Registered number: 03979990

GIVING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

GIVING LIMITED

COMPANY INFORMATION

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

GIVING LIMITED

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements for the year ended 31 December 2011

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

2011 was a year of increased investment for the company, resulting in the launch of ground-breaking new products and services for charities, companies and individual users on JustGiving com

An increase in investment of £1 8m over and above 2010 - not only in technology and product development, but also marketing, charity support and data analytics and insights - is a major factor in explaining the reduction in the profitability in 2011 The company's decision to increase investment in spite of challenging economic conditions reflects the social nature of the business and an unwavering commitment to its core values – of constant innovation and taking a long view of commercial success Stronger growth in the second half of 2011 validated that decision

The first of these innovations was JustTextGiving, the first free SMS donation service to enable the UK's 50 million mobile phone users, regardless of their network, to donate by text to any UK charity, thanks to the support of mobile operator Vodafone Launched to charities in May, JustTextGiving by Vodafone was extended to all of JustGiving's individual fundraisers in June, and was adopted by ITV to power its 'Text Santa' Christmas telethon, raising millions of pounds for charity in its inaugural year

The service is specifically designed to appeal to a younger generation of donors, half of whom currently do not donate to charity at all It also allows for the collection of Gift Aid, which is often unclaimed through other forms of spontaneous giving By the year end, over twelve thousand charities had benefitted, with many incorporating it into their core fundraising programmes for 2012 onwards

The explosive growth in mobile usage among UK consumers also led JustGiving to release a brand new version of its site, enabling charity supporters to access the JustGiving service on mobile more easily, and make donations on the move With mobiles and tablets rapidly becoming the devices of choice for the majority of its users, JustGiving continues to invest into making giving across all available channels an easy and rewarding experience for donors and fundraisers

As well as mobile innovation, JustGiving set out to stimulate giving by enabling individual users to engage their wider networks in more effective ways

In the autumn, JustGiving launched a new service enabling companies to showcase their employees' fundraising efforts, encourage wider participation and enable companies to match employees' donations The service reduces the costs to companies of administering charity fundraising programmes It has been adopted by over 300 companies and is endorsed and promoted by many charities as a cost-effective and risk-free way of finding new supporters in the highly competitive world of corporate fundraising

JustGiving also became more closely integrated with Facebook and other social media platforms The launch of version 3 of the JustGiving Facebook application enabled people to sponsor a friend or donate to charity entirely on Facebook, a UK first for the charity sector JustGiving also redesigned its donation processes to make sharing on social media sites (on LinkedIn and Twitter as well as Facebook) a key part of the user experience, enabling people to tell their friends that they '#justgave' or '#justsponsored' someone, thereby encouraging further donations at no extra cost to the charity JustGiving continues to collaborate closely with Facebook itself to bring to charities the best that social media innovation has to offer JustGiving continued to invest in usability and user experience to deliver the easiest and rewarding experience for charity supporters

2011 also saw the launch of JustGiving's online direct debit facility While Direct Debit had been a trusted method of offline giving for many years, it remained beyond the financial reach of most charities to implement JustGiving's new service opened up a valuable new channel for committed giving for thousands of small charities

Underpinning those ground-breaking product launches was the continued development of JustGiving as a platform, via the creation of APIs (or application programming interfaces), enabling partner organisations to build new giving applications and products easily and at low cost Among the early adopters of those services have been charities, including Cancer Research UK, Leukaemia and Lymphoma Research, and the spinal injury charity Aspire, leading the sector in the use of open applications for fundraising in 2011 We expect the JustGiving APIs to stimulate further innovation in years to come

JustGiving deepened its relationships with charities, several of whom entered into multi-year agreements with the company Graham Kelly, director of fundraising of disability charity Whizz Kidz, commented "JustGiving has developed a range of exciting products which we believe will help maximise net income for Whizz Kidz Having analysed our data, we decided that, despite JustGiving's fees remaining at their current level, we should promote the service to our supporters as our preferred supplier to deliver greater returns "

