

GIVING LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

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GIVING LIMITED

COMPANY INFORMATION

Directors	B Hatvany A M Huby J Huysmans Z Kharas J Mckay
Company secretary	Z Kharas
Registered number	03979990
Registered office	2nd Floor Blue Fin Building 110 Southwark Street London SE1 0TA
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

GIVING LIMITED

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GIVING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013.

Principal activities

JustGiving is the world's social platform for giving, enabling people all over the world to raise funds for, and donate to, the charities and projects they care about. The group provides charities with fundraising and reporting tools that maximise donations and cut administration costs.

Results and dividends

The profit for the year, after taxation, amounted to £235,055 (2012 - £6,040,301). The profit in 2012 included a £4,759,293 profit arising on the sale of a US subsidiary, FirstGiving Inc.

The directors do not recommend the payment of a dividend (2012 - £Nil). The directors continue to take a long term view of continued re-investment in innovation by the group.

Directors

The directors who served during the year were:

B Hatvany
A M Huby
J Huysmans
Z Kharas
J McKay

Financial risk management objectives and policies

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 claimed from the HMRC 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.

Research and development activities

The group incurs research and development costs in respect of the continued investment in their giving platform.

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.

GIVING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

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.

Events since the end of the year

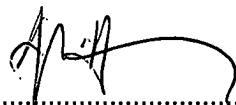
On 11 February 2014 the directors passed a resolution for the group to adopt the JustGiving EMI Share Option Plan, under which it will grant to certain employees tax-advantaged Enterprise Management Incentive share options. During April 2014 these options were issued and simultaneously, the share options in existence under the group's previous share option scheme were waived by the employees and were treated as lapsed.

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 its report and to establish that the company and the group's auditor is aware of that information.

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



A M Huby
Director

Date: 25 September 2014

GIVING LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Business review and future developments

JustGiving continued to set the pace of technology and product innovation in online giving in 2013, with £292m donated to good causes through its platform, a 20% rise on the previous year. True to their commitment to investing in future growth, shareholders continued to take a long-term view and chose to reinvest all profits back into the business.

The group increased its investment by £3.0m over 2012 (in 2012 over 2011 it was £1.6m), in order to deliver a number of market-leading applications, platform developments and R&D projects.

- JustGiving launched a revolutionary donation process to let users give in 'one touch' – a move that doubled donation success rates on mobile devices
- A majority of consumers, including charity donors, now prefer mobile devices over desktop computers, and yet most charity websites are not designed to accept donations in this way. JustGiving's rapid move to a 'mobile first' service continued with the release of mobile-optimised charity pages on its website.
- JustGiving cemented its leadership in 'social giving' by integrating more closely with Facebook and other social media sites to help fundraiser's and donors spread the word about their causes more effectively.
- The company also launched a crowdfunding platform for social good, www.yimby.com, to enable community projects to find support online. To date, nearly £1.08m has been pledged through the Platform. Yimby has quickly earned a reputation for effective fundraising, with one of the highest funding success rates per project (68%) in the UK crowdfunding sector.
- JustGiving stepped up its investment in data and analytics for the benefit of charities. With support from Nesta, the company's analytics team built and tested the world's first 'recommendation engine' for charity giving, designed to enable intelligent connections between causes and the people most likely to support them. Having proven the effectiveness of this approach, JustGiving is now building highly personalised services for users and charities that it believes will materially increase engagement and giving in years to come.

2013 was also a year of global expansion for the company.

- JustGiving made it possible for charities around the world to sign up to its service online, complete with world-class vetting services to ensure donors can give with confidence.
- We entered into new partnerships in Australia, Hong Kong and the Middle East. By the year end, 700 leading corporations – up from 500 the previous year - were using JustGiving for their employee fundraising, many of them with a global reach. This programme is a valuable extension of our member charities' own efforts to engage with corporations as more traditional corporate philanthropy budgets are tightened.

2013 was a transformational year for JustGiving, as we invested in creating a more social, intelligent and personalised version of the platform. With our continued commitment to innovation, we enter 2014 ready to make another huge step change in giving, for the benefit of all.

