

GIVING LIMITED
(Registered Number: 3979990)

ABBREVIATED ACCOUNTS

YEAR ENDED 31 DECEMBER 2005



GIVING LIMITED
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GIVING LIMITED DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The principal activity of the group is to provide online services and tools to individuals, companies and non-profits enabling them to fundraise easily, cost-effectively and tax efficiently.

REVIEW OF THE BUSINESS AND EVENTS SINCE THE PERIOD END

Justgiving continued to enjoy exceptional growth during 2005 when donations rose from £12.5m in 2004 to £35.6m. This was due principally to two factors. First, to an increasing number of charities beginning to take full advantage of the benefits of the Internet and, secondly, to the ever-increasing popularity of online giving and fundraising among individuals.

We are particularly grateful to those partners, such as the Flora London Marathon and Cancer Research UK, for their continued trust in Justgiving with the management of their high-traffic events. This enabled us to demonstrate the value of online fundraising to an ever wider audience at a time when it was still an innovative concept.

In late 2002, we redesigned our website to focus more on charity supporters, enabling anyone, anywhere, to raise money for any event more easily than ever before. We launched our new service in January 2003. By the end of 2005, Justgiving had half a million registered users, up from 80,000 twelve months previously, and, at the time of writing, has in excess of 2 ¾ million.

Whilst charities have played the most critical role in our growth, the popularity of our service with individual charity supporters has also had a significant impact on the business. A focus on excellent service to individuals has resulted in increasing our charity membership, as satisfied users of the website introduce their favourite charities to the service in growing numbers. This has created a virtuous circle which has enabled us to contain our sales and marketing costs, and to spend the bulk of our resources on support and IT development.

'Ease of use' both for our charity clients and their charity supporters is our day-to-day obsession. Every feature on our site is subjected to relentless usability testing, and new products are designed with direct input from users. We aim to have a website that makes complex financial and administrative processes seem effortless, and which provides its users with a constantly improving experience.

To ensure our IT systems can cope with continuing rapid growth, we have invested heavily – and continue to do so today – in technology development and support, especially the back-office systems from which charity clients also benefit. As a result of the Company's prudent accounting, the Company writes off all such investment to the profit and loss account. This decision has contributed significantly to the accumulated losses shown in the balance sheet. We believe such investment is critical to the program of continual improvement we offer our charity clients and their supporters at competitive prices.

Giving.com Limited ("Justgiving") achieved cash break-even in the latter half of 2005, and we expect Firstgiving Inc (our US subsidiary) to achieve this in 2007. As a result, we have been able to repay some of the loans made to the Company in more difficult times, and we expect to be in a position to settle all outstanding loans in the next year or so.

The future looks promising. Donations in 2006 in the US and the UK are expected to reach about £70m which should generate consolidated revenues of approximately £3.5m. We expect to continue our geographical expansion in 2007/08.

We are constantly amazed and awed by the extraordinary people who use our service every day and who have been so instrumental in creating a company of which we (and, we hope, our charity clients and supporters) can be proud. Together, we should be able to continue to generate outstanding social value whilst, at the same time, putting the Company firmly on the path to sustainability and profitable growth - for the benefit of all stakeholders.

GIVING LIMITED
DIRECTORS' REPORT
(continued)

"A company that can reasonably claim to have transformed the face of donating in the UK." is how Charity Times saluted Justgiving's contribution to the charity sector, when it awarded the Company the coveted 'Fundraising and IT Services award' in 2004.

RESULTS AND DIVIDENDS

The directors are pleased to announce that the Justgiving UK achieved a profit during the year, although Firstgiving Inc continues to trade at a loss as the business consolidates its position in the market. The consolidated profit for the period after tax was £129,356 which has been transferred to reserves. The directors are unable to recommend the payment of a dividend.

DIRECTORS

The following directors served during the period under review:

<u>Director</u>	<u>Date of resignation</u>
Z Kharas	-
B Hatvany	-
J Huysmans	-
R Schwartz	9 March 2006

The beneficial interests of the directors holding office at 31 December 2005 in the issued share capital of the company were as follows:-

	<u>31 December 2005</u> <u>Ordinary 1p shares</u>	<u>31 December 2004</u> <u>Ordinary 1p shares</u>
Z Kharas	2,039,816	2,039,816

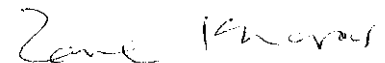
B Hatvany is a beneficial owner by virtue of being a beneficiary of MF Limited, which owns 28,404,734 ordinary shares of 1p, in the company.

