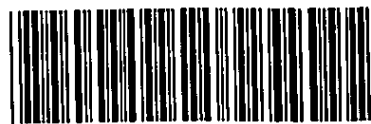


**GIVING LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

WEDNESDAY



\*L4DLEXXV\*  
L11 28/09/2011 104  
COMPANIES HOUSE

## **GIVING LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	B Hatvany A M Huby J Huysmans Z Kharas
<b>Company number</b>	03979990
<b>Registered office</b>	1st Floor 30 Eastbourne Terrace London W2 6LA
<b>Auditor</b>	PKF (UK) LLP Chartered accountants Farringdon Place 20 Farringdon Road London EC1M 3AP

## **GIVING LIMITED**

### **CONTENTS**

	Page
<b>Directors' report</b>	<b>1 - 3</b>
<b>Statement of directors' responsibilities</b>	<b>4</b>
<b>Independent auditor's report</b>	<b>5 - 6</b>
<b>Consolidated profit and loss account</b>	<b>7</b>
<b>Consolidated statement of total recognised gains and losses</b>	<b>8</b>
<b>Consolidated balance sheet</b>	<b>9</b>
<b>Company balance sheet</b>	<b>10</b>
<b>Consolidated cash flow statement</b>	<b>11</b>
<b>Notes to the financial statements</b>	<b>12 - 25</b>

## **GIVING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

The directors present their report and the financial statements for the year ended 31 December 2010

#### **Principal activities**

The group provides UK and US charities with user-friendly on-line fundraising services that help them maximise donations and cut costs

#### **Business review and future developments**

In 2010, total donations for the Giving group amounted to £249m compared to £215m in the previous year – growth of 16% in spite of difficult economic conditions in both the UK and USA

#### **JustGiving**

In 2010 Giving.com Limited (trading as "JustGiving") confirmed its leadership of the UK's online fundraising industry with £214m (2009 - £189m) raised for 7,690 charities (2009 - 6,511 charities), at a time of great change and uncertainty for the charity sector

One of the company's most notable achievements was to secure a landmark victory in relation to the VAT element of our transaction fees. In September 2007, we challenged HMRC's view that our transaction fees on donations should be subject to VAT. Since most charities cannot reclaim any of this VAT, it increased the cost of their online fundraising. Three years on, our view was upheld by HMRC with the result that we were able to stop charging VAT on transaction fees on 1 January 2011.

The impact of this VAT change will be significant, our cost base will increase by approximately 8% due to irrecoverable VAT on our costs. Our decision to challenge HMRC on this issue illustrates the way we run the business, always putting our charity customers and users first, even if it means significantly diminishing the company's financial performance in the short term.

Our 2010 growth was made possible by the continued trust placed in JustGiving by its member charities, and our sustained investment in creating the technologies and tools that make giving online a rewarding and enjoyable experience for charity supporters. To make this investment in future product development for the benefit of our charities possible, we took out a bank loan for £2.5m in December 2010 which will be repaid over 3 years. This will enable us to remain highly innovative in the coming years.

2010 saw JustGiving expand beyond the confines of its website for the first time. We launched mobile applications that enable individual fundraisers to tell their story and canvas their friends for donations while on the move. We integrated our service ever more closely with Facebook and other social media tools, and released a new version of our Facebook application for fundraisers that tipped our number of application users over the one-million mark. These developments continued to prove the ever-growing British public's appetite for what we now call 'social fundraising'.

At the request of our users, we evolved our site to better highlight and celebrate the work of small and local charities, improving our search facilities and launching fundraising for "Projects", a selection of small-scale developing-country initiatives that our users can fund, and keep in close touch with. This offering, run in partnership with non-profit organisation GlobalGiving, is one of a new range of services designed to make giving more meaningful and rewarding for donors. The JustGiving community's appetite for supporting smaller, local causes is growing, and we will continue to develop our product in that direction in 2011.