GIVING LIMITED

GROUP STRATEGIC REPORT (continued)

Principal risks and uncertainties

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.

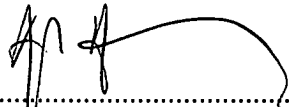
Financial key performance indicators

Turnover grew by 15% in 2013, driven by investment in product and platform. Investment increased by £3.0m compared with 2012 resulting in a growth in the global cost base with a consequent reduction in group operating profits from £1.1m profit in 2012 to a £0.3m loss in 2013.

Other key performance indicators

The directors closely monitor a number of leading financial and non-financial performance indicators, including those focused on user satisfaction and usability, to monitor the overall health of the business.

This report was approved by the board on 25 September 2014 and signed on its behalf.


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A M Huby
Director

GIVING LIMITED

DIRECTORS' RESPONSIBILITIES

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 group and company 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 group and company and of the profit or loss of the group for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 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 2013 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses 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 statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 2013 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and 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.



Stuart Barnsdall (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 25 September 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

GIVING LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
TURNOVER	1,2		
Continuing operations		16,129,004	14,017,375
Discontinued operations		-	1,775,789
		<u>16,129,004</u>	<u>15,793,164</u>
Transaction processing costs		<u>(2,571,270)</u>	<u>(2,506,719)</u>
Net revenue from operations		13,557,734	13,286,445
Other external charges		(5,574,158)	(4,503,430)
Staff costs		(7,307,047)	(6,865,061)
Depreciation and amortisation		<u>(1,017,520)</u>	<u>(807,275)</u>
OPERATING (LOSS)/PROFIT	3		
Continuing operations		(340,991)	1,179,449
Discontinued operations		-	(68,770)
		(340,991)	1,110,679
EXCEPTIONAL ITEMS			
Profit on sale of subsidiary	8	-	4,759,293
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(340,991)	5,869,972
Interest receivable and similar income	6	81,744	21,093
Interest payable and similar charges	7	<u>(18,476)</u>	<u>(63,587)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(277,723)	5,827,478
Tax on (loss)/profit on ordinary activities	9	<u>512,778</u>	<u>212,823</u>
PROFIT FOR THE FINANCIAL YEAR	18	<u><u>235,055</u></u>	<u><u>6,040,301</u></u>

The notes on pages 13 to 28 form part of these financial statements.

GIVING LIMITED

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
PROFIT FOR THE FINANCIAL YEAR	235,055	6,040,301
Exchange loss on consolidation of foreign subsidiaries	<u>(5,471)</u>	<u>(2,719)</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>229,584</u></u>	<u><u>6,037,582</u></u>

The notes on pages 13 to 28 form part of these financial statements.

GIVING LIMITED
REGISTERED NUMBER: 03979990

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Intangible assets	10		339,324		-
Tangible assets	11		1,056,196		1,476,590
			1,395,520		1,476,590
CURRENT ASSETS					
Debtors	13	4,991,597		2,737,671	
Cash at bank		8,276,809		9,811,077	
		13,268,406		12,548,748	
CREDITORS: amounts falling due within one year	14	(2,884,812)		(2,503,088)	
NET CURRENT ASSETS			10,383,594		10,045,660
TOTAL ASSETS LESS CURRENT LIABILITIES			11,779,114		11,522,250
CREDITORS: amounts falling due after more than one year	15		-		(44,263)
NET ASSETS			11,779,114		11,477,987
CAPITAL AND RESERVES					
Called up share capital	17		472,458		469,056
Share premium account	18		4,002,540		3,964,275
Merger reserve	18		230,436		230,436
Profit and loss account	18		7,073,680		6,814,220
SHAREHOLDERS' FUNDS	19		11,779,114		11,477,987

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

Zamie Kharas

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Z Kharas
 Director

Date: 25 September 2014

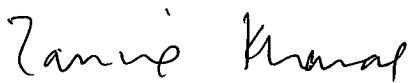
The notes on pages 13 to 28 form part of these financial statements.

