

Roofoods Ltd

Annual Report and Financial Statements

For the year ended 31 December 2017

Company Number: 08167130

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Company information

Directors

Will Shu
Martin Mignot
Benjamin Scott Peretz
Antoine Francois Kazuo Froger
Adam Alexander Valkin
Luciana Lixandru
Darrell Cavens

Independent Auditors

PricewaterhouseCoopers LLP, 1 Embankment Place, London, WC2N 6RH.

Registered Office

The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE.

Strategic report

The directors present their Strategic Report of Roofoods Ltd ("the Company") and its subsidiaries ("the Group") for the year ended 31 December 2017.

Review of operations, financial results, business and Key Performance Indicators

Roofoods Ltd is the parent company of the Deliveroo Group. The primary business activity of the Group is on-demand food delivery service.

The Group's business operations capitalise on rapidly changing food consumption habits. Its website and smartphone app enable consumers to enjoy food from their favourite restaurants, including many that did not previously take orders online.

The Group has also seen expansion in its Editions kitchens, which open up new geographies to popular restaurants which have no bricks-and-mortar presence in a particular area. It also enables our customers to have a greater selection of restaurants in those areas.

The Group successfully completed a series F funding round, raising \$493m during the year, giving it a valuation in excess of \$2bn.

The significant growth in our business since inception was recognised in a series of awards during the year, which included the Deloitte UK Fast 50 and EMEA Fast 500 awards, winning both competitions with our 4 year revenue growth rate of 101,117% to the end of 2016.

We were also top of the Financial Times 1000 – a list of the top 1,000 European companies achieving the highest compound annual revenue growth over the 3 years to the end of 2016.

The Group has invested in growing several different parts of the business this year.

The acquisition of Omakase Inc. was completed in August 2017 for £11m. This acquisition added to our existing technology team of highly skilled developers and engineers, and specialist restaurant facing technology particularly relevant for our Editions kitchens.

We have also grown the business by adding 64 new cities globally during 2017, launching cities such as Canberra, Liege and Bruges.

Strategic report (continued)

Review of operations, financial results, business and Key Performance Indicators (continued)

Key Performance Indicators:

Revenue from operations was up 116% to £277,142,073 (2016: up 611% to £128,564,142).

The Group's net assets increased by 120% to £371,555,005 (2016: increase of 87% to £168,732,550) largely due to the Group's capital raising activities.

Future developments

The Group expects significant further growth in sales from current and future customers in all markets. It is implementing several strategies to generate this growth, including:

- Further improvements to its online presence;
- Geographic expansion into new cities; and
- Large-scale, high impact marketing campaigns.

Principal risks and uncertainties facing the business

The directors assess the risks and uncertainties facing the business on a regular basis with principal risks identified as follows:

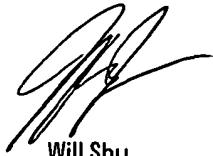
- New competitors are entering the market and there is increased activity from existing competitors.
 - The Group continues to ensure it offers the best customer proposition, driving lower prices for customers and generating higher demand for restaurant partners.
- Changes to regulation or legislation could impact the Group.
 - The Group closely monitors all relevant regulation and legislation to ensure that potentially adverse changes are identified early in the process and action is taken to mitigate any impact.
- The Group is dependent on technology in order to operate in the market.
 - The Group has a highly skilled engineering team working on innovative and world class technology to give customers a great experience.
- As the Group is currently loss making, there is a risk that execution of its strategy could be inhibited by insufficient cash being available.
 - The Company is supported by an engaged investor pool and cashflow is carefully monitored and managed by the directors.

Strategic report (continued)

Principal risks and uncertainties facing the business (continued)

- The directors consider the Group and Company to be a going concern due to the considerable available cash holdings which are considered by the Board to be adequate to allow the Group and Company to continue in operational existence for the foreseeable future.