We also delivered significant service improvements to our charity members. We created new online dashboards for charities to monitor their fundraising performance more easily. We also expanded our data support programme, a combination of technology and training, it enables our charities to automate the transfer of JustGiving data into their donor databases, cutting their data administration time by an average of 90%. Innovation in this area continues apace.

## **GIVING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

While all our new tools are built with absolute simplicity and ease of use in mind, we continue to believe that prompt, expert customer support is an essential part of the great user experience with which JustGiving has become synonymous with. As a consequence, we started providing customer service support seven days a week, both on e-mail and on the phone, to great user acclaim.

2010 was also a year of fundamental change for JustGiving that, though imperceptible at first to our users, will have a transformative effect on the business and the sector at large. We transformed JustGiving from a website to a platform, with the release in October of a first suite of APIs, (Application Programming Interfaces) - web services that will enable not only Giving group companies but, most importantly, other partners and third parties to leverage our technologies to create new giving applications and new businesses.

The significance of this change cannot be over-estimated. Its first visible application was the use of the technology in late 2010 (and an official launch in January 2011) for Cancer Research UK's flagship event series, Race for Life, to enable the charity to deliver a ready-made JustGiving page to every woman registering for a race online – a huge innovation for the sector as a whole according to Cancer Research UK. Other charities are following into Cancer Research UK's footsteps, to create their own version of the JustGiving service easily and at low cost, in turn taking online giving to greater heights.

These continuous innovations are testament to the creativity and imagination of the JustGiving team, and the long-term vision of our investors. They continue to prove the value of the unique combination of business acumen and single-minded commitment to the Third Sector that JustGiving embodies. These values – of continuous innovation, ground-breaking use of technology, and passion for great user experience – continue to guide us and set JustGiving apart.

#### **FirstGiving**

2010 saw continued investment into our US business. We focused on strengthening the product, partnerships and technology teams to build a stronger core product and form strategic partnerships to grow donation volumes for our US charity members.

We also opened a second US office, in San Francisco, to enable FirstGiving to tap into West Coast technology talent.

In late 2010, FirstGiving launched a customisable donation service to enable charities to take donations from their own websites and e-mail campaigns using our technology.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £509,991 (2009 - £1,502,398)

The directors do not recommend the payment of a dividend (2009 - £NIL)

#### **Directors**

The directors who served during the year were

B Hatvany  
A M Huby  
J Huysmans  
Z Kharas

#### **Financial instruments**

The group does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. However, since the majority of our revenues are deducted from the Gift Aid that we claim on behalf of charities (thus ensuring charities receive the full donation within days of it being made on our website), our credit and cash flow risk is minimal compared to other companies.

## **GIVING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

#### **Employee involvement**

The group is committed to the principle of employee involvement in all aspects of the business. All employees participate in a profit sharing scheme and are eligible for share options. We are also committed to ensuring all staff are actively involved in regular personal and professional development initiatives.

#### **Disabled employees**

The group adopts a policy of giving full and fair consideration to the employment and training of disabled persons, having regard to their particular aptitudes and disabilities.

#### **Provision of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditor in connection with preparing his report and to establish that the company and the group's auditor is aware of that information.

#### **Operating risks**

The directors consider the following to be principal risks and uncertainties facing the group

- Economic recession,
- Changes to government regulations, and
- Competition from new entrants to the market


The directors keep these risks under constant review and take measures, where possible, to minimise the group's exposure to such risks on an ongoing basis.

#### **Key performance indicators**

The group saw a 21% (2009 - 21%) increase in revenue, driven predominantly by a 21% (2009 - 25%) increase in the gross value of donations processed on behalf of charities.

The directors closely monitor a number of non-financial performance indicators. These include various measures of forward looking indicators, usability and user satisfaction.

This report was approved by the board and signed on its behalf



.....  
**Z Kharas**  
Secretary

Date 27 September 2011

## **GIVING LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2010**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **GIVING LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIVING LIMITED**

We have audited the financial statements of Giving Limited for the year ended 31 December 2010 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and parent company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of directors and auditors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## GIVING LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIVING LIMITED

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

A handwritten signature in black ink, appearing to read 'PKF(UK)LP', is written over the printed name and company of the auditor.