GIVING LIMITED
REGISTERED NUMBER: 03979990

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£	2013 £	As restated 2012 £
FIXED ASSETS				
Intangible assets	10		339,324	-
Tangible assets	11		160,000	439,646
Investments	12		167,741	93,750
			<u>667,065</u>	<u>533,396</u>
CURRENT ASSETS				
Debtors	13	340,971		457,114
Cash at bank		1,672,812		5,082,217
		<u>2,013,783</u>		<u>5,539,331</u>
CREDITORS: amounts falling due within one year	14	(361,403)		(3,389,361)
NET CURRENT ASSETS			<u>1,652,380</u>	<u>2,149,970</u>
NET ASSETS			<u><u>2,319,445</u></u>	<u><u>2,683,366</u></u>
CAPITAL AND RESERVES				
Called up share capital	17		472,458	469,056
Share premium account	18		4,002,540	3,964,275
Profit and loss account	18		(2,155,553)	(1,749,965)
SHAREHOLDERS' FUNDS	19		<u><u>2,319,445</u></u>	<u><u>2,683,366</u></u>

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



.....
Z Kharas
 Director

Date: 25 September 2014

The notes on pages 13 to 28 form part of these financial statements.

GIVING LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	20	(388,587)	2,872,940
Returns on investments and servicing of finance	21	63,268	(42,494)
Taxation		246,906	(838,214)
Capital expenditure and financial investment	21	(973,778)	(594,933)
Acquisitions and disposals	21	-	4,424,071
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(1,052,191)	5,821,370
Financing	21	(482,077)	(1,080,671)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(1,534,268)	4,740,699

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 £	2012 £
(Decrease)/Increase in cash in the year	(1,534,268)	4,740,699
Cash outflow from decrease in debt	523,744	1,118,350
MOVEMENT IN NET FUNDS IN THE YEAR	(1,010,524)	5,859,049
Net funds at 1 January 2013	9,287,333	3,428,284
NET FUNDS AT 31 DECEMBER 2013	8,276,809	9,287,333

The notes on pages 13 to 28 form part of these financial statements.

GIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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 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.

1.3 Intangible fixed assets and amortisation

Intangible assets meeting the relevant recognition criteria are initially measured at cost and amortised on a systematic basis over their useful estimated lives of 5 years.

1.4 Prior year adjustment

During the year the company changed its accounting policy in respect of amounts advanced to subsidiary companies. The subsidiaries of Giving Limited that are in the start-up phase are advanced funds and currently have their operating costs supported by the company. As the company considers these advances to be an operating cost rather than an investment, they are recognised in current assets as amounts due from group undertakings with appropriate provision made for irrecoverable amounts.

The effect of this prior year adjustment is to reduce the company net assets by £250,071, increasing the loss incurred by the company of the same amount.

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	-	between 1 and 5 years
Fixtures and fittings	-	between 1 and 5 years
Computer licences and hardware	-	between 3 and 5 years
IT systems	-	over 5 years

Tangible fixed assets are not depreciated until they are brought into use.

GIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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 in subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment.

GIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

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.

1.12 Research and development

Research and development costs are incurred in respect of the Group's continued investment in their donation platform. Where development costs incurred meet the criteria for capitalisation they are recognised within fixed assets and subsequently written off over their estimated useful life. Research and development costs which are not capitalised are written off to the profit and loss account as they are incurred.

1.13 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

GIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

2. TURNOVER

A geographical analysis of turnover is as follows:

	2013 £	2012 £
United Kingdom	16,088,247	14,002,010
Rest of European Union	39,374	15,365
Rest of the World (2012 relates to discontinued activities)	1,383	1,775,789
	<u>16,129,004</u>	<u>15,793,164</u>

The whole of the turnover and the (loss)/profit before taxation for both continuing and discontinued activities is attributable to the primary activities of the Group.

3. OPERATING (LOSS)/PROFIT

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

	2013 £	2012 £
Amortisation - intangible fixed assets	26,261	-
Depreciation of tangible fixed assets:		
- owned by the group	991,259	807,275
Auditor's remuneration	40,750	40,750
Operating lease rentals:		
- land and buildings	244,720	301,444
Difference on foreign exchange	3,222	5,473
Research and development expenditure written off	1,659,742	1,554,695
	<u>1,659,742</u>	<u>1,554,695</u>

Auditor fees for the company were £7,750 (2012 - £8,750).

