other receivables		**4.4**	11.7
Hungryhouse deposit	30	**6.0**	6.0
Prepayments		**11.7**	6.7
Total trade and other receivables		**24.2**	26.5

Trade receivables

Trade receivables are net of provisions for bad or doubtful debts of £1.1 million (2016: £0.9 million).

Trade receivables are recognised and carried at the lower of their original invoiced value and their recoverable amount. The average age of the trade receivables as at 31 December 2017 was 76 days (2016: 74 days). As at 31 December 2017, 31% (2016: 33%) of the trade receivables were less than 30 days old, 18% (2016: 15%) were between 30 and 60 days old, 7% (2016: 7%) were between 60 and 90 days old and 44% (2016: 45%) 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 for bad or 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 bad or doubtful debts

	2017 £m	2016 £m
At 1 January	**0.9**	1.0
Foreign exchange movements	**—**	0.1
Bad debts recognised	**0.9**	0.7
Amounts written off during the year	**(0.6)**	(0.9)
Amounts recovered during the year	**(0.1)**	—
At 31 December	**1.1**	0.9

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the Customer base being large and unrelated. The Directors consider that the carrying amount of trade and other receivables, after taking into account the allowance for bad or doubtful debts, is approximately equal to their fair value. At 31 December 2017, £1.1 million (2016: £0.9 million) of the allowance for bad or doubtful debts was in respect of receivables more than 120 days old.

19. Trade and other payables

The Group's trade and other payables predominantly consist of amounts owed to Restaurant Partners and suppliers that have been invoiced or accrued. They also include taxes and social security amounts due in relation to its role as an employer, and consideration payable to the vendors of SkipTheDishes and IF-JE.

Accounting policy

Trade and other payables are initially measured at fair value, net of transaction costs, and subsequently measured at amortised costs using the effective interest method.

Carrying value of trade and other payables

	Notes	As at 31 December 2017 £m	As at 31 December 2016 £m
Trade payables		**64.1**	52.7
Deferred consideration payable	22	**24.6**	—
Other payables and accruals		**80.8**	49.1
Other taxes and social security		**15.7**	10.3
Total trade and other payables		**185.2**	112.1

Included in trade payables are amounts owed to Restaurant Partners of £51.5 million (2016: £33.8 million) which are typically settled on a weekly basis. The average period for which amounts were due to Restaurant Partners was six days (2016: four days). For most suppliers no interest is charged on the trade payables for at least the first 30 days from the date of the invoice.

Deferred consideration payable consists of £20.6 million due to the vendors of SkipTheDishes and £4.0 million due to the vendor of the increased stake in IF-JE (see Note 22).

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.

20. Derivative financial instruments

The Group's derivative financial instruments consist of forward foreign exchange contracts. See Note 33 for specific details of the nature of the forward foreign exchange contracts entered into by the Group.

Accounting policy

Derivative financial instruments are held at fair value, with revaluation gains or losses taken to the income statement within "other gains and losses". The exception is for derivatives that are designated as cash flow hedges, when the treatment of the gain or loss depends on the hedged item (see Note 27 for the Group's cash flow hedge policy).

Carrying value of derivative financial instruments

	As at 31 December 2017 £m	As at 31 December 2016 £m
Financial assets carried at fair value through profit or loss		
Forward foreign exchange contracts	0.1	—
Financial liabilities carried at fair value through profit or loss		
Forward foreign exchange contracts	(0.6)	—
Total derivative financial instruments	(0.5)	—

21. Deferred revenue

Equipment supplied to restaurants is invoiced upon installation and is deferred over 36 months. Connection fees and annual subscription fees are deferred over 12 months.

Accounting policy

See Note 3 for the revenue recognition and deferred revenue accounting policies.

Carrying value of deferred revenue

	As at 31 December 2017 £m	As at 31 December 2016 £m
Analysed as:		
Current deferred revenue	**3.3**	3.8
Non-current deferred revenue	**0.8**	0.9
Total deferred revenue	**4.1**	4.7

22. Provisions for liabilities

A provision is a liability recorded in the Consolidated Balance Sheet where there is uncertainty over the timing or amount. At 31 December 2017, the principal provisions held are in relation to contingent consideration on acquisition of subsidiaries or associates.

Accounting policy

Provisions are recognised when the Group has a present, legal or constructive obligation as a result of a past event, for which it is probable that an outflow of economic benefit 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 other gains and losses.

Carrying value of provisions for liabilities

	Notes	Contingent consideration £m	Other provisions £m	**Total 2017 £m**	Total 2016 £m
At 1 January		41.1	15.6	**56.7**	9.6
Arising on acquisition	30	—	—	**—**	40.8
Additional provisions in the year		16.4	2.5	**18.9**	7.2
Utilised in the year		(2.7)	(2.6)	**(5.3)**	(0.9)
Released to the income statement		—	(0.2)	**(0.2)**	(1.5)
Transferred to trade and other payables		(24.6)	(3.2)	**(27.8)**	(0.2)
Unwinding of discount		0.7	0.2	**0.9**	0.2
Foreign exchange movements		(0.9)	0.5	**(0.4)**	1.5
At 31 December		30.0	12.8	**42.8**	56.7

	As at 31 December 2017 £m	As at 31 December 2016 £m
Current	**22.6**	13.6
Non-current	**20.2**	43.1
Total provisions for liabilities	**42.8**	56.7

Contingent consideration in respect of the SkipTheDishes acquisition

The consideration for SkipTheDishes included £40.8 million of contingent consideration. The consideration is payable in 2018 and 2019 and is contingent upon the performance of SkipTheDishes in 2017 and 2018. As at 31 December 2017, only £20.2 million remains contingent, with £20.6 million reclassified within trade and other payables (see Note 19).

The consideration is recorded at fair value, which is the present value of the expected cash outflows of the obligation (level 3 measurement techniques). It has been assumed that the business will perform in line with its current business plans. The discount rate applied to the obligation was 1.73%.

22. Provisions for liabilities *continued*

Contingent consideration in respect of the SkipTheDishes acquisition continued

A 10% increase in revenue would have no impact on the provision, as the contingent consideration is capped. A 10% decrease in revenue would also have no impact, due to budgeted revenue expected to significantly exceed the earn-out target.

A 0.5% increase or decrease in the discount rate would decrease or increase the liability by £0.2 million. Changes in the discount rate do not impact the Group's estimate of the final consideration payable.

Movements in the provision are recognised within other gains and losses.

Buy-out of FBA Invest SaS minority shareholder

At 31 December 2017, other provisions included £9.6 million (2016: £9.1 million) in respect of the Group's commitment to buy out the minority shareholder of FBA Invest SaS and associated legal costs. The amount payable is dependent on the result of the Group's French businesses for 2016 and 2017. Movements in the provision, other than its utilisation, are charged/credited to other gains and losses.

Increased stake in IF-JE

On 2 May 2017, the Group acquired a further 1.5% stake in its associated undertaking IF-JE. The initial consideration payable calculated to be £15.3 million is contingent upon the performance of IF-JE and is payable in instalments over the current and following financial years. At 31 December 2017, a fair value loss of £1.1 million was recognised within other gains and losses upon the remeasurement of the liability payable. The cash outflow during the year ended 31 December 2017 was £2.6 million, with £4.0 million included within trade and other payables and £9.8 million contingent consideration included within current provisions. The contingent consideration is a level 3 measurement recorded at fair value, which is the present value of the expected cash outflows of the obligation. It has been assumed that the business will perform in line with its current business plans. The discount rate applied to the obligation was 1.17%.

23. Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	As at 31 December 2016 £m	Financing cash flows £m	Foreign exchange movements £m	Transferred to trade and other payables £m	**As at 31 December 2017 £m**
Other long-term liabilities	0.3	—	—	(0.3)	**—**
Borrowings	1.0	(0.4)	0.1	—	**0.7**

24. Share capital

Share capital is the number of shares in issue at their nominal value. In the current year, this increased due to the exercise of employee share options.

Accounting policy

Equity instruments issued by the Group are recorded at the amount of the proceeds received, net of direct issuance costs.

	2017		2016	
	Ordinary shares (millions)	**Total £m**	Ordinary shares (millions)	Total £m
At 1 January	**678.5**	**6.8**	675.4	6.8
Issue of shares – SkipTheDishes	**—**	**—**	1.0	—
Arising on the exercise of share options	**1.5**	**—**	2.1	—
At 31 December	**680.0**	**6.8**	678.5	6.8

On 20 December 2016, the Company issued 1.0 million new one pence Ordinary shares which formed £6.2 million of the SkipTheDishes acquisition consideration. These shares were held in escrow until 14 December 2017.

Ordinary shares

Ordinary shares have a nominal value of £0.01 each, are fully paid 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.

25. Share premium account

Share premium is the amount received by a company for a share issue which exceeds the nominal value. In the current year, this increased due to the exercise of employee share options.