**Stuart Barnsdall** (Senior statutory auditor)  
for and on behalf of PKF (UK) LLP, Statutory auditor

London, UK

Date 27 September 2011

**GIVING LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £	As restated 2009 £
<b>TURNOVER</b>	1,2	<b>13,019,393</b>	10,763,366
Operating charges		(4,851,370)	(3,793,473)
Staff costs	5	(6,075,826)	(4,367,106)
Depreciation and amortisation		(534,439)	(268,580)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>	3	<b>1,557,758</b>	2,334,207
Loss on disposal of investments	9	(64,438)	-
Interest receivable and similar income	6	42,139	25,934
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,535,459</b>	2,360,141
Tax on profit on ordinary activities	7	(1,025,468)	(857,743)
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>509,991</b>	1,502,398
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations

The notes on pages 12 to 25 form part of these financial statements

**GIVING LIMITED**

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 £	2009 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>509,991</b>	1,502,398
Exchange (loss) / gain on consolidation of foreign subsidiary		<u>(97,246)</u>	<u>242,646</u>
<b>TOTAL RECOGNISED GAINS RELATING TO THE YEAR</b>		<b><u>412,745</u></b>	<b><u>1,745,044</u></b>

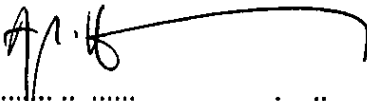
The notes on pages 12 to 25 form part of these financial statements

**GIVING LIMITED**  
**REGISTERED NUMBER. 03979990**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2010**

	Note	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Tangible assets	8		1,947,104		741,804
Investments	9		-		64,438
			<u>1,947,104</u>		<u>806,242</u>
<b>CURRENT ASSETS</b>					
Debtors	10	2,257,537		2,368,375	
Cash at bank		5,924,865		2,659,981	
		<u>8,182,402</u>		<u>5,028,356</u>	
<b>CREDITORS</b> , amounts falling due within one year	11	(2,888,606)		(1,062,579)	
<b>NET CURRENT ASSETS</b>			<u>5,293,796</u>		<u>3,965,777</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>7,240,900</u>		<u>4,772,019</u>
<b>CREDITORS</b> , amounts falling due after more than one year	12		(1,632,955)		-
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	13		(43,152)		(28,027)
<b>NET ASSETS</b>			<u>5,564,793</u>		<u>4,743,992</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		431,127		430,227
Share premium account	15		3,961,525		3,949,125
Merger reserves	15		230,436		230,436
Profit and loss account	15		941,705		134,204
<b>SHAREHOLDERS' FUNDS</b>	16		<u>5,564,793</u>		<u>4,743,992</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

  
.....  
**A M Huby**  
Director

Date 27 September 2011

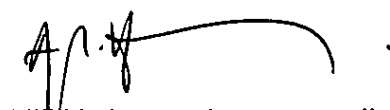
The notes on pages 12 to 25 form part of these financial statements

**GIVING LIMITED**  
**REGISTERED NUMBER. 03979990**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2010**

	Note	£	2010 £	£	2009 £
<b>FIXED ASSETS</b>					
Tangible assets	8		640,000		-
Investments	9		4,800,945		3,045,048
			<u>5,440,945</u>		<u>3,045,048</u>
<b>CURRENT ASSETS</b>					
Debtors amounts falling due after more than one year	10	1,032,548		444,214	
Debtors amounts falling due within one year	10	-		500,000	
		<u>1,032,548</u>		<u>944,214</u>	
<b>CREDITORS</b> amounts falling due within one year	11	(839,060)		(100)	
<b>NET CURRENT ASSETS</b>			<u>193,488</u>		<u>944,114</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>5,634,433</u>		<u>3,989,162</u>
<b>CREDITORS</b> amounts falling due after more than one year	12		(1,632,955)		-
<b>NET ASSETS</b>			<u><u>4,001,478</u></u>		<u><u>3,989,162</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		431,127		430,227
Share premium account	15		3,961,525		3,949,125
Profit and loss account	15		(391,174)		(390,190)
<b>SHAREHOLDERS' FUNDS</b>	16		<u><u>4,001,478</u></u>		<u><u>3,989,162</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by