4. DIRECTORS' REMUNERATION

	2013 £	2012 £
Remuneration	<u>448,848</u>	<u>468,022</u>
Company pension contributions to defined contribution pension scheme	<u>61,200</u>	<u>71,400</u>

During the year retirement benefits were accruing to 2 directors (2012 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £124,000 (2012 - £107,953) plus additional emoluments of £2,517 (2012 - £22,838) in respect of payments made under an employee profit-sharing scheme in which all employees participate. 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 £48,800 (2012 - £59,400).

GIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2013 £	2012 £
Wages and salaries	6,421,365	5,817,273
Social security costs	689,371	636,922
Other pension costs	166,435	218,195
Share-based payments	29,876	192,671
	<u>7,307,047</u>	<u>6,865,061</u>

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

	2013 No.	2012 No.
Administration	54	43
Information technology	43	39
Sales and distribution	16	14
	<u>113</u>	<u>96</u>

6. INTEREST RECEIVABLE

	2013 £	2012 £
Bank interest receivable	<u>81,744</u>	<u>21,093</u>

7. INTEREST PAYABLE

	2013 £	2012 £
On bank loans	<u>18,476</u>	<u>63,587</u>

8. EXCEPTIONAL ITEMS

	2013 £	2012 £
Profit on disposal of subsidiary	<u>-</u>	<u>4,759,293</u>

The profit recognised on disposal of FirstGiving Inc. was tax neutral.

GIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

9. TAXATION

	2013 £	2012 £
Analysis of tax credit in the year		
Current tax (see note below)		
UK corporation tax charge on (loss)/profit for the year	-	60,645
Adjustments in respect of prior periods	(60,602)	(192,909)
Total current tax	(60,602)	(132,264)
Deferred tax		
Origination and reversal of timing differences	(421,014)	(80,559)
Adjustment in respect of prior years	(31,162)	-
Total deferred tax (see note 16)	(452,176)	(80,559)
Tax on (loss)/profit on ordinary activities	(512,778)	(212,823)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%). The differences are explained below:

	2013 £	2012 £
(Loss)/profit on ordinary activities before tax	(277,723)	5,827,478
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%)	(64,571)	1,427,732
Effects of:		
Non-tax deductible expenses	133,738	124,409
Depreciation for year in excess of capital allowances	124,582	72,936
Small companies rate	-	(1,351)
Losses carried forward	382,456	-
Adjustments to tax charge in respect of prior periods	(60,602)	(192,909)
Disposal of a subsidiary	-	(1,166,033)
Short term timing differences	(1,616)	-
Research and development relief	(574,589)	(397,048)
Current tax credit for the year (see note above)	(60,602)	(132,264)

GIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

10. INTANGIBLE FIXED ASSETS

	Intangibles £
Group and Company	
Cost	
Additions	245,939
Transfer from tangible fixed assets	119,646
	<hr/>
At 31 December 2013	365,585
	<hr/>
Amortisation	
At 1 January 2013	-
Charge for the year	26,261
	<hr/>
At 31 December 2013	26,261
	<hr/>
Net book value	
At 31 December 2013	339,324
	<hr/> <hr/>

During the year the company reconsidered the investment made in certain domain names and determined that it was more appropriate to classify them as an intangible asset. Accordingly, £119,646 was transferred from IT systems within tangible fixed assets and has been reclassified as an intangible fixed asset.

GIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

11. TANGIBLE FIXED ASSETS

Group	Leasehold improve- ments £	Fixtures and fittings £	Computer licences and hardware £	IT systems £	Total £
Cost					
At 1 January 2013	391,470	114,852	1,502,598	2,262,451	4,271,371
Additions	62,080	138,776	136,698	390,285	727,839
Disposals	(62,080)	-	(1,824)	-	(63,904)
Transfer to intangibles	-	-	-	(119,646)	(119,646)
At 31 December 2013	391,470	253,628	1,637,472	2,533,090	4,815,660
Depreciation					
At 1 January 2013	226,461	68,531	1,073,211	1,426,578	2,794,781
Charge for the year	110,005	137,135	261,787	482,332	991,259
On disposals	(25,968)	-	(608)	-	(26,576)
At 31 December 2013	310,498	205,666	1,334,390	1,908,910	3,759,464
Net book value					
At 31 December 2013	80,972	47,962	303,082	624,180	1,056,196
At 31 December 2012	165,009	46,321	429,387	835,873	1,476,590

Company	Computer licences and hardware £	IT systems £	Total £
Cost			
At 1 January 2013	800,000	119,646	919,646
Transfer to intangibles	-	(119,646)	(119,646)
At 31 December 2013	800,000	-	800,000
Depreciation			
At 1 January 2013	480,000	-	480,000
Charge for the year	160,000	-	160,000
At 31 December 2013	640,000	-	640,000
Net book value			
At 31 December 2013	160,000	-	160,000
At 31 December 2012	320,000	119,646	439,646

GIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

12. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £	Loans to subsidiaries £	Total £
Cost or valuation			
At 1 January 2013 (as previously stated)	93,750	250,071	343,821
Prior year adjustment	-	(250,071)	(250,071)
At 1 January 2013 (as restated)	93,750	-	93,750
Additions	73,991	-	73,991
At 31 December 2013	167,741	-	167,741
Net book value			
At 31 December 2013	167,741	-	167,741
At 31 December 2012 (as restated)	93,750	-	93,750

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 and causes on one site. The cost of investment in subsidiary at 1 January 2013 of £93,750 is represented by the issue at par value of 9,375,000 ordinary shares of 1p each in Giving.com Limited.

In 2011 the company established JustGiving Nederland BV a subsidiary in the Netherlands and on incorporation held a 75% interest in this entity. During the current year the company purchased the remaining 25% of the ordinary share capital for a consideration of £73,991 and at the same time the minority interest holding in the group was removed.

During the prior year the company incorporated JustGiving Australia Pty Limited, a wholly owned subsidiary based in Sydney, Australia.

The company 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. The company also controls JustGiving Foundation, a UK charity that is limited by guarantee.

Due to the start-up nature of certain subsidiary companies, Giving Limited changed its accounting policy in respect of advances to subsidiaries. Loans advanced to subsidiaries are now recognised within current assets as amounts due from group undertakings with appropriate provision made for irrecoverable amounts. This has also given rise to a prior year adjustment, with the prior year adjustment amount of £250,071 being fully provided for.

GIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

13. DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	276,559	142,403	-	-
Corporation tax recoverable	596,258	782,562	-	-
Other debtors	3,087,654	1,278,802	308,168	434,740
Prepayments and accrued income	489,721	444,675	-	-
Deferred tax asset (see note 16)	541,405	89,229	32,803	22,374
	4,991,597	2,737,671	340,971	457,114

**14. CREDITORS:
Amounts falling due within one year**

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	-	523,744	-	523,744
Trade creditors	263,716	475,321	-	-
Amounts owed to group undertakings	-	-	361,302	2,865,617
Other taxation and social security	572,456	376,755	-	-
Other creditors	150,778	122,056	-	-
Accruals and deferred income	1,897,862	1,005,212	101	-
	2,884,812	2,503,088	361,403	3,389,361

**15. CREDITORS:
Amounts falling due after more than one year**

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Other creditors	-	44,263	-	-

GIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

16. DEFERRED TAX ASSET

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
At beginning of year	89,229	8,670	22,374	-
Movement	452,176	80,559	10,429	22,374
At end of year	<u>541,405</u>	<u>89,229</u>	<u>32,803</u>	<u>22,374</u>

The deferred tax asset is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2013	2012	2013	2012
	£	£	£	£
Accelerated capital allowances	206,923	89,229	32,803	22,374
Trade losses	328,995	-	-	-
Short-term timing differences	5,487	-	-	-
	<u>541,405</u>	<u>89,229</u>	<u>32,803</u>	<u>22,374</u>

17. SHARE CAPITAL

	2013	2012
	£	£
Allotted, called up and fully paid		
43,477,892 (2012 - 43,137,667) Ordinary shares of £0.01 each	434,779	431,377
37,679 Ordinary A shares of £1 each	37,679	37,679
	<u>472,458</u>	<u>469,056</u>

On 22 February 2013, as a result of share option exercises by employees, the company issued 30,000 ordinary 1 pence shares at 14 pence per share and a further 114,025 shares at 8.77 pence per share. The total consideration received for these shares was £14,200.