	Notes	2017 £m	2016 £m
At 1 January		**562.2**	555.5
Arising on the issue of shares – SkipTheDishes	24	**—**	6.2
Arising on the exercise of share options		**0.5**	0.5
At 31 December		**562.7**	562.2

26. 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 Group's reporting currency, being pound sterling, are recognised directly in the translation reserve.

	Notes	2017 £m	2016 £m
At 1 January		**94.7**	(11.0)
Exchange differences on translation of foreign operations – Group		**(2.6)**	97.9
Exchange differences on translation of foreign operations – associates	15	**(3.8)**	7.7
Transfer to the income statement		**—**	0.1
At 31 December		**88.3**	94.7

27. Other reserves

The Group's other reserves have arisen from a 2009 pre-Initial Public Offering ("IPO") Group reorganisation, treasury shares when the Group issued equity under its JSOP and SIP share schemes, and cumulative unrealised fair value gains on cash flow hedges.

Accounting policies

Hedge accounting

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign currency exchange risk where there is a firm commitment of a cash inflow or outflow are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Fair value hedges

The Group did not designate any hedges as fair value hedges during the current or prior years.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in other gains and losses.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to the income statement in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated equity at that time remains in equity and is recognised when the forecasted transaction is ultimately recognised in the profit or loss. When a forecasted transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the profit or loss and is included in other gains and losses.

27. Other reserves *continued*

Carrying value of other reserves

	Revaluation reserve £m	Merger reserve £m	Treasury shares reserve £m	Cash flow hedging reserve £m	Total £m
At 1 January 2016	—	1.9	(8.3)	—	(6.4)
Lapses of JSOP awards	—	—	(0.5)	—	(0.5)
Exercise of JSOP awards	—	—	0.5	—	0.5
Fair value gains on cash flow hedges	—	—	—	1.8	1.8
Income tax related to fair value gains on cash flow hedges	—	—	—	(0.5)	(0.5)
Net fair value gains on cash flow hedges reclassified to goodwill	—	—	—	(1.3)	(1.3)
At 31 December 2016	—	1.9	(8.3)	—	(6.4)
Exercise of JSOP/SIP awards	—	—	**1.2**	—	**1.2**
Fair value losses on cash flow hedges	—	—	—	**(0.1)**	**(0.1)**
Fair value gains on available-for-sale investments	**0.1**	—	—	—	**0.1**
At 31 December 2017	**0.1**	**1.9**	**(7.1)**	**(0.1)**	**(5.2)**

Revaluation reserve

Gains and losses arising from valuation of available-for-sale investments are taken to the revaluation reserve. When an available-for-sale investment is realised, the reserve is recycled through the income statement. If there is objective evidence that the asset is impaired, any cumulative loss recognised in other comprehensive income is reclassified to the income statement within other gains and losses.

Merger reserve

In July 2009 a Group reorganisation was undertaken. Under this reorganisation, 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 2017.

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 one of the Group's Employee Benefit Trusts ("EBTs"). At 31 December 2017, the EBTs held 3.5 million shares (2016: 8.3 million shares), which had a historical cost of £3.9 million (2016: £8.3 million) and a market value of £27.4 million (2016: £48.4 million). See Note 32 for more information on the JSOP and SIP.

Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in the fair value of hedging instruments designated as cash flow hedges.

28. Retained earnings

Retained earnings are the net earnings not paid out as dividends, but retained to be reinvested. The distributable reserves of Just Eat plc approximate to the balance of the Company's retained earnings of £34.0 million as at 31 December 2017 (see Note 42).

Accounting policy

Dividends payable to the holders of the Company's Ordinary shares are recognised when they have been appropriately authorised. No dividend has been recommended for the year

	Notes	2017 £m	2016 £m
At 1 January		**160.7**	80.6
(Loss)/profit attributable to equity shareholders		**(102.7)**	71.7
Share based payment charge	4,32	**6.1**	2.8
Tax on share options		**2.0**	0.8
Adjustment for cash-settled share options		**(0.2)**	—
Partial disposal of Mexican business	29	—	4.8
At 31 December		**65.9**	160.7

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29. Non-controlling interests

Non-controlling interests are the equity in a subsidiary not attributable, directly or indirectly, to the Group. At 31 December 2017, the Group has non-controlling interests in its French and Mexican operations.

Accounting policy

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the acquisition date of the combination.

Carrying value of non-controlling interests

	2017 £m	2016 £m
At 1 January	**7.7**	0.4
NCI share of loss after tax	**(0.8)**	(0.3)
Foreign exchange movements	**(0.1)**	(0.2)
Adjustment on partial disposal of Mexican business	**—**	7.3
Adjustment to NCI in respect of funding provided by minority interests	**1.4**	0.5
At 31 December	**8.2**	7.7

On 2 August 2016, the Group sold 49% of its Mexican business, which includes El Cocinero a Cuerda SL ("ECAC"), and its subsidiaries, SinDelantal Mexico SA de C.V. and Inversiones Hellofood S. de R.L. de C.V., to IF-JE NL, for consideration of £12.1 million. The Group retained control of ECAC and its subsidiaries. As the Group also holds 33% of the shares in IF-JE NL, the Group's holding in ECAC and its subsidiaries is 67% using the "indirect method". The Group recognised a net gain on the disposal of £4.8 million which was recorded in equity. The cash inflow on the partial disposal was £9.3 million, with the remaining consideration of £1.2 million being received in the year ended 31 December 2017.

The non-controlling interest at 31 December 2017 in FBA Invest SaS was 20% (2016: 20%) and ECAC was 33% (2016: 33%).

The following table sets out the summary consolidated financial information of subsidiaries that have a material non-controlling interest:

	FBA Invest SaS		ECAC	
	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m	**Year ended 31 December 2017 £m**	Year ended 31 December 2016 £m
Income statement				
Revenue	**28.2**	20.8	**1.0**	0.7
uEBITDA	**5.8**	3.9	**(3.4)**	(1.8)
Profit/(loss) after tax	**2.0**	1.3	**(3.7)**	(1.6)
NCI share of profit/(loss) after tax	**0.4**	0.3	**(1.2)**	(0.6)

	FBA Invest SaS		ECAC	
	As at 31 December 2017 £m	As at 31 December 2016 £m	**As at 31 December 2017 £m**	As at 31 December 2016 £m
Balance sheet				
Cash	**14.3**	9.4	**1.0**	1.1
Other current assets	**2.1**	1.7	**0.8**	0.1
Total current assets	**16.4**	11.1	**1.8**	1.2
Non-current assets	**1.0**	2.7	**21.1**	21.5
Total assets	**17.4**	13.8	**22.9**	22.7
Current liabilities	**(11.4)**	(9.6)	**(1.4)**	(1.5)
Total liabilities	**(11.4)**	(9.6)	**(1.4)**	(1.5)
Net assets	**6.0**	4.2	**21.5**	21.2
Non-controlling interests	**1.2**	0.8	**7.0**	6.9

30. Acquisitions

In the year ended 31 December 2017, the Group did not complete any acquisitions. The note below provides the known details of the Hungryhouse acquisition (completed 31 January 2018) and an update on the final acquisition accounting for SkipTheDishes (completed 14 December 2016).

Accounting policy

Business combinations are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

The Group's acquisition-related costs are recognised in profit or loss as incurred and included within exceptional items. Acquisition costs paid on behalf of the vendor are included in the fair value of consideration transferred.

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. Where the contingent amount is dependent on future employment, it is recognised as an expense over the relevant period in the income statement. 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 remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* 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 remeasured to fair value at the acquisition date (i.e. the date the Group obtains 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 *Business Combinations* are recognised at their fair value at the acquisition date, except for certain items which are measured in accordance with the relevant IFRS. 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. 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.

Acquisition of Hungryhouse

On 15 December 2016, the Group announced that it had agreed to acquire 100% of the share capital of Hungryhouse from Delivery Hero Holding GmbH. Approval from the Competition and Markets Authority ("CMA") was obtained on 16 November 2017 and completion of the acquisition occurred on 31 January 2018. Consideration transferred has provisionally been calculated to be £240.0 million, which includes:

	£m
Cash deposit paid in 2016	6.0
Cash paid on completion	210.0
Estimated deferred consideration payable	24.0
Estimated total consideration	240.0

Funding for the acquisition was obtained from both existing cash and a £100.0 million draw down on the Group's revolving credit facility. Estimated deferred consideration of £24.0 million with the balance (net of any warranties) is payable 12 months after completion.

The acquisition is consistent with Just Eat's strategic ambition to further its growth and increase its market presence in every geography in which it operates. Hungryhouse is an online food company operating solely in the UK, with a comparable business model to Just Eat.

The acquisition is expected to generate significant benefits for Just Eat's Restaurant Partners and Customers. It creates an enlarged Customer base for Restaurant Partners to access, whilst increasing the breadth of choice on offer to UK consumers through Just Eat's platform. The combination of the two businesses also generates compelling economic benefits of scale, with high operating leverage expected to drive material synergies post integration.

30. Acquisitions *continued*

Acquisition of Hungryhouse continued

Due to the limited amount of time since the completion of the Hungryhouse acquisition, the initial accounting for the business combination has not been completed. Disclosures that are not able to be made consist of the acquisition-date fair value of each major balance sheet item, including contingent liabilities.