AUDITORS

A resolution for the re-appointment of PKF (UK) LLP as auditors of the company will be proposed at the forthcoming annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board



Z Kharas
Director

16th October 2006

**INDEPENDENT AUDITORS' REPORT TO
GIVING LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts, which comprise the abbreviated balance sheet and the related notes, together with the financial statements of Giving Limited for the year ended 31 December 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company, as a body, in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state in an auditors' 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 for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts are properly prepared in accordance with those provisions.

London, UK

17th October 2006

PKF(UK)LLP

PKF (UK) LLP
Registered Auditors

GIVING LIMITED
ABBREVIATED BALANCE SHEET
31 DECEMBER 2005

	<u>Notes</u>	<u>2005</u>	<u>2004</u>
		£	£
FIXED ASSETS			
Investments	2	93,750	93,750
CURRENT ASSETS			
Debtors due within one year		-	-
Debtors due after one year		4,847,023	4,601,904
		<u>4,847,023</u>	<u>4,601,904</u>
CREDITORS			
Amounts falling due within one year		(101)	(101)
NET CURRENT ASSETS		<u>4,846,922</u>	<u>4,601,803</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,940,672</u>	<u>4,695,553</u>
CREDITORS			
Amounts falling due after one year		1,026,860	781,741
CAPITAL AND RESERVES			
Called up share capital	3	421,701	421,701
Share premium account		3,882,301	3,882,301
Profit and loss account		(390,190)	(390,190)
EQUITY SHAREHOLDERS' FUNDS		<u>3,913,812</u>	<u>3,913,812</u>
		<u>4,940,672</u>	<u>4,695,553</u>

These abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved and authorised for issue by the board on 16th October 2006

Zahe Kharras

Z Kharas
Director

GIVING LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2005

1 ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Going concern

During the year the group has significantly increased its turnover and has made a much reduced operating loss. In 2006 there is further growth in turnover and the group is operating profitably and this is expected to continue in 2007.

The directors have considered the financial forecast of the group for the period to 31 December 2007 and the continuing availability of funding from the parent company. The directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

(c) Company profit and loss account

The company has taken advantage of the exemption conferred by Companies Act 1985 section 230 from publishing its own profit and loss account. The company made no profit or loss during the year ended 31 December 2005.

(d) Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:-

Fixtures and fittings	- 5 years
Computer hardware	- 3 years
Computer software	- 3 years

Tangible fixed assets are also reviewed for impairment when events or circumstances indicate that the carrying value may not be recoverable.

(e) Foreign currencies

Monetary assets and liabilities expressed in foreign currencies have been translated at the rates of exchange ruling at the balance sheet date. Revenue transactions completed during the year are stated at the rates obtained on conversion into sterling. In the group financial statements, translation differences arising on consolidation of the net investments in overseas subsidiaries are taken to reserves. All other exchange differences are taken to the profit and loss account.

(f) Cashflow statement

The group has chosen not to prepare a cashflow statement, taking advantage of the exemption permitted as a small group under the Companies Act 1985.

(h) Deferred taxation

Deferred tax is provided or recognised using the full provision method set out in Financial Reporting Standard 19 "Deferred Tax". Subject to certain exceptions, this requires deferred tax to be recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Deferred tax balances are not discounted.

(i) Turnover

Turnover represents commission and fees earned in the period net of VAT.

GIVING LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 2005

2 INVESTMENTS

The investment in subsidiary of £93,750 is represented by the issue at par value of 9,375,000 ordinary shares of 1p each in Giving.com Limited.

The company owns 100 \$0.01 ordinary shares in Justgiving Inc, a company incorporated in the USA, which represents 100% of the issued share capital.

The company also owns 1 £1 ordinary share in Giving Employee Trustees Limited, which represents 100% of the issued share capital.

3 CALLED UP SHARE CAPITAL

	<u>2005</u> £	<u>2004</u> £
Authorised		
100,000,000 ordinary shares of 1 pence each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, issued and fully paid		
42,170,052 (2003: 42,170,052) ordinary shares of 1 pence each	<u>421,701</u>	<u>421,701</u>