This report was approved on behalf of the Board on 28 September 2018 and signed on its behalf by:



Will Shu
Director
28 September 2018

Directors' report

The directors of Roofoods Ltd present their report together with the audited consolidated financial statements for the year ended 31 December 2017.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Will Shu
Frederic Geoffrey Albert Destin (resigned 11/04/2017)
Martin Mignot
Benjamin Scott Peretz
Antoine Francois Kazuo Froger
Adam Alexander Valkin
Luciana Lixandru (appointed 11/04/2017)
Darrell Cavens (appointed 8/12/2017)

Principal activities

The principal activity of entities within the Group and the Company was the provision of an on-demand delivery service of take-away food.

There have been no significant changes in the nature of these activities during the year.

Roofoods Ltd is a limited company and is incorporated and domiciled in the United Kingdom.

Employment of disabled persons

The Group's policy is to provide disabled persons, including those who become disabled during their employment, with employment opportunities equal to those of other employees and to enable disabled persons to train for and attain any position in the Group, having regard to the maintenance of a safe working environment.

Regular employee consultation

Management regularly consult with employees and provide them with information on matters of concern to them as employees. The consultation process supports employees' collective understanding of the financial and economic factors that affect the performance of the Company. Employees are also encouraged to participate in certain decision-making processes. Management also incentivises employee involvement in the Company's performance through the award of share options to some employees.

Directors' indemnities

To the extent permitted by law, directors have been granted a qualifying third party indemnity by the Company in respect of liabilities incurred in connection with their office, which is in force at the date of approval of the financial statements. In addition, the Group maintained a directors' and officers' liability insurance policy throughout the year. Neither the indemnity nor the Group's insurance provides cover in the event that a director is proven to have acted dishonestly or fraudulently.

Directors' report (continued)

Dividends

The directors do not recommend the payment of a dividend (2016: £nil).

Research and development

Expenditure on the research phase of projects to develop new customised software for IT and telecommunication systems is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets.

Independent auditors

PricewaterhouseCoopers LLP (the "Auditors") were reappointed during the year for the year ended 31 December 2017. PricewaterhouseCoopers LLP will continue to hold office in accordance with Section 487 of the Companies Act 2006.

Future developments

Disclosed in the strategic report.

Financial risk management objectives and policies

Details of financial risk management objectives and policies are set out in the note 23 to the financial statements.

Events arising since the end of the reporting period

Refer to note 27 for matters or circumstances that have arisen since the end of the year.

Approved on behalf of the Board and signed on its behalf by:



Will Shu
Director
28 September 2018

Company Number: 08167130

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the group financial statements and IFRSs as adopted by the European Union have been followed for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

This statement was approved on behalf of the Board of directors on 28 September 2018 and signed on its behalf by:

Will Shu
Director
28 September 2018



Independent auditors' report to the members of Roofoods Ltd

Report on the Group financial statements

Opinion

In our opinion, Roofoods Ltd's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2017 and of the group's loss and the group's and the company's cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union and, as regards the company's financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Roofoods Ltd financial statements (the "Annual Report"), which comprise: the consolidated and company statements of financial position as at 31 December 2017; the consolidated income statement and statement of comprehensive income, the consolidated and company statements of cash flows, and the consolidated and company statements of changes in equity for the year then ended; and the notes to the consolidated and company financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

Independent auditors' report to the members of Roofoods Ltd (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities set out on page 9, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditors' report to the members of Roofoods Ltd (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Brian Henderson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 September 2018

Consolidated income statement and statement of comprehensive income

| | Note | 2017 £ | 2016 £ |
|-------------------------------|----------|----------------------|----------------------|
| Revenue | 4 | 277,142,073 | 128,564,142 |
| Cost of sales | | (212,833,806) | (127,476,267) |
| Gross profit | | 64,308,267 | 1,087,875 |
| Other operating income | 5 | 3,446,176 | 61,912 |
| Administrative expenses | | (244,459,802) | (142,195,507) |
| Other operating expenses | 5 | (1,287,672) | - |
| Operating loss | 6 | (177,993,031) | (141,045,720) |
| Finance costs | 7 | (8,084,161) | - |
| Finance income | 7 | 1,421,842 | 11,968,734 |
| Loss before income tax | | (184,655,350) | (129,076,986) |
| Income tax expense | 8 | 1,128,261 | - |
| Loss for the year | | (183,527,089) | (129,076,986) |