Goodwill is attributable to the future growth of the acquired business, through expansion of their networks of Restaurant Partners, the number of orders per restaurant, and the anticipated future operational synergies. In addition, the goodwill balance represents the value of the consumer bases and assembled workforce, which do not meet the recognition criteria of an intangible asset. None of the goodwill is expected to be deductible for tax purposes.

For the year ended 31 December 2017, Hungryhouse generated revenue of £35.3 million and a loss before tax of £14.8 million. Transaction costs incurred on acquisition, including the CMA process, have been separately recognised as an exceptional item in Note 5.

On 2 February 2018, management advised Hungryhouse employees of their intention to integrate the Hungryhouse business with Just Eat, with orders being diverted through the Just Eat platform. Associated integration costs and capitalisable migration costs cannot yet be reliably estimated.

Acquisition of SkipTheDishes

On 14 December 2016, the Group acquired the entire share capital of SkipTheDishes. At 31 December 2016, the acquisition accounting was provisional as some of the inputs used in the valuation of the acquired intangible assets were based on estimates. At 31 December 2017, the acquisition accounting has been finalised with the following measurement period changes being applied during the current year:

- acquired intangible assets decreased by £1.8 million to £17.6 million;
- the deferred tax liability that directly corresponds to the valuation of the acquired intangible assets decreased by £0.3 million to £3.7 million; and
- total consideration transferred remains unchanged at £108.4 million, meaning goodwill recognised on acquisition was £93.4 million. At 31 December 2017, goodwill decreased to £91.8 million as a result of foreign exchange movements.

Net cash outflow on acquisition of businesses

The net cash outflow on acquisition of businesses during the year ended 31 December 2017 was £0.4 million, which relates to deferred consideration paid during the year in respect of acquisitions made in previous years.

For the year ended 31 December 2016, the net cash outflow of £154.7 million related to the acquisition of La Nevera Roja/PizzaBo/hellofood Brazil/hellofood Mexico (£97.8 million), SkipTheDishes (£56.2 million) and deferred consideration paid in respect of acquisitions made in previous years (£0.7 million).

31. Operating lease arrangements

The Group's operating leases mainly consist of the lease of office buildings and motor vehicles.

Accounting policy

Leases (as a lessee) are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases. The Group did not have any finance leases in either 2017 or 2016.

Rentals payable under operating leases are charged to profit or loss 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.

The Group as lessee

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Minimum lease payments under operating leases recognised as an expense in the year	**6.7**	4.2

31. Operating lease arrangements *continued*

The Group as lessee continued

As at 31 December 2017, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Property 2017 £m	Plant and equipment 2017 £m	Total 2017 £m	Property 2016 £m	Plant and equipment 2016 £m	Total 2016 £m
Within one year	**5.2**	**0.7**	**5.9**	5.3	0.5	5.8
In the second to fifth years inclusive	**15.7**	**0.7**	**16.4**	16.1	0.5	16.6
Over five years	**8.7**	**—**	**8.7**	13.9	—	13.9
Total commitments	**29.6**	**1.4**	**31.0**	35.3	1.0	36.3

32. 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 their fair value on the date of the grant. The fair value is expensed on a straight-line basis over the vesting period, based on management's estimate of the number of shares that will eventually vest. With the exception of certain awards under the Performance Share Plan ("PSP"), the fair value of the awards granted was calculated using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted.

Accounting policy

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value includes the effect of market based vesting conditions.

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.

The total expense recorded in relation to the long-term employee incentives was £6.6 million (2016: £3.1 million), see Note 4 for a breakdown of this expense.

As at 31 December 2017, the Group had the following equity-settled share based compensation plans in operation:

Just Eat plc Enterprise Management Incentive Scheme ("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.

Just Eat plc Company Share Option Plan ("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 Ordinary 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 were 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 became exercisable on the Company's IPO in April 2014.

Options are no longer being granted under this scheme.

32. 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:

	2017		2016	
	Number of share options (millions)	**Weighted average exercise price (pence)**	Number of share options (millions)	Weighted average exercise price (pence)
Outstanding at 1 January	**2.8**	**37.3**	5.2	33.8
Forfeited during the year	**(0.1)**	**53.7**	(0.3)	40.6
Exercised during the year	**(1.0)**	**36.4**	(2.1)	26.9
Outstanding at 31 December	**1.7**	**37.4**	2.8	37.3
Exercisable at 31 December	**1.6**	**37.1**	2.2	35.6

The range of exercise prices for both current and prior year options outstanding was 4.6 to 57.7 pence. During the year ended 31 December 2017, the weighted average share price at the date of exercise was 658.9 pence (2016: 497.7 pence). As at 31 December 2017, the weighted average remaining contractual life of the share options was 5.7 years (2016: 6.7 years).

Just Eat Share Incentive Plan ("SIP")

Under the terms of the SIP, the Board may award Ordinary shares in the Company at no cost to eligible employees. The SIP is an equity-settled share option scheme approved by HMRC. The shares vest after three years from grant. Shares were granted under this scheme on the date of the IPO with a fair value of 260.0 pence and all awards outstanding vested on 8 April 2017. Details of the SIP awards granted are as follows:

	2017 Number of SIP awards (millions)	2016 Number of SIP awards (millions)
Outstanding at 1 January	**0.3**	0.3
Exercised during the year	**(0.2)**	—
Outstanding at 31 December	**0.1**	0.3
Exercisable at 31 December	**0.1**	—

The weighted average share price at the date of exercise was 557.5 pence (2016: none exercised). The SIP awards do not expire.

Just Eat Joint Share Ownership Plan ("JSOP")

The JSOP is a share ownership scheme under which the employee and Estera Trust (Jersey) Limited, the 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 grant. The fair value of interests awarded under the JSOP was determined using the Black-Scholes option pricing model.

Awards are no longer being granted under this scheme.

32. Share based payments *continued*

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

Details of the JSOP interests are as follows:

	2017		2016	
	Number of JSOP awards (millions)	**Weighted average exercise price (pence)**	Number of JSOP awards (millions)	Weighted average exercise price (pence)
Outstanding at 1 January	**6.1**	**59.2**	11.8	54.2
Forfeited during the year	**—**	**—**	(1.1)	70.5
Exercised during the year	**(4.7)**	**62.0**	(4.6)	43.7
Outstanding at 31 December	**1.4**	**49.8**	6.1	59.2
Exercisable at 31 December	**1.0**	**48.5**	3.7	55.2

The range of exercise prices for both current and prior year options outstanding was 4.6 to 76.3 pence. During the year ended 31 December 2017, the weighted average share price at the date of exercise was 681.1 pence (2016: 448.4 pence). The weighted average remaining contractual life of the JSOP awards was 6.0 years (2016: 6.9 years).

Just Eat plc Performance Share Plan ("PSP")

During the current and prior year, PSP awards were granted to certain employees to help incentivise sustained performance over the long-term, and to promote alignment with the shareholders' interests. Awards under the PSP are granted as nil-cost options which vest to the extent performance conditions are satisfied, predominantly over a period of three years. Details of the PSP interests are as follows:

	2017 Number of PSP awards (millions)	2016 Number of PSP awards (millions)
Outstanding at 1 January	**2.6**	1.2
Granted during the year	**2.1**	1.8
Forfeited during the year	**(0.5)**	(0.4)
Exercised during the year	**(0.1)**	—
Outstanding at 31 December	**4.1**	2.6
Exercisable at 31 December	**0.1**	—

The weighted average fair value of the PSP awards at date of exercise was 735.9 pence (2016: 364.5 pence). The weighted average remaining contractual life of the PSP awards was 8.6 years (2016: 8.9 years).

The vesting of interests granted to employees is subject to the option holder continuing to be employed by the Group. For members of the Executive Team, 50% of the awards granted have Total Shareholder Return ("TSR") performance criteria and 50% are based on EPS targets. The fair value of interests awarded under the PSP was determined using the Black-Scholes option pricing model, with the TSR performance criteria being calculated using the stochastic simulation model.

Sharesave Plan

During the year eligible employees were offered the option to buy shares in the Company after a period of three years, which was funded from the proceeds of a savings contract to which they contribute on a monthly basis. Details of the Sharesave Plan are below:

	2017		2016	
	Number of shares (millions)	**Weighted average exercise price (pence)**	Number of shares (millions)	Weighted average exercise price (pence)
Outstanding at 1 January	**0.9**	**377.0**	0.6	326.0
Granted during the year	**0.3**	**520.0**	0.4	439.0
Forfeited during the year	**(0.1)**	**361.0**	(0.1)	328.9
Outstanding at 31 December	**1.1**	**412.7**	0.9	377.0
Exercisable at 31 December	**—**	**—**	—	—

The fair value of the options on the date of grant was 319.0 pence (2016: 216.0 pence). The weighted average remaining contractual life of the share options is 2.2 years (2016: 2.8 years).