On the international front, investment in our US subsidiary FirstGiving Inc continued throughout 2011 However it became clear that the US and UK businesses were following increasingly divergent strategies and that FirstGiving would be much better positioned for success under new ownership The sale was completed in August 2012, the proceeds of which will enable JustGiving to accelerate the development of its global charity platform and extend its presence beyond outside the UK JustGiving launched in the Netherlands in August 2011, with further expansion planned for 2012 and beyond

Results and dividends

The loss for the year, after taxation, amounted to £551,110 (2010 - profit £509,991)

The directors do not recommend the payment of a dividend (2010 - £NIL)

Directors

The directors who served during the year were

B Hatvany
A M Huby
J Huysmans
Z Kharas
J Mckay (appointed 27 July 2011)

Events since the end of the year

On 3 August 2012 the company sold its investment in FirstGiving Inc for a net consideration of approximately US$8,200,000

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

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

Revenue remained relatively flat over the financial year. An increase in investment of £1 3m over and above 2010 not only in technology and product development, but also marketing, charity support and data analytics and insights is a major factor in explaining the reduction in profits

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

Zarine Kharas

Z Kharas
Secretary

Date 28 September 2012

GIVING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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 accounting 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, to disclose with reasonable accuracy at any time the financial position of the group and to 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 2011 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 auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements 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 2011 and of the group's loss 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

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

PKF (UK) LLP

Stuart Barnsdall (Senior statutory auditor)
for and behalf of PKF (UK) LLP, Statutory auditor
London, UK
28 September 2012

GIVING LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	As restated 2010 £
TURNOVER	1,2	**14,776,290**	15,172,516
Transactional processing costs		**(2,725,203)**	(3,018,936)
Net revenue from operations		**(12,051,087)**	(12,153,580)
Other external charges		**(5,237,258)**	(3,985,557)
Staff costs	5	**(6,173,723)**	(6,075,826)
Depreciation		**(734,098)**	(534,439)
OPERATING (LOSS)/PROFIT	3	**(93,992)**	1,557,758
Loss on disposal of investments		-	(64,438)
Interest receivable	6	**28,828**	42,139
Interest payable	7	**(110,079)**	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**(175,243)**	1,535,459
Tax on (loss)/profit on ordinary activities	8	**(375,867)**	(1,025,468)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		**(551,110)**	509,991

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 2011

	Note	2011 £	2010 £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		**(551,110)**	509,991
Exchange loss on consolidation of foreign subsidiary		**(37,373)**	(97,246)
TOTAL RECOGNISED (LOSSES)/GAINS RELATING TO THE FINANCIAL YEAR		**(588,483)**	412,745

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 2011

	Note	2011 £	2011 £	2010 £	2010 £
FIXED ASSETS					
Tangible assets	9		**1,744,002**		1,947,104
CURRENT ASSETS					
Debtors	11	**1,754,783**		2,257,853	
Cash at bank		**5,070,378**		5,924,865	
		6,825,161		8,182,718	
CREDITORS amounts falling due within one year	12	**(3,352,094)**		(2,888,922)	
NET CURRENT ASSETS			**3,473,067**		5,293,796
TOTAL ASSETS LESS CURRENT LIABILITIES			**5,217,069**		7,240,900
CREDITORS. amounts falling due after more than one year	13		**-**		(1,632,955)
PROVISIONS FOR LIABILITIES					
Deferred tax	14		**-**		(43,152)
NET ASSETS			**5,217,069**		5,564,793
CAPITAL AND RESERVES					
Called up share capital	15		**431,377**		431,127
Share premium account	16		**3,964,275**		3,961,525
Merger reserve	16		**230,436**		230,436
Profit and loss account	16		**583,967**		941,705
SHAREHOLDERS' FUNDS	17		**5,210,055**		5,564,793
MINORITY INTERESTS	18		**7,014**		-
			5,217,069		5,564,793