| | | 2017 £ | 2016 £ |
|--|------|----------------------|-----------------------|
| | | | Restated ¹ |
| Other comprehensive loss | | | |
| Loss for the year | | (183,527,089) | (129,076,986) |
| <i>Items that may be reclassified subsequently to the statement of comprehensive income:</i> | | | |
| Currency translation differences | | (1,142,254) | (5,765,953) |
| Deferred tax recognised in statement of comprehensive income | 8,16 | (167,513) | - |
| Other comprehensive loss for the year | | (184,836,856) | (134,842,939) |
| Total comprehensive loss for the year | | (184,836,856) | (134,842,939) |

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 20 to 54.

¹ Restated to include the presentation of £2,188,139 foreign currency translation differences.

Consolidated statement of financial position

As at 31 December 2017

| | Note | 2017 £ | 2016 £ |
|--------------------------------------|------|---------------------|-----------------------|
| Non-current assets | | | |
| Property, plant and equipment | 9 | 19,476,122 | 11,121,513 |
| Intangible assets | 10 | 21,315,180 | 6,137,259 |
| Trade and other receivables | 11 | 5,545,953 | 1,451,925 |
| Total non-current assets | | 46,337,255 | 18,710,697 |
| Current assets | | | |
| Cash and cash equivalents | 12 | 380,025,948 | 179,797,407 |
| Inventory | 13 | 5,300,711 | - |
| Trade and other receivables | 11 | 24,062,411 | 17,183,453 |
| Total current assets | | 409,389,070 | 196,980,860 |
| Total assets | | 455,726,325 | 215,691,557 |
| Current liabilities | | | |
| Trade and other payables | 14 | (79,483,822) | (45,340,741) |
| Total current liabilities | | (79,483,822) | (45,340,741) |
| Non-current liabilities | | | |
| Provisions | 15 | (4,687,498) | (1,618,266) |
| Total non-current liabilities | | (4,687,498) | (1,618,266) |
| Total liabilities | | (84,171,320) | (46,959,007) |
| Net assets | | 371,555,005 | 168,732,550 |
| Equity | | | Restated ¹ |
| Share capital | 18 | 547 | 396 |
| Share premium | | 704,693,167 | 330,168,282 |
| Share option reserve | 17 | 18,059,265 | 4,924,990 |
| Accumulated losses | | (344,342,914) | (160,648,312) |
| Foreign currency translation reserve | | (6,855,060) | (5,712,806) |
| Total equity | | 371,555,005 | 168,732,550 |

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 20 to 54.

The financial statements on pages 13 to 54 were approved on behalf of the Board of Directors on 28 September 2018 and were signed on its behalf by:

Will Shu
Director



¹ Restated to re-allocate £2,188,139 of foreign currency translation differences from accumulated losses to the foreign currency translation reserve.