32. Share based payments *continued*

Assumptions

The following inputs were applied when using the Black-Scholes option pricing model to determine the fair value of options granted:

	2017		2016	
	PSP awards	**Sharesave Plan**	PSP awards	Sharesave Plan
Share price	**581–798p**	**752p**	383–555p	548p
Exercise price	**—**	**520p**	—	439p
Expected volatility	**41.9–44.8%**	**42.1%**	46.7–48.0%	46.0%
Expected life (months)	**12–36**	**36**	12–36	36
Risk-free rate	**0.1%**	**0.1%**	0.5%	0.5%
Expected dividend yields	**—**	**—**	—	—

The stochastic model applied to the TSR performance criteria element of the PSP scheme was simulated with 100,000 trials.

33. Financial instruments

Financial instruments comprise financial assets and financial liabilities. The fair values and carrying values held at amortised cost are set out in the table below. Unless otherwise stated, the valuation basis is level 2, comprising financial instruments where fair value is determined from inputs other than observable quoted prices for the asset or liability, either directly or indirectly. There were no transfers between fair value measurement categories in the current or prior year.

Accounting policies

Fair value measurement

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

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

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.

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.

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.

Derecognition of financial assets and liabilities

The Group derecognises a financial asset or liability only when the contractual right that gives rise to it is settled, sold, cancelled or expires.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand, short-term deposits and credit card cash received on behalf of Restaurant Partners.

33. Financial instruments *continued*

Carrying value of financial instruments[1]

	Notes	As at 31 December 2017 £m	As at 31 December 2016 £m
Financial assets			
Current portion			
Cash and cash equivalents[2]		**265.1**	130.6
Trade and other receivables (excluding prepayments)	18	**6.5**	19.8
Derivative financial instruments[3]		**0.1**	—
Non-current portion			
Available-for-sale investments[4]	16	**4.2**	4.1
		275.9	154.5
Financial liabilities			
Current portion			
Trade and other payables (excluding other taxes and social security)	19	**169.5**	101.8
Provisions for liabilities (excluding social security)[5]		**21.6**	13.6
Borrowings	23	**0.4**	0.4
Derivative financial instruments[3]		**0.6**	—
Non-current portion			
Provisions for liabilities (excluding social security)[5]	22	**20.2**	42.6
Borrowings	23	**0.3**	0.6
Other long-term liabilities		**—**	0.3
		212.6	159.3

1. For all financial assets and liabilities, the Directors approximate the carrying values to equate to their fair values
2. Cash and cash equivalents are held by the Group on a short-term basis, with all having a maturity of three months or less
3. Derivative financial instruments include foreign exchange forward contracts which are measured using quoted forward exchange rates that match the maturity of the contracts
4. Available-for-sale investments are financial assets which are measured at fair value using level 3 measurements (being valuation techniques that include inputs that are not based on observable data). See Note 16 for more detail on available-for-sale investments
5. Provisions for liabilities include contingent consideration of £30.0 million (2016: £40.8 million) in respect of the SkipTheDishes acquisition and the increased 1.5% stake acquired in IF-JE. Fair value of the consideration is valued using level 3 measurement techniques, which are the present value of the expected cash outflows of the obligation. It has been assumed that these businesses will perform in line with current business plans. See Note 22 for more detail on contingent consideration provisions.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern. The current capital structure of the Group consists of cash and cash equivalents and equity attributable to shareholders of the Company, comprising issued capital, reserves and retained earnings as disclosed in Notes 24 to 28.

At 31 December 2017, the Group has access to a £350 million (2016: £200 million) revolving credit facility ("RCF") which remains undrawn and has an interest rate range of 0.75% to 1.35% (2016: 0.95% to 1.55%) above LIBOR.

The Group is not subject to any externally imposed capital requirements.

Financial risk management

The main financial risks faced by the Group are market risk (which includes currency risk and interest rate risk), credit risk and liquidity risk. The Board regularly reviews these risks and will enter into derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's treasury policy approved by the Board, which provides written principles on foreign exchange risk and the use of financial derivatives and non-financial derivative financial instruments.

33. Financial instruments *continued*
Financial risk management continued
a) Market risk management
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 and consequently exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities were as follows:

	Assets as at 31 December		Liabilities as at 31 December	
	2017 £m	2016 £m	**2017 £m**	2016 £m
Australian dollars	**146.0**	320.1	**169.4**	13.0
Danish kroner	**91.7**	7.2	**77.5**	17.0
Euros	**60.1**	36.0	**38.3**	32.1
Canadian dollars	**20.9**	12.7	**78.2**	49.3
Swiss francs	**10.0**	6.4	**4.6**	3.1
US dollars	**2.8**	—	**1.5**	—
Brazilian reals	**—**	—	**15.4**	—

Foreign currency sensitivity analysis
The Group is primarily exposed to the Australian dollar, Danish krone, euro 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 and other comprehensive income

	Appreciation in pound sterling				Depreciation in pound sterling			
	Income statement 2017 £m	**Equity 2017 £m**	Income statement 2016 £m	Equity 2016 £m	**Income statement 2017 £m**	**Equity 2017 £m**	Income statement 2016 £m	Equity 2016 £m
Australian dollars	**0.1**	**1.9**	—	(27.9)	**(0.2)**	**(2.4)**	—	34.1
Danish kroner	**(0.3)**	**(1.0)**	0.3	(0.2)	**0.4**	**1.2**	(0.3)	0.2
Euros	**(1.6)**	**(0.4)**	(1.6)	0.9	**1.9**	**0.5**	2.0	(1.1)
Canadian dollars	**(0.5)**	**5.7**	(0.5)	3.8	**0.6**	**(6.9)**	0.6	(4.7)
Swiss francs	**—**	**(0.5)**	—	(0.3)	**—**	**0.6**	—	0.4
US dollars	**(0.2)**	**—**	—	—	**0.2**	**(0.1)**	—	—
Brazilian reals	**1.4**	**—**	—	—	**(1.7)**	**—**	—	—

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 analysis has 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, there would be no impact on the Group's profit before taxation or equity (2016: £nil).

33. Financial instruments *continued*
Financial risk management continued
b) 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 Restaurant Partners, 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 charges, 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.

c) 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 November 2017, the Group signed a £350 million RCF which expires in October 2022 (with two separate one-year extensions). The existing RCF of £200 million was then cancelled. The new facility is unsecured and contains common financial covenants for the Company and its subsidiaries including: the ratio of total net debt to uEBITDA must not exceed 3.0, interest cover ratio of uEBITDA to net finance charges must not be less than 4.0, and any new earn-out deferred consideration must not exceed one times the uEBITDA. The financial covenants are tested on a quarterly basis and have been complied with at all measurement points in relation to the old and new RCF. At 31 December 2017, the Group had not drawn down on either facility. The Group, however, drew down £100.0 million from the new RCF to assist in January 2018 to fund the Hungryhouse acquisition consideration.

Liquidity and interest risk tables
The following table details the Group's remaining contractual maturity profile for its financial liabilities and has been prepared 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 a 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.

Expected maturity – financial liabilities	Weighted average effective interest rate %	Less than 1 year £m	1–2 years £m	2–5 years £m	5+ years £m	Total £m
At 31 December 2017						
Non-interest bearing	—	**192.1**	**21.0**	—	—	**213.1**
Discount for time value of money	—	—	**(0.5)**	—	—	**(0.5)**
		192.1	**20.5**	—	—	**212.6**
At 31 December 2016						
Non-interest bearing	—	115.3	23.9	21.4	—	160.6
Discount for time value of money	—	—	(0.5)	(0.8)	—	(1.3)
		115.3	23.4	20.6	—	159.3

33. Financial instruments *continued*
Financial risk management continued
c) Liquidity risk management *continued*
Liquidity and interest risk tables continued
The following table details the Group's remaining contractual maturity profile for its financial assets and has been prepared based on the undiscounted contractual maturities of the financial assets, including interest that will be earned on those assets.

Expected maturity – financial 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
At 31 December 2017							
Non-interest bearing	—	**126.2**	—	—	—	—	**126.2**
Fixed interest rate instruments	**0.6**	**149.7**	—	—	—	—	**149.7**
		275.9	—	—	—	—	**275.9**
At 31 December 2016							
Non-interest bearing	—	91.0	—	—	—	—	91.0
Fixed interest rate instruments	0.6	63.5	—	—	—	—	63.5
		154.5	—	—	—	—	154.5

The Group expects to meet its obligations from operating cash flows.