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

A M Huby
Director

Date 28 September 2012

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 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	9		**480,000**		640,000
Investments	10		**5,411,418**		4,800,945
			5,891,418		5,440,945
CURRENT ASSETS					
Debtors amounts falling due after more than one year	11	-		1,032,548	
Cash at bank		**1,666,667**		-	
		1,666,667		1,032,548	
CREDITORS: amounts falling due within one year	12	**(4,064,225)**		(839,060)	
NET CURRENT (LIABILITIES)/ASSETS			**(2,397,558)**		193,488
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,493,860**		5,634,433
CREDITORS. amounts falling due after more than one year	13		-		(1,632,955)
NET ASSETS			**3,493,860**		4,001,478
CAPITAL AND RESERVES					
Called up share capital	15		**431,377**		431,127
Share premium account	16		**3,964,275**		3,961,525
Profit and loss account	16		**(901,792)**		(391,174)
SHAREHOLDERS' FUNDS	17		**3,493,860**		4,001,478

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

A M Huby
Director

Date 28 September 2012

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 2011

	Note	2011 £	2010 £
Net cash flow from operating activities	19	**1,144,107**	3,545,670
Returns on investments and servicing of finance	20	**(81,251)**	42,139
Taxation		**(514,907)**	(1,016,710)
Capital expenditure and financial investment	20	**(592,480)**	(1,774,565)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		**(44,531)**	796,534
Financing	20	**(809,956)**	2,468,350
(DECREASE)/INCREASE IN CASH IN THE YEAR		**(854,487)**	3,264,884

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2011

		2011 £	2010 £
(Decrease)/increase in cash in the year	21	**(854,487)**	3,264,884
Cash outflow/(inflow) from decrease in debt		**812,956**	(2,455,050)
MOVEMENT IN NET FUNDS IN THE YEAR		**(41,531)**	809,834
Net funds at 1 January 2011	21	**3,469,815**	2,659,981
NET FUNDS AT 31 DECEMBER 2011	21	**3,428,284**	3,469,815

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

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 transactional processing costs and related turnover in the prior period has been restated to reflect the revised treatment of revenues received and costs incurred in respect of this operational activity Previously these items were not seperately recognised in the profit and loss account There is no affect on the reported profit The increase in turnover for 2010 is £2,153,123

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 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 licences and hardware	-	over 3 years
IT systems	-	over 5 years

1.5 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 ACCOUNTING POLICIES (continued)

1.6 Turnover

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

1.7 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

1.8 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

1.9 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

1.10 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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

2. TURNOVER

A geographical analysis of turnover is as follows

	2011 £	As restated 2010 £
United Kingdom	**12,147,598**	12,379,573
Rest of the World	**2,628,692**	2,792,943
	14,776,290	15,172,516

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging/(crediting)

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the group	**734,098**	534,439
Auditor's remuneration	**40,750**	41,500
Operating lease rentals		
- other operating leases	**376,669**	345,916
Foreign exchange gains	**(37,338)**	(80,321)

Auditor fees for the company were £7,250 (2010 - £7,250)

4. DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments	**423,319**	481,650
Company pension contributions to defined contribution pension schemes	**38,900**	-

During the year retirement benefits were accruing to 2 directors (2010 - NIL) in respect of defined contribution pension schemes

The highest paid director received salary of £117,975 (2010 - £150,000) plus additional emoluments of £1,158 (2010 - £34,216) in respect of payments made under an employee profit-sharing scheme in which all employees participate Included in this amount is a recharge of £31,220 (2010 - £39,794) in respect of services rendered to FirstGiving Inc None of the directors exercised any share options during the current or prior period

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £36,967 (2010 - £NIL)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	**5,293,898**	5,169,884
Social security costs	**550,478**	511,186
Other pension costs	**98,602**	-
Share-based payments	**230,745**	394,756
	6,173,723	6,075,826