  
**A M Huby**  
 Director

Date 27 September 2011

The notes on pages 12 to 25 form part of these financial statements

# GIVING LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 £	2009 £
Net cash flow from operating activities	17	3,545,670	1,690,853
Returns on investments and servicing of finance	18	42,139	25,934
Taxation		(1,016,710)	(993,219)
Capital expenditure and financial investment	18	(1,774,565)	(517,518)
<b>CASH INFLOW BEFORE FINANCING</b>		<b>796,534</b>	<b>206,050</b>
Financing	18	2,468,350	62,516
<b>INCREASE IN CASH IN THE YEAR</b>		<b>3,264,884</b>	<b>268,566</b>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS FOR THE YEAR ENDED 31 DECEMBER 2010

		2010 £	2009 £
Increase in cash in the year	19	3,264,884	268,566
Cash inflow from increase in debt		(2,455,050)	-
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>		<b>809,834</b>	<b>268,566</b>
Net funds at 1 January 2010	19	2,659,981	2,391,415
<b>NET FUNDS AT 31 DECEMBER 2010</b>	19	<b>3,469,815</b>	<b>2,659,981</b>

The notes on pages 12 to 25 form part of these financial statements

## **GIVING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

#### **1 ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's and group's financial statements

##### **1.1 Basis of preparation of financial statements**

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

##### **1.2 Restatement of comparative figures**

The turnover and cost of sales in the prior period has been restated to reflect the treatment of certain rebates as a reduction in turnover rather than a cost of sale. The effect of this restatement is a decrease in turnover by £352,247 and a decrease in cost of sales by the same amount. There is no effect on the reported profit.

##### **1.3 Basis of consolidation**

The financial statements consolidate the accounts of Giving Limited and all of its subsidiary undertakings ('subsidiaries').

In the company's balance sheet, the investment in Giving.com Limited is stated at the nominal value of shares issued in consideration for that company. As permitted by sections 612 and 615 of the Companies Act 2006, no premium has been recorded on the shares issued in consideration. On consolidation, the difference between the nominal value of shares issued and received has been credited directly to the merger reserve.

##### **1.4 Company profit and loss account**

The company has taken advantage of the exemption conferred by the Companies Act 2006 section 408 from publishing its own profit and loss account. During the period the company made a loss of £395,740 (2009 - £136,059).

##### **1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	over 5 years
Fixtures and fittings	-	over 5 years
Computer hardware and software	-	over 3 years
Other fixed assets	-	over 5 years

## **GIVING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

#### **1 ACCOUNTING POLICIES (continued)**

##### **1.6 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

Deferred tax is recognised in respect of the retained earnings of an overseas subsidiary, associate or joint venture only to the extent that there is a commitment to remit the earnings

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

##### **1.7 Turnover**

Turnover represents commissions and fees earned during the period, net of Value Added Tax

##### **1.8 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

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

##### **1.9 Share based payments**

Directors, senior managers and other qualifying staff of the group have been granted options to subscribe for ordinary shares. All options are share settled

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted, at date of grant, and this is expensed on a straight line basis over the estimated vesting period. This estimate is determined using the Black-Scholes valuation model considering the effects of the vesting conditions, expected exercise period and the payment of dividends by the group

##### **1.10 Investments**

###### **(i) Subsidiary undertakings**

Investments in subsidiaries are valued at cost less provision for impairment

###### **(ii) Other investments**

Investments held as fixed assets are shown at cost less provision for impairment



# GIVING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 1. ACCOUNTING POLICIES (continued)

#### 1.11 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

### 2. TURNOVER

A geographical analysis of turnover is as follows

	2010 £	As restated 2009 £
United Kingdom	10,226,450	8,624,507
Rest of the World	2,792,943	2,138,859
	<u>13,019,393</u>	<u>10,763,366</u>