Derivative financial instruments and hedging
The Group has entered into the below material derivative financial instrument and hedging transactions.

a) Foreign-denominated operating costs
During the current year, the Group entered into 36 forward contracts totalling US$22.2 million to hedge highly probable forecasted US dollar-denominated operating costs. The Group designated US$18.2 million of the foreign exchange forward contracts as cash flow hedges and at 31 December 2017 has recognised the following:

- of the matured US$18.8 million foreign exchange forward contracts, the amount designated as cash flow hedges resulted in a net loss of £0.2 million which was 100% effective and recognised in the income statement in the same line as the hedged item; and
- a financial liability of £0.1 million has been recognised to reflect the fair value of the US$3.4 million foreign exchange forward contracts that had yet to mature. This balance is currently held in other comprehensive income and will be released to the income statement when the contracts mature, or the hedge becomes ineffective.

b) La Nevera Roja acquisition
During the year ended 31 December 2016, in connection with the prior year acquisition of 100% of the share capital of La Nevera Roja, the Group entered into a foreign exchange forward contract to mitigate the foreign exchange risk of the agreed consideration. Hedge accounting was adopted, with both the foreign exchange forward contract and the euro-denominated funds being jointly held as a cash flow hedge. This hedge was 100% effective, with a net gain of £1.9 million being basis adjusted to the consideration paid for La Nevera Roja (the non-financial hedged item).

c) SkipTheDishes acquisition
In the prior year, the Group entered into a foreign exchange forward contract to mitigate the foreign exchange risk of the initial cash consideration of CA$100.0 million. This contract was designated as the hedging instrument as part of a cash flow hedge. This hedge was 100% effective, with a net loss of £0.1 million being basis adjusted to the consideration paid for SkipTheDishes (the non-financial hedged item).

d) Non-hedge accounted derivatives
During the current year, the Group entered into a forward contract to sell AU$29.1 million, which was not hedge accounted. At 31 December 2017, the forward contract has yet to mature and resulted in a loss of £0.5 million being recognised in the income statement within other gains and losses.

During the current year, the Group entered into a forward contract to buy CA$10.0 million, which was not hedge accounted. At 31 December 2017, the forward contract has yet to mature, and resulted in a gain of £0.1 million being recognised in the income statement within other gains and losses.

34. Related party transactions

During the year, the Group entered into transactions in the ordinary course of business with related parties.

IF-JE

During the year ended 31 December 2017, the Group provided its associate, IF-JE, with working capital funding of £0.8 million (2016: £2.1 million). The Group received additional shares as consideration for the funding. The majority shareholder Movile also participated in the funding. As the IF-JE minority shareholders didn't participate in the funding, the Group's holding in IF-JE increased by less than 0.1%.

During the year ended 31 December 2016, the Group disposed of 100% of the shares in hellofood Brazil to IF-JE for £2.1 million total consideration.

IF-JE has contracted to provide management services to SinDelantal Mexico. The total charge incurred for the year was £0.6 million (2016: £0.4 million), which was accrued on the balance sheet at 31 December 2017.

IF-JE NL

During the year ended 31 December 2016, the Group, along with Movile, incorporated IF-JE NL, a holding company based in the Netherlands. The Group contributed £3.4 million in exchange for 33.3% of the shares in the company, which has been recognised by the Group as an associate. IF-JE NL used these funds along with £6.6 million of funds contributed by Movile to acquire 49% of the share capital in ECAC (a subsidiary of the Group) for £12.1 million total consideration.

Compensation of key management personnel of the Group

Key management personnel of the Group comprises members of the Board and the Executive Team. Key management personnel compensation is shown in the table below:

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Short-term employee benefits	**5.4**	4.9
Post-employment pension	**0.1**	0.1
Share based compensation	**2.0**	1.1
Total compensation of key management personnel	**7.5**	6.1

The amounts disclosed in the table above are the amounts recognised as an expense during the reporting period related to key management personnel of the Group, which are disclosed in more detail in Notes 4 and 32. Further information concerning Directors' remuneration, shareholdings, pension entitlements, share options and long-term incentives, as required by the Companies Act 2006, is shown in the Annual report on remuneration on pages 67 to 83.

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 Estera Trust (Jersey) 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 2017, the amount due from key management personnel in respect of these loans was £0.2 million (2016: £1.1 million).

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.

Amounts owed by or to related parties

With the exception of key management personnel and the £0.6 million accrued IF-JE management services, no amounts were owed by and to related parties at the balance sheet date.

Key management personnel's interests in the PSP, the JSOP and the EMI Scheme

The outstanding share options and awards held by key management personnel are summarised below:

Year of issue	**31 December 2017 Number ('000)**	31 December 2016 Number ('000)	Vesting date	Weighted average threshold/ exercise price (pence)
2011	**1**	250	Up to April 2012	4.6
2013	**926**	3,622	Up to July 2016	62.7
2015	**321**	343	Up to May 2018	—
2016	**658**	678	Up to December 2019	—
2017	**573**	—	Up to October 2020	—
	2,479	4,893		

Refer to Note 32 for further details about the PSP, JSOP and EMI schemes.

35. Subsidiaries and associated undertakings

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

Company name	Registered address	% holding (if not 100%)	Country of incorporation
Directly held subsidiary undertakings			
Just Eat Holding Limited	a		United Kingdom
Just Eat Central Holdings Limited[1]	a		United Kingdom
Indirectly held subsidiary undertakings			
Just Eat (Acquisitions) Holding Limited[1]	a		United Kingdom
Just Eat.co.uk Limited	a		United Kingdom
Orogo Limited[1]	a		United Kingdom
Nifty Nosh Limited	a		United Kingdom
1Epos Limited	a		United Kingdom
EatStudent Limited	a		United Kingdom
FillMyBelly Limited	a		United Kingdom
Meal 2 Go Limited	a		United Kingdom
Meal 2 Order.com Limited	a		United Kingdom
Urbanbite Holdings Limited	a		United Kingdom
Urbanbite Limited	a		United Kingdom
Just Eat (Acquisitions) Pty Limited	b		Australia
Menulog Group Limited	b		Australia
Menulog Pty Ltd	b		Australia
Eat Now Services Pty Ltd	b		Australia
Just-Eat.ca Management Limited	c		Canada
Power & Power Inc.	c		Canada
Just Eat Canada Inc.	c		Canada
Restaurants on the Go Inc.	c		Canada
SkipTheDishes Restaurant Services Inc. ("SkipTheDishes")	d		Canada
Just Eat Denmark Holding ApS	e		Denmark
Just Eat.dk ApS	e		Denmark
Just Eat Host A/S	e		Denmark
FBA Invest SaS[2]	f	80	France
Eat On Line Sa	f	80	France
Just Eat Ireland Limited	g		Ireland
Eatcity Limited	g		Ireland
Just Eat Italy S.r.l	h		Italy
Jeb S.r.l	i		Italy
Just-Eat.lu S.à.r.l.	j		Luxembourg
Digital Services LII (GP) S.à.r.l.	j		Luxembourg
Food Delivery Holding 31 S.à.r.l.	j		Luxembourg
SinDelantal Mexico SA de C.V. ("SinDelantal Mexico")	k	67	Mexico
Inversiones Hellofood S. de R.L. de C.V. ("hellofood Mexico")	k	67	Mexico
Menulog Limited	l		New Zealand
Just Eat.no As	m		Norway
El Cocinero a Cuerda SL ("ECAC")	n	67	Spain
Just Eat Spain SLU	o		Spain
Eat.ch GmbH	p		Switzerland
Skip the Dishes Corporation	q		USA

1 For the year ended 31 December 2017, Orogo Limited (registered number: 08214903), Just Eat Central Holdings Limited (registered number 09578919) and Just Eat (Acquisitions) Holding Limited (registered number: 09574725) were entitled to exemption from audit under section 479A 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 2017

2. Share capital consists of 99.6% Ordinary shares and 0.4% shares with no rights (voting or dividends).

35. Subsidiaries and associated undertakings *continued*

Company name	Registered address	% holding (if not 100%)	Country of incorporation
Associated undertakings			
IF-JE Participações S.A. ("IF-JE")	r	32	Brazil
IF-JE Holdings B.V. ("IF-JE NL")	s	33	Netherlands
Subsidiaries of IF-JE			
JustEat Holding Participações Ltda.	t	32	Brazil
Movile Serviços em Tecnologia Ltda.	r	32	Brazil
WH Food Participações Ltda	t	32	Brazil
iFood.com Agência de Restaurantes Online S.A.	t	32	Brazil
Just Eat Brasil Serviços Online e Comércio Ltda.	t	32	Brazil
Central do Delivery Ltda.	t	32	Brazil
iCall Serviços de Atendimento Ltda.	t	32	Brazil
Just Eat Intermediação de Negócios Ltda.	u	32	Brazil
Come Ya S.A.s	v	32	Colombia
C&G Inversiones S.A.s	w	32	Colombia
Delivery Santa Fe S.rl.	x	32	Argentina

Address key

a Masters House, 107 Hammersmith Road, London W14 0QH
b L23, 227 Elizabeth Street, Sydney, NSW 2000.
c 379 Adelaide Street West, Toronto, Ontario M5V 1S5.
d 136 Market Avenue, Winnipeg, Manitoba R3B 0P4
e Lyngbyvej 20, 2100 København Ø
f 2 ter rue Louis Armand, 75015, Paris.
g Arthur Cox Building, Earlsfort Terrace, Dublin.
h Via Tizano n 32, Milano
i Via Giuseppe Mercalli 80, 00197 Roma
j 20 rue des Peupliers L, 2328 Luxembourg
k Rio Lerma 4–6th floor, Cuauhtemoc, 06500 Mexico City.
l PwC, Level 8, 188 Quay Street, Auckland 1010.
m Sandakerveien 116, 0484 Oslo
n Calle Río Rosas, 11 3º, 28003 Madrid.
o Calle Condesa de Venadito, nº1 Planta 2, 28027 Madrid.
p Werdstrasse 21, 8004 Zurich
q The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street Wilmington, DE 19801
r Avenida Coronel Silva Teles, N. 977 – 5º andar, Edifício Dahruj Tower, Cambuí, Campinas, São Paulo 13024-001.
s Taurusavenue 105, 2132 LS Hoofddorp.
t Rua Coronel Boaventura Mendes Pereira, N 293 – Mezanino B, Centro, Jundiaí, São Paulo 13201-801.
u Avenida Queiroz, N 1700, sala 710, Vila Leopoldina, São Paulo 05319-000
v Calle 77a, N 57–103, Edificio Green Tower, Oficina 806, Barranquilla.
w Calle 55, N. 28–31, apto 1303, Conjunto Residencial Opus, Bucaramanga.
x San Martin 536 – Planta Baja – Buenos Aires

All entities are incorporated and have the same year-end reporting date, with the exception of the Group's associates, IF-JE NL, IF-JE and its subsidiaries, which have a 31 March year end.