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

	2011 No.	2010 No
Administration	**40**	30
Information technology	**48**	36
Sales and distribution	**15**	12
	103	78

6. INTEREST RECEIVABLE

	2011 £	2010 £
Bank interest receivable	**28,828**	42,139

7. INTEREST PAYABLE

	2011 £	2010 £
On bank loans	**110,079**	-

8 TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on (loss)/profit for the year	**427,689**	1,010,343
Deferred tax		
Origination and reversal of timing differences	**(51,822)**	16,126
Effect of increased tax rate on opening liability	**-**	(1,001)
Total deferred tax (see note 14)	**(51,822)**	15,125
Tax on (loss)/profit on ordinary activities	**375,867**	1,025,468

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 26 5% (2010 - 28%) The differences are explained below

	2011 £	2010 £
(Loss)/profit on ordinary activities before tax	**(175,243)**	1,535,459
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26 5% (2010 - 28%)	**(46,439)**	429,929
Effects of:		
Non-tax deductible expenses	**72,805**	171,704
Depreciation for year in excess of capital allowances	**54,059**	(16,906)
Small companies rate	**6,705**	(5,622)
Unprovided overseas losses carried forward	**340,559**	431,238
Current tax charge for the year (see note above)	**427,689**	1,010,343

Factors that may affect future tax charges

There are tax losses estimated at £5,660,133 (2010 - £4,483,157) in respect of the US subsidiary At the year end a potential deferred tax asset of £1,415,033 (2010 - £1,255,283) exists which has not been recognised as the US subsidiary is not yet profitable Since the year end this subsidiary has been sold

GIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

9 TANGIBLE FIXED ASSETS

Group	Leasehold improvements £	Fixtures and fittings £	Computer licences and hardware £	IT systems £	Total £
Cost					
At 1 January 2011	391,470	149,342	1,432,786	1,461,458	3,435,056
Additions	-	10,347	246,497	342,494	599,338
Disposals	-	(18,779)	(120,435)	(402)	(139,616)
Foreign exchange movement	-	89	268	157	514
At 31 December 2011	391,470	140,999	1,559,116	1,803,707	3,895,292
Depreciation					
At 1 January 2011	72,282	33,381	620,981	761,308	1,487,952
Charge for the year	78,294	30,918	278,797	346,089	734,098
On disposals	-	(13,954)	(56,874)	(290)	(71,118)
Foreign exchange movement	-	52	166	140	358
At 31 December 2011	150,576	50,397	843,070	1,107,247	2,151,290
Net book value					
At 31 December 2011	240,894	90,602	716,046	696,460	1,744,002
At 31 December 2010	319,188	115,961	811,805	700,150	1,947,104

Company	Computer licences and hardware £
Cost	
At 1 January 2011 and 31 December 2011	800,000
Depreciation	
At 1 January 2011	160,000
Charge for the year	160,000
At 31 December 2011	320,000
Net book value	
At 31 December 2011	480,000
At 31 December 2010	640,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

10. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £	Loans to subsidiaries £	Total £
Cost or valuation			
At 1 January 2011	**93,750**	**4,707,195**	**4,800,945**
Additions	**-**	**1,048,350**	**1,048,350**
At 31 December 2011	**93,750**	**5,755,545**	**5,849,295**
Impairment			
Charge for the year	**-**	**437,877**	**437,877**
At 31 December 2011	**-**	**437,877**	**437,877**
Net book value			
At 31 December 2011	**93,750**	**5,317,668**	**5,411,418**
At 31 December 2010	93,750	4,707,195	4,800,945

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

At the period end the company owned 100 $0 01 ordinary shares in FirstGiving Inc , a company incorporated in the USA This represented 100% of the issued share capital in the company which has been sold during the post balance sheet period (note 25) The company's activity is the same as that of Giving com Limited