### 3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2010 £	2009 £
Depreciation of tangible fixed assets		
- owned by the group	534,439	268,580
Auditors' remuneration	41,500	35,000
Operating lease rentals		
- other operating leases	345,916	214,055
Foreign exchange (gains)/losses	(80,321)	278,140
	<u></u>	<u></u>

Auditors fees for the company were £7,250 (2009 - £10,000)

### 4. DIRECTORS' REMUNERATION

	2010 £	2009 £
Emoluments	481,650	478,747

The highest paid director received salary of £150,000 (2009 - £150,000) plus additional emoluments of £34,216 (2009 - £36,525) in respect of payments made under an employee profit-sharing scheme in which all employees participate. Included in this amount is a recharge of £39,794 (2009 - £54,517) in respect of services rendered to FirstGiving Inc. None of the directors exercised any share options during the current or prior period.

# GIVING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 5 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2010 £	2009 £
Wages and salaries	5,169,884	3,851,711
Social security costs	511,186	379,336
Share based payments charge	394,756	136,059
	<u>6,075,826</u>	<u>4,367,106</u>

The average monthly number of employees, including the directors, during the year was as follows

	2010 No.	2009 No.
Administration	30	31
Information technology	36	25
Sales and distribution	12	10
	<u>78</u>	<u>66</u>

### 6 INTEREST RECEIVABLE

	2010 £	2009 £
Other interest receivable	<u>42,139</u>	<u>25,934</u>

### 7. TAXATION

	2010 £	2009 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax (see note below)</b>		
UK corporation tax charge on profit for the year	1,010,343	841,778
<b>Deferred tax</b>		
Origination and reversal of timing differences	16,126	15,965
Effect of increased tax rate on opening liability	(1,001)	-
<b>Total deferred tax (see note 13)</b>	<u>15,125</u>	<u>15,965</u>
<b>Tax on profit on ordinary activities</b>	<u>1,025,468</u>	<u>857,743</u>

# GIVING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 7. TAXATION (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2009 - higher than) the standard rate of corporation tax in the UK of 28% (2009 - 28%) The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	<u>1,535,459</u>	<u>2,360,141</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 - 28%)	429,929	660,839
Effects of.		
Non-tax deductible expenses	171,704	44,602
Capital allowances for year in excess of depreciation	(16,906)	(15,965)
Small companies rate	(5,622)	-
Unprovided overseas losses carried forward	431,238	152,302
Current tax charge for the year (see note above)	<u>1,010,343</u>	<u>841,778</u>

#### Factors that may affect future tax charges

There are tax losses estimated at £4,483,157 (2009 - £2,810,969) in respect of the US subsidiary A potential deferred tax asset of £1,255,283 (2009 - £787,071) exists which has not been recognised as the US subsidiary is not yet profitable

**GIVING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**8. TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Leasehold improve- ments £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Other fixed assets £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 January 2010	168,865	69,744	495,664	1,065,653	1,799,926
Additions	372,692	129,960	934,111	393,245	1,830,008
Disposals	(150,087)	(50,618)	-	-	(200,705)
Foreign exchange movement	-	256	3,011	2,560	5,827
At 31 December 2010	391,470	149,342	1,432,786	1,461,458	3,435,056
<b>Depreciation</b>					
At 1 January 2010	86,721	36,681	326,251	608,469	1,058,122
Charge for the year	67,365	24,317	292,478	150,279	534,439
On disposals	(81,804)	(27,840)	-	-	(109,644)
Foreign exchange movement	-	223	2,252	2,560	5,035
At 31 December 2010	72,282	33,381	620,981	761,308	1,487,952
<b>Net book value</b>					
At 31 December 2010	319,188	115,961	811,805	700,150	1,947,104
At 31 December 2009	82,144	33,063	169,413	457,184	741,804
					<b>Other fixed assets £</b>
<b>Company</b>					
<b>Cost</b>					
Additions					800,000
At 31 December 2010					800,000
<b>Depreciation</b>					
Charge for the year					160,000
At 31 December 2010					160,000
<b>Net book value</b>					
At 31 December 2010					640,000