For all entities, the proportion of voting rights held equated to the proportion of ownership interests held.

With exception to FBA Invest SaS, the class of shares for all subsidiaries and associated undertakings of the Group are Ordinary shares.

36. Contingent liabilities

In October 2017, the European Commission announced that it will be conducting a State Aid investigation into the Group Financing Exemption contained within the UK's Controlled Foreign Company ("CFC") legislation. The Group Financing Exemption (contained within Chapter 9 of Part 9A TIOPA 2010) was introduced in 2013 when the UK CFC rules were revised.

Similar to other UK based international companies, the Group may be impacted by the final outcome of this investigation. Whilst management notes there is considerable uncertainty in regards to both the final outcome of the investigation and any corresponding liability, the Group has calculated that the maximum potential liability would be £14.0 million should the European Commission conclude the Group Financing Exemption is in contravention of the State Aid provisions. At this stage, it is the Group's view that no provision is required in respect of this issue and management will continue to monitor how the investigation develops.

37. Events after the balance sheet date

On 31 January 2018, the Group completed the acquisition of Hungryhouse (see Note 30).

Company balance sheet

As at 31 December 2017

	Notes	As at 31 December 2017 £m	As at 31 December 2016 £m
Non-current assets			
Investments in subsidiaries	39	**587.5**	581.8
Current assets			
Cash and cash equivalents		**0.1**	0.1
Trade and other receivables	40	**16.1**	21.8
		16.2	21.9
Total assets		**603.7**	603.7
Current liabilities			
Trade and other payables		**(0.2)**	(0.1)
Net current assets		**16.0**	21.8
Net assets		**603.5**	603.6
Equity			
Share capital	24	**6.8**	6.8
Share premium account	25	**562.7**	562.2
Retained earnings	42	**34.0**	34.6
Total equity		**603.5**	603.6

The Company's reported loss for the year ended 31 December 2017 was £6.6 million (2016: £5.4 million).

The Company's financial statements on pages 138 to 141 were authorised for issue by the Board of Directors and signed on its behalf by:

Peter Plumb

Peter Plumb
Chief Executive Officer

Paul Harrison
Chief Financial Officer

Just Eat plc
5 March 2018

Company registration number
06947854 (England and Wales)

Company statement of changes in equity

Year ended 31 December 2017

	Notes	Share capital £m	Share premium account £m	Retained earnings £m	Total equity £m
At 1 January 2016		6.8	555.5	37.2	599.5
Loss for year		—	—	(5.4)	(5.4)
Total comprehensive loss for the year		—	—	(5.4)	(5.4)
Issue of capital (net of costs)	24, 25	—	6.2	—	6.2
Exercise of share options	25	—	0.5	—	0.5
Share based payment charge	4	—	—	2.8	2.8
At 31 December 2016		6.8	562.2	34.6	603.6
Loss for the year		—	—	**(6.6)**	**(6.6)**
Total comprehensive loss for the year		—	—	**(6.6)**	**(6.6)**
Exercise of share options	25	—	**0.5**	—	**0.5**
Share based payment charge	4	—	—	**6.1**	**6.1**
Tax on share options		—	—	**(0.1)**	**(0.1)**
At 31 December 2017		**6.8**	**562.7**	**34.0**	**603.5**

Company cash flow statement

Year ended 31 December 2017

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Operating loss for the year	**(4.4)**	(5.0)
Adjustments for:		
Facility fees and interest paid	**(2.8)**	(0.9)
Non-cash long-term employee incentive costs	**0.3**	0.9
Decrease in receivables	**3.7**	5.2
Decrease in payables	**(0.1)**	(0.1)
Net cash generated from operating activities	**(3.3)**	0.1
Investing activities		
Interest received	**0.2**	—
Net cash used in investing activities	**0.2**	—
Financing activities		
Proceeds from exercise of options and awards	**3.1**	—
Net cash generated from financing activities	**3.1**	—
Net increase in cash and cash equivalents	—	0.1
Cash and cash equivalents at beginning of year	**0.1**	—
Cash and cash equivalents at end of year	**0.1**	**0.1**

38. Significant accounting policies

Basis of accounting

These separate Company financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations 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 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. In accordance with the exemption allowed under section 408(3) of the Companies Act 2006, the Company has not presented its own income statement and statement of comprehensive income. The Company has applied the same accounting policies as the Group. These policies have been consistently applied to all years presented.

The Company's risk management policies relating to market risk, credit risk and liquidity risk are detailed in Note 33.

39. Investments in subsidiaries

	2017 £m	2016 £m
At 1 January	**581.8**	573.7
Additions	**5.7**	8.1
At 31 December	**587.5**	581.8

The Company's operating subsidiaries, directly owned by the Company, are disclosed in Note 35. The investments in subsidiaries are all stated at cost less cumulative impairment charges.

40. Trade and other receivables

	As at 31 December 2017 £m	As at 31 December 2016 £m
Amounts owed by subsidiary undertakings	**6.1**	10.4
Other receivables	**10.0**	11.4
Total trade and other receivables	**16.1**	21.8

At 31 December 2017, other receivables of £10.0 million (2016: £11.4 million) included amounts due from the EBT Trustee of £7.0 million (2016: £8.3 million) and loans made to the participants of the JSOP of £0.3 million (2016: £1.7 million). The carrying amounts of these assets approximate their fair value.

There are no overdue or impaired receivable balances (2016: £nil).

41. Related party transactions

Compensation of key management personnel of the Company

	Year ended 31 December 2017 £m	Year ended 31 December 2016 £m
Short-term employee benefits	**2.2**	2.7
Post-employment pension	**—**	—
Share based compensation	**0.6**	0.9
Total compensation of key management personnel	**2.8**	3.6

41. Related party transactions *continued*

Compensation of key management personnel of the Company continued

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period relating to key management personnel of the Company, which are disclosed in more detail in Notes 4 and 32.

Key management personnel are members of the Board. At 31 December 2017, the two Executive members of the Board were the only employees of the Company (2016: two). Further information on the remuneration of the Directors and Directors' interests in Ordinary shares of the Company are disclosed in the Annual report on remuneration on pages 67 to 83.

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 Estera Trust (Jersey) 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 £3.0 million. As at 31 December 2017, the amount due from key management personnel in respect of these loans was £0.2 million (2016: £1.0 million).

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 share schemes

The outstanding share options and awards held by key management personnel are summarised below:

Year of issue	**31 December 2017 Number ('000)**	31 December 2016 Number ('000)	Vesting date	Weighted average threshold/ exercise price (pence)
2011	**—**	233	Up to April 2012	—
2013	**422**	2,899	Up to July 2016	74.0
2015	**72**	96	Up to April 2018	—
2016	**215**	346	Up to December 2019	—
2017	**170**	—	Up to September 2020	—
	879	3,574		

Refer to Note 32 for further details about the Group's share options and award schemes.

42. Retained earnings

	2017 £m	2016 £m
At 1 January	**34.6**	37.2
Loss attributable to equity shareholders	**(6.6)**	(5.4)
Share based payment charge	**6.1**	2.8
Tax on share options	**(0.1)**	—
At 31 December	**34.0**	34.6

The distributable reserves of Just Eat plc approximate to the balance of the Company's retained earnings of £34.0 million as at 31 December 2017.

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 2017.

The Directors' Report contains certain statutory, regulatory and other information and incorporates, by reference, the Strategic Report and the Corporate 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 2 to 43, whilst information on principal risks and uncertainties and key performance indicators is given on pages 22 to 27 and page 19, respectively. All this information should be read in conjunction with this report. The Corporate Governance Report, including the Directors' Remuneration Report, on pages 44 to 83, summarises the Company's governance and Directors' remuneration arrangements. Our People report and Corporate social responsibility report on pages 38 to 43 summarises the Group's approach to diversity, health and safety, environmental matters 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 90 to 137 and pages 138 to 141, respectively. The Company intends to retain its earnings to expand the growth and development of its business and, therefore, the Directors do not anticipate paying ordinary dividends in the foreseeable future.