Company statement of financial position

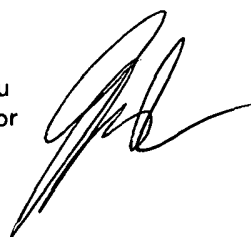
As at 31 December 2017

| | Note | 2017 £ | 2016 £ |
|----------------------------------|------|---------------------|---------------------|
| Non-current assets | | | |
| Investments in subsidiaries | 24 | 98,944,179 | 48,398 |
| Property, plant and equipment | 9 | 15,658,115 | 7,423,638 |
| Intangible assets | 10 | 20,204,799 | 4,797,877 |
| Trade and other receivables | 11 | 4,705,330 | 1,033,776 |
| Total non-current assets | | 139,512,423 | 13,303,689 |
| Current assets | | | |
| Cash and cash equivalents | 12 | 345,276,624 | 157,041,346 |
| Inventory | 13 | 4,137,797 | - |
| Trade and other receivables | 11 | 31,924,976 | 123,816,248 |
| Total current assets | | 381,339,397 | 280,857,594 |
| Total assets | | 520,851,820 | 294,161,283 |
| Current liabilities | | | |
| Trade and other payables | 14 | (45,349,492) | (24,976,158) |
| Total current liabilities | | (45,349,492) | (24,976,158) |
| Total liabilities | | (45,349,492) | (24,976,158) |
| Net assets | | 475,502,328 | 269,185,125 |
| Equity | | | |
| Share capital | 18 | 547 | 396 |
| Share premium | | 704,693,167 | 330,168,282 |
| Share option reserve | 17 | 18,059,265 | 4,924,990 |
| Accumulated losses | | (247,250,651) | (65,908,543) |
| Total equity | | 475,502,328 | 269,185,125 |

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 20 to 54.

The Company reported a loss for the financial year ended 31 December 2017 of £181,174,595 (2016: a loss of £46,335,036). The financial statements on page 13 to 54 were approved on behalf of the Board of Directors on 28 September 2018 and were signed on its behalf by:

Will Shu
Director



Consolidated statement of changes in equity

| | Note | Share capital £ | Share premium £ | Share option reserve £ | Foreign currency translation reserve £ | Accumulated losses £ | Total equity £ |
|---------------------------------------|------|--------------------|--------------------|------------------------------|---|----------------------------|----------------------|
| | | | | | Restated ¹ | Restated ¹ | |
| At 1 January 2016 | | 281 | 121,504,237 | 446,468 | 53,147 | (31,571,326) | 90,432,807 |
| Loss for the year | | - | - | - | - | (129,076,986) | (129,076,986) |
| Other comprehensive loss for the year | | - | - | - | (5,765,953) | - | (5,765,953) |
| Total comprehensive loss for the year | | - | - | - | (5,765,953) | (129,076,986) | (134,842,939) |
| Employee share-based payment awards | 17 | - | - | 4,478,522 | - | - | 4,478,522 |
| Issue of share capital | 18 | 115 | 208,664,045 | - | - | - | 208,664,160 |
| At 31 December 2016 | | 396 | 330,168,282 | 4,924,990 | (5,712,806) | (160,648,312) | 168,732,550 |
| Loss for the year | | - | - | - | - | (183,527,089) | (183,527,089) |
| Other comprehensive loss for the year | | - | - | - | (1,142,254) | (167,513) | (1,309,767) |
| Total comprehensive loss for the year | | - | - | - | (1,142,254) | (183,694,602) | (184,836,856) |
| Employee share-based payment awards | 17 | - | - | 13,134,275 | - | - | 13,134,275 |
| Issue of share capital | 18 | 151 | 374,524,885 | - | - | - | 374,525,036 |
| At 31 December 2017 | | 547 | 704,693,167 | 18,059,265 | (6,855,060) | (344,342,914) | 371,555,005 |

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 20 to 54.

¹ Restated to re-allocate £2,188,139 of foreign currency translation differences from accumulated losses to the foreign currency translation reserve.

Company statement of changes in equity

| | Note | Share capital £ | Share premium £ | Share option reserve £ | Accumulated losses £ | Total equity £ |
|---------------------------------------|------|--------------------|--------------------|---------------------------|-------------------------|-------------------|
| At 1 January 2016 | | 281 | 121,504,237 | 446,468 | (19,573,507) | 102,377,479 |
| Loss for the year | | - | - | - | (46,335,036) | (46,335,036) |
| Total comprehensive loss for the year | | - | - | - | (46,335,036) | (46,335,036) |
| Employee share-based payment awards | 17 | - | - | - | - | 4,478,522 |
| Issue of share capital | 18 | 115 | 208,664,045 | - | - | 208,664,160 |
| At 31 December 2016 | | 396 | 330,168,282 | 4,924,990 | (65,908,543) | 269,185,125 |
| Loss for the year | | - | - | - | (181,174,595) | (181,174,595) |
| Other comprehensive loss for the year | | - | - | - | (167,513) | (167,513) |
| Total comprehensive loss for the year | | - | - | - | (181,342,108) | (181,342,108) |
| Employee share-based payment awards | 17 | - | - | 13,134,275 | - | 13,134,275 |
| Issue of share capital | 18 | 151 | 374,524,885 | - | - | 374,525,036 |
| At 31 December 2017 | | 547 | 704,693,167 | 18,059,265 | (247,250,651) | 475,502,328 |

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 20 to 54.