# GIVING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 9. FIXED ASSET INVESTMENTS

	Other fixed asset investments £
<b>Group</b>	
<b>Cost or valuation</b>	
At 1 January 2010	64,438
Amounts written off	(64,438)
At 31 December 2010	-
<b>Net book value</b>	
At 31 December 2010	-
At 31 December 2009	64,438

The investment of £64,438 related to start-up funding of a new initiative for community fundraising, and has been fully provided for in the current period

Company	Investments in subsidiary companies £	Loans to subsidiaries £	Other fixed asset investments £	Total £
<b>Cost or valuation</b>				
At 1 January 2010	93,750	2,886,860	64,438	3,045,048
Additions	-	1,740,014	-	1,740,014
Foreign exchange movement	-	80,321	-	80,321
Amounts written off	-	-	(64,438)	(64,438)
At 31 December 2010	93,750	4,707,195	-	4,800,945
<b>Net book value</b>				
At 31 December 2010	93,750	4,707,195	-	4,800,945
At 31 December 2009	93,750	2,886,860	64,438	3,045,048

Giving Limited owns the entire ordinary share capital of Giving com Limited, a company incorporated in Great Britain, whose principal activity is enabling individuals to donate and fundraise online through a website which aggregates charities on one site. 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 FirstGiving Inc, a company incorporated in the USA. This represents 100% of the issued share capital. The company's activity is the same as that of Giving com Limited.

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

Included in investments is an amount of £4,707,195 (2009 - £2,886,860) relating to start-up funding of FirstGiving Inc and the directors believe the long-term nature of the debt is best represented as an investment. The directors have undertaken an impairment review of the investment and consider no impairment to have arisen.

**GIVING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**10. DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	1,032,548	444,214
	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Due within one year</b>				
Trade debtors	477,567	227,539	-	-
Other debtors	1,264,417	1,257,407	-	-
Prepayments and accrued income	515,553	883,429	-	500,000
	<b>2,257,537</b>	<b>2,368,375</b>	<b>-</b>	<b>500,000</b>

**11 CREDITORS:  
Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	822,095	-	822,095	-
Trade creditors	392,965	93,801	-	-
Corporation tax	258,168	264,535	16,867	-
Social security and other taxes	362,111	275,841	-	-
Other creditors	234,523	33,121	-	-
Accruals and deferred income	818,744	395,281	98	100
	<b>2,888,606</b>	<b>1,062,579</b>	<b>839,060</b>	<b>100</b>

# GIVING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 12 CREDITORS.

Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2010	2009	2010	2009
	£	£	£	£
Bank loans	<u>1,632,955</u>	<u>-</u>	<u>1,632,955</u>	<u>-</u>

A bank loan of £2.5m was drawn down in December 2010. The bank loan is repayable by installments over 3 years with interest charged at 3.25% above the rate of LIBOR. The bank loan is secured by way of legal charge and a cross guarantee by and between Giving Limited, FirstGiving Inc and Giving.com Limited.

In accordance with FRS 4 Capital Instruments ("FRS 4") issue costs of £44,950 have been accounted for as a reduction in the debt instrument. The issue costs will be charged to the profit and loss account over the life of the loan.