2018 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 to shareholders accompanying this Annual Report. Resolutions regarding the authority to issue shares are commented upon later in this report under share capital.

The Company's AGM will be held at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED at 9.30 am on 26 April 2018.

Research and development

We continue to dedicate resources to improve the Customer 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 (see Note 6).

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 of the Company that would provide compensation for loss of office or employment resulting from a takeover.

The Group has facility agreements in place 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 to that take effect, alter or terminate upon a change of control following a takeover bid.

Financial instruments

Our risk management policies relating to capital risk and financial risk (which includes market risk, credit risk and liquidity risk) are detailed within Note 33 of the notes to the financial statements on pages 130 to 134. In addition, the overall risk framework and strategy for the Group is included within the Strategic Report on pages 2 to 43.

Employment of disabled persons

Our policy in respect of the employment of disabled persons is set out in Our People report on page 40.

Employee consultation

Details of employee consultation are set out in Our People report on page 40.

Substantial shareholdings

At 5 March 2018, 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]	91,472,442	13.45
Capital Group Companies, Inc.	53,980,409	7.94
Deutsche Bank AG[3]	39,101,331	5.75
BlackRock, Inc.	31,837,455	4.68

1 Total voting rights attached to the issued share capital of the Company comprising 680,045,152 Ordinary shares each of £0.01 nominal value, being the 680,045,152 Ordinary shares in issue at 5 March 2018.

2. STM Fidecs Trust Company Limited is the holder of the registered legal title to the Ordinary shares beneficially owned by the SM Trust

3 As at 31 December 2017 Deutsche Bank AG held 40,760,590 shares representing 5.99% of the voting rights in the Company at that time

The Company received no notifications of interests indicating a different whole percentage holding at 31 December 2017 other than as shown in the footnotes to the table above.

Directors
The Directors of the Company who served throughout the period and up to the date of signing this Annual Report (except where noted) were:

- Andrew Griffith (Interim Non-executive Chairman and Senior Independent Director)
- Peter Plumb (CEO) (appointed 18 September 2017)
- Paul Harrison (CFO)
- Gwyn Burr
- David Buttress
- Frederic Coorevits
- Alistair Cox (appointed 2 May 2017)
- Roisin Donnelly
- Diego Oliva
- Dr. John Hughes (passed away 11 June 2017)

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 46 and 47. 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 commencing on page 65.
- 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 65.

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.
- The Group operates employee share plans as set out in the Report of the Remuneration Committee commencing on page 65 and in Note 32 of the financial statements.
- Shares held by the Employee Benefit Trusts ("EBTs") 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 451,456,911 shares subject to certain restrictions. The Company will seek to renew its authority to issue shares at the 2018 AGM.
- At the AGM on 27 April 2017, shareholders granted the Company limited authority to make market purchases of up to 10% of the Company's issued share capital. This is a standard authority which many listed companies maintain and which the Company has no current intention of utilising, however, it will seek to renew this authority again at the 2018 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 24 of the financial statements.

Board Representation Agreement

At the time of the Company's IPO, the SM Trust (the "Shareholder Party") entered into an agreement (the "Agreement") with the Company which entitles the Shareholder Party to appoint one Director to the Board of the Company. Frederic Coorevits, who is the nominated appointee on behalf of SM Trust, will remain on the Board until he steps down or the Agreement lapses in the event of the Shareholder Party ceasing to hold at least 10% of the Ordinary shares.

The 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 achieving the highest 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 44 to 45.

The Directors' responsibility statement in respect of this Annual Report and the financial statements appears on page 145.

Tax governance

The Company is committed to high standards of tax governance. In complying with para 16(2) and para 25(1), Sch 19 of the UK Finance Act 2016, the Group's Tax Strategy, as approved by the Board, is published on the Corporate website.

Going concern and risk management

The Company's statement with regard to the going concern basis for preparing the financial statements is included in Principal Risks and Uncertainties on page 23.

The Directors carried out a robust assessment of the principal risks facing the Group. This included those that could threaten its business model, future performance, solvency or liquidity. Details of how we manage and mitigate these are set out in the Report of the Audit Committee on pages 56 to 60.

Political donations

The Company did not make any political donations during the year.

Greenhouse gas emissions (unaudited)

This section has been prepared in accordance with our regulatory obligation to report greenhouse gas emissions pursuant to section 7 of The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

The table below shows our emissions performance for the years ended 31 December 2015, 2016 and 2017. Our 2017 emissions disclosure has been independently verified by Carbon Credentials against the ISO 14064-3 standard.

	2017	2016	2015
Scope 1 combustion of fuel and operation of facilities (tCO_2)	**1,118**	1,088	1,026
Scope 2 (location based) – electricity (tCO_2)	**615**	802	627
Scope 2 (market based) – electricity (tCO_2)	**636**	910	n/a
Scope 3 business travel (tCO_2)	**2,625**	2,306	771
Total Scope 1, 2 & 3 emissions (location-based)	**4,358**	4,196	2,424
tCO_2e per £m Scope 1, 2 & 3 emissions (location based)	**8.0**	11.2	9.8

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.

Data notes:

- We quantify and report our organisational greenhouse gas emissions in alignment with the WRI's Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard.
- Emissions from the consumption of electricity outside of the UK are reported in tCO_2 rather than tCO_2e since the International Energy Agency emission factors for electricity currently account for carbon dioxide emissions only.
- This year we have calculated our Scope 2 emissions using the location based and market based methods. Under the location based method, we have utilised the UK Government and the International Energy Agency country-specific emission factors for electricity generation. Under the market based method, for our European operations, we have utilised the residual mix electricity emission factor published by RE-DISS as we have been unable to obtain tariff specific emission factors from our suppliers, and for all non-European suppliers we have utilised the location-based grid electricity emission factors as residual emission factors have yet to be calculated outside of Europe. This approach is in line with the data hierarchy outlined in the GHG Protocol Scope 2 Guidance.
- In line with previous years we have presented our total emissions in relation to revenue, in order to represent how our emissions are impacted by the growth in the business.

Performance
Emissions have increased by 4% which is due to the continued growth of the business. In the prior year, emissions increased by 73% due to M&A and integration activities (five businesses acquired in 2015 to 2017) and an increase in the number of leased vehicles across the Group. In the prior year, the sale of the Group's business in Benelux would not have had a material impact on total emissions given its size relative to the remaining Group.

Related party transactions with Directors
Please refer to Note 34 for details of transactions entered into with related parties.

Overseas branches
The Company has no branches outside the UK.

Events after the balance sheet date
On 31 December 2018, the Group completed the acquisition of Hungryhouse. See Note 30 of these financial statements for more details on this acquisition.

Directors' responsibility statement
The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. UK 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 IFRS, as adopted by the European Union. Under UK 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 a 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 Act 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 46 to 47, 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 Company and Group financial statements, which have been prepared in accordance with IFRS, as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group and the 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 the Group, together with a description of the principal risks and uncertainties that they face.

Disclosure of information to the auditor
Each of the Directors of the Company at the time when this report was approved confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- 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 auditor is aware of that information.

This confirmation is given in accordance with section 418(2) of the Act.

Auditor
Deloitte LLP, the Group's auditor, has indicated its 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 reappoint it will be put to the 2018 AGM.

On behalf of the Board

Tony Hunter
Company Secretary
5 March 2018

Glossary of terms

Active Customers – those Customers that have placed at least one order within the last 12 months.

Adjusted earnings per share – profit attributable to the equity shareholders, before long-term employee incentive costs, exceptional items, other gains and losses, foreign exchange gains and losses, amortisation of acquired intangible assets, share of results from associates below uEBITDA, and the tax impact of these adjusting items; divided by the weighted average number of shares outstanding during the period.

Admission – the admission of the Ordinary Shares to the High Growth Segment of the Main Market of the London Stock Exchange which occurred on 8 April 2014. On 6 May 2014, the Group transitioned to the Premium Listing Segment of the Official List of the UK Financial Conduct Authority.

AGM – the Annual General Meeting of the Company, which will be held on 26 April 2018 at 9.30am at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED.

ANZ – the Group's operations in Australia & New Zealand.

AOV – average order value.

APA – advanced pricing agreement.

Articles – the Articles of Association of the Company.

Average revenue per order ("ARPO") – calculated as order driven revenue divided by the number of orders.

Benelux – the Group's former operations in Belgium and Netherlands (sold in August 2016).

BEPS – base erosion and profit shifting.

Board – the Board of Directors of Just Eat plc.

Cash conversion – net cash flow generated from operating activities, excluding those amounts held for Restaurant Partners, as a percentage of uEBITDA.

CFC – controlled foreign company.

CGU – cash generating unit.

CMA – the UK Competition and Markets Authority.