On 15 August 2013, as a result of share option exercises by employees, the company issued a further 196,200 ordinary 1 pence shares at 14 pence per share for a total consideration of £27,468.

Each holder of the Ordinary shares shall be entitled to receive notice of, and to attend and vote at, general meetings of the Company, on a show of hands every holder of Ordinary shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have one vote and on a poll every holder of Ordinary shares so present shall have one vote for each Ordinary share held.

Each holder of the A Ordinary shares shall be entitled to receive notice of, and to attend and vote at, general meetings of the Company, on a show of hands every holder of A Ordinary shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative or by proxy shall have 100 votes and on a poll every holder of A Ordinary shares so present shall have 100 votes for each A Ordinary share held.

GIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

18. RESERVES

	Share premium account £	Merger reserve £	Profit and loss account £
Group			
At 1 January 2013	3,964,275	230,436	6,814,220
Profit for the year	-	-	235,055
Premium on shares issued during the year	38,265	-	-
Share based payments charge	-	-	29,876
Exchange loss arising on consolidation	-	-	(5,471)
At 31 December 2013	<u>4,002,540</u>	<u>230,436</u>	<u>7,073,680</u>
		Share premium account £	Profit and loss account £
Company			
At 1 January 2013 (as previously stated)		3,964,275	(1,499,894)
Prior year adjustment			(250,071)
At 1 January 2013 (as restated)			<u>(1,749,965)</u>
Loss for the year		-	(435,464)
Premium on shares issued during the year		38,265	-
Share based payments charge		-	29,876
At 31 December 2013		<u>4,002,540</u>	<u>(2,155,553)</u>

GIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Group		
Opening shareholders' funds	11,477,987	5,210,055
Profit for the financial year	235,055	6,040,301
Shares issued during the year	3,402	37,679
Share premium on shares issued (net of expenses)	38,265	-
Exchange loss on consolidation of foreign subsidiary	(5,471)	(2,719)
Share based payment charge	29,876	192,671
	<u>11,779,114</u>	<u>11,477,987</u>
Closing shareholders' funds		
	<u>11,779,114</u>	<u>11,477,987</u>
	2013 £	2012 £
Company		
Opening shareholders' funds	2,933,437	3,493,860
Prior year adjustments	(250,071)	
	<u>2,683,366</u>	
Opening shareholders' funds (as restated)	2,683,366	
Loss for the financial year	(435,464)	(1,040,844)
Shares issued during the year	3,402	37,679
Share premium on shares issued (net of expenses)	38,265	-
Share based payment charge	29,876	192,671
	<u>2,319,445</u>	<u>2,683,366</u>
Closing shareholders' funds		
	<u>2,319,445</u>	<u>2,683,366</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, exclusive of the prior year adjustment, was £435,464 (2012 - £1,040,844).

20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating (loss)/profit	(340,991)	1,110,679
Depreciation of tangible fixed assets	991,259	807,275
Loss on disposal of tangible fixed assets	37,328	-
(Increase)/decrease in debtors	(1,988,054)	134,604
Increase in creditors	861,205	637,444
Amortisation of intangible assets	26,261	-
Share based payment charge	29,876	192,671
Currency fluctuations on foreign currency net assets	(5,471)	(2,719)
Minority interest provision	-	(7,014)
	<u>(388,587)</u>	<u>2,872,940</u>
Net cash (outflow)/inflow from operating activities		
	<u>(388,587)</u>	<u>2,872,940</u>