Included in investments is an amount of £5,317,668 (2010 - £4,707,195) relating to start-up funding of FirstGiving Inc and at the year end date the directors believed that the long-term nature of the debt was best represented as an investment

The directors have undertaken an impairment review of the investment, taking into account the post year end disposal and have made an appropriate impairment provision

During the year the company established JustGiving Nederland BV a new subsidiary in the Netherlands The company holds a 75% interest in this entity

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

11. DEBTORS

	Group		Company	
	2011	2010	**2011**	2010
	£	£	**£**	£
Due after more than one year				
Amounts owed by group undertakings	-	-	-	1,032,548

	Group		Company	
	2011	2010	**2011**	2010
	£	£	**£**	£
Due within one year				
Trade debtors	**170,510**	477,567	-	-
Other debtors	**876,682**	1,264,733	-	-
Prepayments and accrued income	**698,921**	515,553	-	-
Deferred tax asset (see note 14)	**8,670**	-	-	-
	1,754,783	2,257,853	-	-

12. CREDITORS·

Amounts falling due within one year

	Group		Company	
	2011	2010	**2011**	2010
	£	£	**£**	£
Bank loans	**1,642,094**	822,095	**1,642,094**	822,095
Trade creditors	**312,585**	392,965	-	-
Amounts owed to group undertakings	-	-	**2,405,165**	-
Corporation tax	**170,950**	258,168	-	16,867
Social security and other taxes	**203,019**	362,111	-	-
Other creditors	**208,325**	234,523	-	-
Accruals and deferred income	**815,121**	819,060	**16,966**	98
	3,352,094	2,888,922	**4,064,225**	839,060

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

13. CREDITORS:
Amounts falling due after more than one year

	Group		Company	
	2011	2010	**2011**	2010
	£	£	**£**	£
Bank loans	**-**	1,632,955	**-**	1,632,955

14. DEFERRED TAXATION

	Group		Company	
	2011	2010	**2011**	2010
	£	£	**£**	£
At beginning of year	**(43,152)**	(28,027)	**-**	-
Released during/(charge for) the year	**51,822**	(15,125)	**-**	-
At end of year	**8,670**	(43,152)	**-**	-

The deferred taxation balance is made up as follows

	Group		Company	
	2011	2010	**2011**	2010
	£	£	**£**	£
Accelerated capital allowances	**8,670**	(43,152)	**-**	-

15 SHARE CAPITAL

	2011	2010
	£	£
Allotted, called up and fully paid		
43,137,667 (2010 - 43,112,700) Ordinary shares of £0 01 each	**431,377**	431,127

During the year the company issued 25,000 shares for a total consideration of £3,000 as a result of share options being exercised

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

16. RESERVES

Group	Share premium account £	Merger reserve £	Profit and loss account £
At 1 January 2011	3,961,525	230,436	941,705
Loss for the year	-	-	(551,110)
Premium on shares issued during the year	2,750	-	-
Share based payments charge	-	-	230,745
Exchange loss arising on consolidation	-	-	(37,373)
At 31 December 2011	3,964,275	230,436	583,967

Company	Share premium account £	Profit and loss account £
At 1 January 2011	3,961,525	(391,174)
Loss for the year	-	(741,363)
Premium on shares issued during the year	2,750	-
Share based payments charge	-	230,745
At 31 December 2011	3,964,275	(901,792)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2011 £	2010 £
Opening shareholders' funds	**5,564,793**	4,743,992
(Loss)/profit for the year	**(551,110)**	509,991
Shares issued during the year	**250**	900
Share premium on shares issued (net of expenses)	**2,750**	12,400
Exchange loss on consolidation of foreign subsidiary	**(37,373)**	(97,246)
Share based payment charge	**230,745**	394,756
Closing shareholders' funds	**5,210,055**	5,564,793