CODM – the chief operating decision maker.

Companies Act – the Companies Act 2006 (as amended).

Company – 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.

Constant currency – applying the foreign exchange rates used in the current period to the results of the prior period.

Corporate website – www.justeatplc.com.

CSOP – the Just Eat Company Share Option Plan.

Customer – end users of the Just Eat websites and apps, who use them to place orders online.

DCF – discounted cash flow.

Developing Markets – includes the Group's operations in Italy, Mexico and Spain.

Directors – the Directors of the Company whose names are set out on pages 46 and 47.

Disclosure and Transparency Rules – the Disclosure 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.

EBTs – the Employee Benefit Trusts, which are administered by Estera Trust (Jersey) Limited (formerly known as Appleby Trust (Jersey) Limited), Ocorian Limited and Equiniti Share Plan Trustees Limited.

ECAC – El Cocinero a Cuerda SL.

EMI Scheme – the Just Eat Enterprise Management Incentive Scheme.

EPS – earnings per share.

Established Markets – includes the Group's operations in Canada, Denmark, France, Ireland, Norway, Switzerland and Benelux (sold August 2016).

ETR – effective tax rate.

EU – the European Union.

Executive Directors – Peter Plumb (appointed 18 September 2017), Paul Harrison, David Buttress (resigned 31 March 2017) and John Hughes as Executive Chairman (between 1 April and 28 April 2017).

Exceptional items – 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 Team – The Executive Directors, Adrian Blair (Chief Operating Officer), Graham Corfield (UK Managing Director), Barnaby Dawe (Chief Marketing Officer), Jerome Gavin (International Managing Director), Fernando Fanton (Chief Product and Technology Officer) and Lisa Hillier (Chief People Officer).

FRC – the Financial Reporting Council.

FTSE – The Financial Times Stock Exchange Index.

FTSE (ex IT) – FTSE excluding investment trusts.

Full-time equivalent ("FTE") – the number of employees after factoring in reduced hours worked by part time staff.

FVLCD – fair value less costs of disposal.

FVTPL – fair value through profit or loss.

GAAP – generally accepted accounting principles.

GDPR – General Data Protection Regulation, as defined by Regulation (EU) 2016/679.

GHG – greenhouse gases.

Group – Just Eat plc and its subsidiary undertakings (as defined by the Companies Act 2006).

hellofood Brazil – Hellofood Intermediacal de Negocios Ltd, which was acquired in February 2016 and immediately sold to IF-JE, an associated undertaking of the Group.

hellofood Mexico – Inversiones Hellofood S. de R.L. de C.V., which was acquired in February 2016.

HMRC – Her Majesty's Revenue & Customs.

Hungryhouse – Hungryhouse Holdings Limited, acquired by the Group on 31 January 2018.

IAS – International Accounting Standard(s).

IF-JE / iFood – IF-JE Participações S.A., the Group's Latin American associated undertaking.

IF-JE NL – IF-JE Holdings B.V., the Group's associated undertaking that holds a 49% stake in our Mexican business. This associate is 67% owned by Movile.

IFRS – International Financial Reporting Standard(s) as adopted for use in the European Union.

IP – intellectual property.

IPO – initial public offering of the Company's Ordinary Shares immediately post-admission on 8 April 2014.

Just Connect Terminal ("JCT") – mobile network technology provided to Restaurant Partners, which enables them to receive orders from Just Eat.

Just Eat – the Group or Just Eat plc and its subsidiary undertakings (as defined by the Companies Act 2006).

JSOP – the Just Eat Joint Share Ownership Plan.

KPI – key performance indicator.

La Nevera Roja – Grupo Yamm Comida a Domicilio S.L., which was acquired in April 2016 and subsequently merged with Just Eat Spain SLU.

LTIP – long-term incentive plan.

MAP – mutual agreement procedure.

Marketplace models – A two-sided marketplace is the 'traditional' marketplace model, consisting of the Customer and the Restaurant Partner, who manages all food related logistics, with Just Eat managing the payment processing. In a three-sided marketplace, a delivery partner is introduced into the above market to manage the delivery of food from the Restaurant Partner to the Customer. Payment by the Customer must be made online.

Menulog – Menulog Group Limited and its subsidiary undertakings, which include the Group's operations in Australia & New Zealand.

MGL – Menulog Group Limited.

Mobile device – smartphones, tablets and any other handheld computing device.

Movile – Movile Internet Movel S.A.

NCI – non-controlling interest.

NIC – national insurance contribution.

Non-executive Directors – the Non-executive Directors of the Company designated as such on pages 46 and 47.

OECD – the Organisation for Economic Co-operation.

Orderpad – internet connected Android tablet provided to Restaurant Partners, which enables them to receive orders and provide order tracking to Customers.

Ordinary Shares – the Ordinary Shares with a nominal value of £0.01 each in the share capital of the Company.

Other gains and losses – the profits or losses arising on the disposal and deemed disposal of operations, gains and losses on financial assets classified as fair value through profit or loss, gains and losses on derivative financial instruments, and movements on provisions for deferred consideration or obligations to acquire minority interests.

Partner centre – the global support portal for Just Eat's Restaurant Partners, featuring restaurant and menu management tools, reviews and ratings, order history and invoicing.

People – all 2,900 of our Just Eaters who live and breathe our values of Make Happy, Razor Sharp and Big Hearted.

PizzaBo – Webs S.r.l, which was acquired in February 2016 and subsequently merged with Just Eat Italy S.r.l.

PSP – the Just Eat plc Performance Share Plan

QSR – Quick Service Restaurant chains are restaurants that offer standardised, mostly counter-service 'hand held' food at a mass-market price point. The ambiance is mostly functional for a high turnover environment – fixed seating and table tops, fluorescent lighting and the chain's branded graphics. The segment is dominated by global branded chains e.g. McDonald's, KFC, Subway, Burger King.

R&D – research and development.

Restaurant Partner – any restaurant signed up to Just Eat, offering either delivery or collection services via the Just Eat websites or apps.

Restaurant Services – a programme that provides exclusive deals and discounts on key supplies to our Restaurant Partners.

Shareholder – a holder, for the time being, of Ordinary shares of the Company.

SinDelantal – SinDelantal Mexico S.A. de C.V., the Group's Mexican subsidiary.

SkipTheDishes – SkipTheDishes Restaurant Services Inc., and its subsidiaries.

SIP – the Just Eat Share Incentive Plan.

The Code – UK Corporate Governance Code 2016.

TSR – total shareholder return, being the growth in value of a shareholding over a specified period, assuming that dividends are reinvested to purchase additional shares.

uEBITDA – the main measure of profitability used by management to assess the performance of the Group's businesses is Underlying EBITDA. It is defined as earnings before finance income and costs, taxation, depreciation and amortisation ("EBITDA"), and additionally excludes long-term employee incentive costs, exceptional items, foreign exchange gains and losses, other gains and losses, and the share of results from associates falling outside of this definition.

VAT – UK value added taxation.

VIU – value in use.

Company information

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Tony Hunter

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Corporate advisers
Brokers
Goldman Sachs International
UBS Limited

Solicitors
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Taylor Wessing LLP
Bird & Bird LLP

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Board photography: Matt Leetee

Five-year summary

The following tables sets out a summary of selected audited key financial information for the Group.

Summary income and cash flow statements

	Year ended 31 December				
	2017 £m	2016 £m	2015 £m	2014 £m	2013 £m
Revenue	**546.3**	375.7	247.6	157.0	96.8
uEBITDA	**163.5**	115.3	59.7	32.6	14.1
(Loss)/profit before tax	**(76.0)**	91.3	34.6	57.4	10.2
(Loss)/profit for the year	**(103.5)**	71.4	23.0	51.8	6.8
Adjusted basic earnings per share (pence)	**16.8**	12.2	6.6	4.2	1.4
Net cash generated from operating activities	**166.7**	97.0	74.2	38.1	19.2
Net cash outflow used in investing activities	**(35.7)**	(167.5)	(465.5)	(19.3)	(7.7)
Net cash generated from financing activities	**2.7**	2.3	425.1	84.2	—
Net increase/(decrease) in cash and cash equivalents	**133.7**	(68.2)	33.8	103.0	11.5

Summary balance sheet

	As at 31 December				
	2017 £m	2016 £m	2015 £m	2014 £m	2013 £m
Net assets	**726.7**	825.7	625.9	183.8	53.6
Cash and cash equivalents	**265.1**	130.6	192.7	164.4	61.6

The following table sets out a summary of selected key performance indicators for the Group.

Key performance indicators (unaudited)

	Year ended 31 December				
	2017	2016	2015	2014	2013
Orders (millions)	**172.4**	136.4	96.2	61.2	40.2
ARPO (£)	**2.92**	2.59	2.35	2.29	2.11

	As at 31 December				
	2017	2016	2015	2014	2013
Active Customers (millions)	**21.5**	17.6	13.4	8.1	5.9
Restaurant Partners ('000)	**82.3**	68.5	61.5	45.7	36.4

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www.justeatplc.com

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