GIVING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

21. ANALYSIS OF CASH FLOWS

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	81,744	21,093
Interest paid	(18,476)	(63,587)
	<u>63,268</u>	<u>(42,494)</u>
Net cash inflow/(outflow) from returns on investments and servicing of finance		
	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(245,939)	-
Purchase of tangible fixed assets	(727,839)	(596,650)
Exchange difference	-	1,717
	<u>(973,778)</u>	<u>(594,933)</u>
Net cash outflow from capital expenditure		
	2013 £	2012 £
Acquisitions and disposals		
Sale of subsidiary undertaking	-	4,424,071
	<u>-</u>	<u>4,424,071</u>
	2013 £	2012 £
Financing		
Issue of ordinary shares	41,667	37,679
Repayment of loans	(523,744)	(1,118,350)
	<u>(482,077)</u>	<u>(1,080,671)</u>
Net cash outflow from financing		

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2013 £	Cash flow £	31 December 2013 £
Cash at bank and in hand	9,811,077	(1,534,268)	8,276,809
Debt:			
Debts due within one year	(523,744)	523,744	-
Net funds	<u>9,287,333</u>	<u>(1,010,524)</u>	<u>8,276,809</u>

GIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

23. 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:

	2013 Weighted average exercise price	2013 Number of options	2012 Weighted average exercise price	2012 Number of options
Outstanding at 1 January 2013	10.30p	10,759,570	8.9p	7,889,440
Granted during the year	-	-	14.0p	5,324,056
Exercised during the year	12.25p	(340,225)	-	-
Forfeit during the year	8.64p	(7,497,548)	14.0p	(2,453,926)
Outstanding at 31 December 2013	13.16p	2,921,797	10.3p	10,759,570
Exercisable at 31 December 2013	13.16p	2,921,797	10.3p	10,759,570

Share options outstanding at 31 December 2013 had a weighted average exercise price of 13.16 pence (2012 - 10.3 pence) and a weighted average contractual life of 10.0 years (2012 - 10.0 years). During the current year 340,225 (2012 - £Nil) share options were exercised for a total consideration of £41,668. 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 2010	Jan 2012	May 2012
Fair value (p)	5.59	5.59	5.59
Share price (p)	14.00	14.00	14.00
Exercise price (p)	14.00	14.00	14.00
Expected volatility	10.0%	10.0%	10.0%
Option life (yrs)	10	10	10
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 14.00p.

GIVING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

24. OPERATING LEASE COMMITMENTS

At 31 December 2013 the company and group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2013	2012
Company and Group	£	£
Expiry date:		
Within 1 year	305,900	-
Between 2 and 5 years	-	305,900
Total	305,900	305,900

25. 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.

During the year Pollcast ApS, the ultimate parent entity, fully repaid a loan due to the company. The loan was settled on 19 December 2013 and the balance of the loan at this date was £116,457 (2012 - £110,455). Interest was charged on the loan at a rate of 4% per annum, and the charge accrued in the period amounted to £6,002 (2012 - £4,000).

In addition to the above Smashies Pouches Inc., a company which is guaranteed by Pollcast ApS, also fully repaid a loan due to the company. The loan was settled on 19 December 2013 and the balance of the loan at this date was £88,337 (2012 - £83,827). Interest was charged on the loan at a rate of 4% per annum, and the charge accrued in the period amounted to £4,510 (2012 - £3,000).

During the year the company advanced a loan of £27,070 to 2 Enable Partners. No interest is charged on the loan and the full amount is included within other debtors as at 31 December 2013.

26. POST BALANCE SHEET EVENTS

On 11 February 2014 the directors passed a resolution for the group to adopt the JustGiving EMI Share Option Plan, under which it will grant to certain employees tax-advantaged Enterprise Management Incentive share options. During April 2014 these options were issued and simultaneously, the share options in existence under the group's previous share option scheme were waived by the employees and were treated as lapsed.

27. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

On 23 December 2013 Pollcast ApS, a company incorporated in the EU who were the immediate parent company of Giving Limited, sold their shares in Giving Limited to 2 Enable Partners. At the year end 2 Enable Partners was the immediate parent company of Giving Limited. The ultimate controlling party is Bela Hatvany and members of his family.