Company	2011 £	2010 £
Opening shareholders' funds	**4,001,478**	3,989,162
Loss for the year	**(741,363)**	(395,740)
Shares issued during the year	**250**	900
Share premium on shares issued (net of expenses)	**2,750**	12,400
Share based payment charge	**230,745**	394,756
Closing shareholders' funds	**3,493,860**	4,001,478

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 £741,363 (2010 - £395,740)

18. MINORITY INTERESTS

Equity	£
At 1 January 2011	-
Purchase of minority interests	**8,944**
Foreign exchange movement	**(1,930)**
At 31 December 2011	**7,014**

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating (loss)/profit	**(93,992)**	1,557,758
Depreciation of tangible fixed assets	**734,098**	534,439
Loss on disposal of tangible fixed assets	**68,498**	2,932
Decrease in debtors	**511,108**	142,732
(Decrease)/increase in creditors	**(268,977)**	1,010,299
Share based payment charge	**230,745**	394,756
Currency fluctuations on net investment in foreign subsidiary	**(37,373)**	(97,246)
Net cash inflow from operating activities	**1,144,107**	3,545,670

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

20. ANALYSIS OF CASH FLOWS

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	**28,828**	42,139
Interest paid	**(110,079)**	-
Net cash (outflow)/inflow from returns on investments and servicing of finance	**(81,251)**	42,139

	2011 £	2010 £
Capital expenditure and financial investment		
Minority interest in share capital	**8,944**	-
Purchase of tangible fixed assets	**(599,338)**	(1,830,008)
Sale of tangible fixed assets	**-**	56,235
Exchange difference	**(2,086)**	(792)
Net cash outflow from capital expenditure	**(592,480)**	(1,774,565)

	2011 £	2010 £
Financing		
Issue of ordinary shares	**3,000**	13,300
New secured loans	**-**	2,455,050
Repayment of loans	**(812,956)**	-
Net cash (outflow)/inflow from financing	**(809,956)**	2,468,350

21. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2011 £	Cash flow £	Other non-cash changes £	31 December 2011 £
Cash at bank and in hand	5,924,865	(854,487)	-	5,070,378
Debts due within one year	(822,095)	812,956	(1,632,955)	(1,642,094)
Debts falling due after more than one year	(1,632,955)	-	1,632,955	-
Net funds	3,469,815	(41,531)	-	3,428,284

22. 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

	2011 Weighted average exercise price	**2011 Number of options**	2010 Weighted average exercise price	2010 Number of options
Outstanding at 1 January 2010	**16.2p**	**8,982,370**	18 2p	10,155,015
Granted during the year	**-**	**-**	94 7p	360,000
Exercised during the year	**12.0p**	**(25,000)**	14 8p	(90,000)
Forfeit during the year	**70.7p**	**(1,067,930)**	49 8p	(1,442,645)
Outstanding at 31 December 2010	**8.9p**	**7,889,440**	16 2p	8,982,370
Exercisable at 31 December 2010	**8.9p**	**7,889,440**	11 9p	8,482,370

Share options outstanding at 31 December 2011 had a weighted average exercise price of 8 9 pence (2010 - 16 2 pence) and a weighted average contractual life of 3 0 years (2010 - 3 0 years) During the year 25,000 (2010 - 90,000) 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

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	14 00	14 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 62 00p

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

23. OPERATING LEASE COMMITMENTS

At 31 December 2011 the company and group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2011	2010
Company and Group	**£**	£
Expiry date:		
Between 2 and 5 years	-	39,071
After more than 5 years	**305,900**	386,095
Total	**305,900**	425,166

24. 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 £107,538 (2010 - £100,000) 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 £7,538 (2010 - £2,455) Also included within other debtors is a £81,806 (2010 - £75,000) 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 £6,806 (2010 - £2,827) Both loans have been repaid in full since the year end date

25. POST BALANCE SHEET EVENTS

On 3 August 2012 the company sold its investment in FirstGiving Inc for a net consideration of approximately US$8,200,000

26. 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