Consolidated statement of cash flows

| | Note | 2017 £ | 2016 £ |
|---|-----------|----------------------|----------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 19 | (126,032,985) | (111,055,128) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 9 | (23,783,812) | (14,934,159) |
| Purchase of intangible assets | 10 | (6,765,416) | (5,751,594) |
| Interest received | 7 | 1,421,842 | 263,529 |
| Net cash used in investing activities | | (29,127,386) | (20,422,224) |
| Cash flows from financing activities | | | |
| Proceeds from issue of share capital | 18 | 363,421,147 | 208,664,160 |
| Net cash from financing activities | | 363,421,147 | 208,664,160 |
| Net increase/(decrease) in cash and cash equivalents | | 208,260,776 | 77,186,808 |
| Cash and cash equivalents at the beginning of the year | | 179,797,407 | 90,905,394 |
| Effect of foreign exchange rate changes | | (8,032,235) | 11,705,205 |
| Cash and cash equivalents at the end of the year | 12 | 380,025,948 | 179,797,407 |

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 20 to 54.

Company statement of cash flows

| | Note | 2017 £ | 2016 £ |
|---|-----------|----------------------|----------------------|
| Cash flows from operating activities | | | |
| Net cash used in operating activities | 19 | (48,963,367) | (36,937,814) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | 9 | (21,428,454) | (13,816,357) |
| Purchase of intangible assets | 10 | (6,081,369) | (4,835,713) |
| Investments made in subsidiaries | 24 | (90,562,580) | (95,594,577) |
| Interest received | | 9,319 | 260,904 |
| Net cash used in investing activities | | (118,063,084) | (113,985,743) |
| Cash flows from financing activities | | | |
| Proceeds from issue of share capital | 18 | 363,421,147 | 208,664,160 |
| Net cash from financing activities | | 363,421,147 | 208,664,160 |
| Net increase/(decrease) in cash and cash equivalents | | 196,394,696 | 57,740,603 |
| Cash and cash equivalents at the beginning of the year | | 157,041,346 | 87,529,278 |
| Effect of foreign exchange rate changes | | (8,159,418) | 11,771,465 |
| Cash and cash equivalents at the end of the year | 12 | 345,276,624 | 157,041,346 |

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 20 to 54.

Notes to the consolidated and company financial statements

1 General information

Roofoods Ltd ('the Company') is a private company limited by shares incorporated in the UK and registered in England and Wales. The Company is the ultimate parent entity of the Roofoods Group ('the Group').

The address of the registered office is The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE.

2 Changes in accounting policies

The following new standards and amendments to existing standards were in issue but not yet effective at the balance sheet date. These standards have not been early adopted by the Group and will be applied for financial years commencing on or after 1 January 2018, subject to EU endorsement:

- IFRS 2: Amendment to IFRS 2 'Share-based payment' (effective 1 January 2018);
- IFRS 9 'Financial Instruments' (effective 1 January 2018);
- IFRS 9: Amendment to IFRS 9 'Financial Instruments' (effective 1 January 2019);
- IFRS 15 'Revenue from Contracts with Customers' (effective 1 January 2018);
- IFRS 16 'Leases' (effective 1 January 2019);
- IAS 28: Amendment to IAS 28 'Investments in associates and joint ventures' (effective 1 January 2019)
- IFRIC 22 'Foreign currency transactions and advance consideration' (effective 1 January 2018);
- Annual improvements (2014-2016) (effective 1 January 2018);
- Annual improvements (2015-2017) (effective 1 January 2019).