### 13 DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	2010	2009	2010	2009
	£	£	£	£
At beginning of year	28,027	28,027	-	-
Charge for the year	15,125	-	-	-
At end of year	<u>43,152</u>	<u>28,027</u>	<u>-</u>	<u>-</u>

The provision for deferred taxation is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2010	2009	2010	2009
	£	£	£	£
Accelerated capital allowances	<u>43,152</u>	<u>28,027</u>	<u>-</u>	<u>-</u>

### 14. SHARE CAPITAL

	2010	2009
	£	£
<b>Allotted, called up and fully paid</b>		
43,112,700 (2009 - 43,022,700) Ordinary shares of £0.01 each	<u>431,127</u>	<u>430,227</u>

During the year the company issued 90,000 shares for a total consideration of £13,300 as a result of share options being exercised.

# GIVING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 15. RESERVES

	Share premium account £	Merger reserve £	Profit and loss account £
<b>Group</b>			
At 1 January 2010	3,949,125	230,436	134,204
Profit for the year	-	-	509,991
Premium on shares issued during the year	12,400	-	-
Share based payments charge	-	-	394,756
Exchange loss arising on consolidation	-	-	(97,246)
At 31 December 2010	<u>3,961,525</u>	<u>230,436</u>	<u>941,705</u>
		Share premium account £	Profit and loss account £
<b>Company</b>			
At 1 January 2010		3,949,125	(390,190)
Loss for the year		-	(395,740)
Premium on shares issued during the year		12,400	-
Share based payments charge		-	394,756
At 31 December 2010		<u>3,961,525</u>	<u>(391,174)</u>



# GIVING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
<b>Group</b>		
Opening shareholders' funds	4,743,992	2,800,373
Profit for the year	509,991	1,502,398
Shares issued during the year	900	7,055
Share premium on shares issued (net of expenses)	12,400	55,461
Exchange (loss)/gain on consolidation of foreign subsidiary	(97,246)	242,646
Share based payment charge	394,756	136,059
	<u>5,564,793</u>	<u>4,743,992</u>
Closing shareholders' funds		
	<u>5,564,793</u>	<u>4,743,992</u>
	2010 £	2009 £
<b>Company</b>		
Opening shareholders' funds	3,989,162	3,926,646
Loss for the year	(395,740)	(136,059)
Shares issued during the year	900	7,055
Share premium on shares issued (net of expenses)	12,400	55,461
Share based payment charge	394,756	136,059
	<u>4,001,478</u>	<u>3,989,162</u>
Closing shareholders' funds		
	<u>4,001,478</u>	<u>3,989,162</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

The loss for the year dealt with in the accounts of the company was £395,740 (2009 - £136,059)

### 17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2010 £	2009 £
Operating profit	1,557,758	2,334,207
Depreciation of tangible fixed assets	534,439	268,580
Profit on disposal of tangible fixed assets	2,932	-
Decrease/(increase) in debtors	142,732	(809,343)
Increase/(decrease) in creditors	1,010,299	(481,296)
Share based payment charge	394,756	136,059
Currency fluctuations on net investment in foreign subsidiary	(97,246)	242,646
	<u>3,545,670</u>	<u>1,690,853</u>
Net cash inflow from operating activities		
	<u>3,545,670</u>	<u>1,690,853</u>

# GIVING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 18. ANALYSIS OF CASH FLOWS

	2010 £	2009 £
<b>Returns on investments and servicing of finance</b>		
Interest received	42,139	25,934
	<u>42,139</u>	<u>25,934</u>
	2010 £	2009 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(1,830,008)	(457,124)
Sale of tangible fixed assets	56,235	934
Purchase of unlisted and other investments	-	(64,438)
Exchange difference	(792)	3,110
	<u>(1,774,565)</u>	<u>(517,518)</u>
<b>Net cash outflow from capital expenditure</b>	<u>(1,774,565)</u>	<u>(517,518)</u>
	2010 £	2009 £
<b>Financing</b>		
Issue of ordinary shares	13,300	62,516
New secured loans	2,455,050	-
	<u>2,468,350</u>	<u>62,516</u>
<b>Net cash inflow from financing</b>	<u>2,468,350</u>	<u>62,516</u>

### 19. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2010 £	Cash flow £	Other non-cash changes £	31 December 2010 £
Cash at bank and in hand	2,659,981	3,264,884	-	5,924,865
Debts due within one year	-	(2,455,050)	1,632,955	(822,095)
Debts falling due after more than one year	-	-	(1,632,955)	(1,632,955)
<b>Net funds</b>	<u>2,659,981</u>	<u>809,834</u>	<u>-</u>	<u>3,469,815</u>

# GIVING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 20 SHARE BASED PAYMENTS

The group operates a share option plan, under which directors, senior management and other qualifying staff have been granted options to subscribe for ordinary shares in Giving Limited. All options are settled by the issue of shares. The number and weighted average exercise price of share options in existence at the balance sheet date are as follows:

	2010 Weighted average exercise price	2010 Number of options	2009 Weighted average exercise price	2009 Number of options
Outstanding at 1 January 2010	18.2p	10,155,015	9.9p	11,837,016
Granted during the year	94.7p	360,000	62.0p	1,581,276
Exercised during the year	14.8p	(90,000)	4.8p	(1,295,509)
Forfeit during the year	49.8p	(1,442,645)	12.4p	(1,967,768)
<b>Outstanding at 31 December 2010</b>	<b>16.2p</b>	<b>8,982,370</b>	<b>18.2p</b>	<b>10,155,015</b>
<b>Exercisable at 31 December 2010</b>	<b>11.9p</b>	<b>8,482,370</b>	<b>11.4p</b>	<b>8,793,336</b>

Share options outstanding at 31 December 2010 had a weighted average exercise price of 16.2 pence (2009 - 18.2 pence) and a weighted average contractual life of 3.0 years (2009 - 5.9 years). During the year 90,000 (2009 - 1,295,509) share options were exercised. There are no performance conditions attached to any of the share options granted up to the balance sheet date, other than continued employment to the vesting date.

### 20 SHARE BASED PAYMENTS

The following inputs were used in the calculation of the fair value of the share options granted during the period:

	Dec 2009	Apr 2010	Dec 2010
Fair value (p)	24.76	5.59	5.59
Share price (p)	62.00	14.00	14.00
Exercise price (p)	62.00	62.00	100.00
Expected volatility	10.0%	10.0%	10.0%
Option life (yrs)	3	3	3
Expected dividends	0.0%	0.0%	0.0%
Risk free rate of return	5.0%	5.0%	5.0%

The fair value of services received in return for share options granted is measured by reference to the fair value of the share options granted. This estimate is based on a Black-Scholes model which is considered most appropriate considering the effects of the vesting conditions, expected exercise period and the payment of dividends by the company. The range of the exercise prices for the outstanding options is between 8.77p and 100p.

# GIVING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 21. CAPITAL COMMITMENTS

At 31 December 2010 the company and group had capital commitments as follows

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Contracted for but not provided in these financial statements	-	300,000

### 22. OPERATING LEASE COMMITMENTS

At 31 December 2010 the company and group had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>	
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Company and Group</b>		
<b>Expiry date.</b>		
Within 1 year	-	45,775
Between 2 and 5 years	39,071	168,280
After more than 5 years	386,095	-
<b>Total</b>	<b>425,166</b>	<b>214,055</b>

### 23. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions available under FRS 8 Related Party Disclosures ("FRS 8"), not to disclose any transactions or balances with entities that are 100% controlled by Giving Limited

Included within other debtors is a loan of £100,000 (2009 - £NIL) due from the parent entity Pollcast ApS. Interest is charged on the loan at a rate of 4% per annum, and the charge accrued in the period amounted to £2,455 (2009 - £NIL). Also included within other debtors is a £75,000 (2009 - £NIL) loan due from Smashies Pouches Inc, which is guaranteed by Pollcast ApS. Interest is charged on the loan at a rate of 4% per annum, and the charge accrued in the period amounted to £2,827 (2009 - £NIL). Both loans have been repaid in full since the year end date

### 24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company is Pollcast ApS, a company incorporated in the EU. The ultimate controlling party is Bela Hatvany.