The directors do not expect that the adoption of the standards and amendments to existing standards listed above will have a material impact on the financial statements of the Group in future periods.

IFRS 9 Financial Instruments

This standard is effective for accounting periods commencing on or after 1 January 2018. The standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets based around expected credit losses.

Management have considered the impact of IFRS 9 on the financial statements and determined that the implementation of the new standard will not have a material impact to the Group.

Notes to the consolidated and company financial statements (continued)

2 Changes in accounting policies (continued)

IFRS 15 Revenue from Contracts with Customers

This standard is effective for accounting periods commencing on or after 1 January 2018. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard describes a five-step approach to be taken to the assessment of revenue that requires companies to:

- identify the customer party to each contract;
- understand the performance obligations in the contract;
- determine the transaction price;
- allocate that price to the identifiable performance obligations; and
- recognise revenue when (or as) a performance obligation is met.

Management have assessed the effects of the new standard across all revenue streams and have determined that the implementation of IFRS 15 will not have a material impact to the Group.

3 Summary of accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations as endorsed by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. As permitted by Section 408 of the Companies Act 2006, no separate income statement is presented for the Company.

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all years presented.

Basis of consolidation

The consolidated financial statements of the Company incorporate the financial statements of the Company and entities controlled by the Company made up to 31 December each year. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Notes to the consolidated and company financial statements (continued)

3 Summary of accounting policies (continued)

Basis of consolidation (continued)

The Group is present in the UK, Ireland, The Netherlands, Australia, Spain, Hong Kong, Singapore, France, Germany, Belgium, Italy, The United States of America and the UAE. A legal entity has been incorporated for each country noted.

Going concern

The Group's loss for the financial year amounted to £183,527,089 (2016: loss of £129,076,986). The Group has net assets of £371,555,005 (2016: £168,732,550).

The directors consider the Group and Company to be a going concern due to the considerable available cash holdings which are considered by the Board to be adequate to allow the Group and Company to continue in operational existence for the foreseeable future.

Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Sterling, which is the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Group entity, using the exchange rates prevailing at the dates of the transactions (spot rates). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year end exchange rates are recognised through profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than Sterling are translated into Sterling upon consolidation. The functional currency of the entities within the Group has remained unchanged during the reporting period.

On consolidation, monetary assets and liabilities have been translated into Sterling at the closing rate as at the reporting date. Income and expenses have been translated into Sterling at spot rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity.

Revenue

Revenue arises from commissions, administration fees, user fees and packaging sales. Revenue is measured at the fair value of the consideration received or receivable and represents amounts received for goods and services provided in the normal course of business, net of discounts, rebates,

Notes to the consolidated and company financial statements (continued)

3 Summary of accounting policies (continued)

Revenue (continued)

refunds, VAT and other sales-related taxes. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue we are expected to be entitled to can be reliably measured.

Commissions

Revenue from commissions is earned and recognised at the point of order fulfilment to the end user.

Administration fees

Administration fees are payable when a new restaurant joins Deliveroo and comprise set-up on the platform and payment for restaurant equipment, enabling partner restaurants to receive orders. These fees are recognised when the restaurant has received the equipment and is set up on the Deliveroo platform.

User fees

Users pay a fee, either for each order or on a subscription basis if they sign up for Deliveroo Plus. Fees payable on an order by order basis are recognised at the point of order fulfilment. Subscription fees are recognised on a straight-line basis over the period of the subscription.

Packaging

Revenue from the sale of packaging is recognised when the packaging has been delivered to the user.

Cost of sales

Expenses are recognised as cost of sales in the period in which they are incurred, on an accruals basis. The largest element of cost of sales is the cost of delivery from restaurants to customers.

Other operating income and other operating costs

Other operating income and costs are recognised in the period in which they are incurred, on an accruals basis. The largest element of other operating income and costs relates to the sale, and related cost, of clothing provided to riders.

Administrative expenses

Expenses are recognised in the statement of comprehensive income in the period in which they are incurred, on an accruals basis.

Finance income and expense

Interest income and expense is reported on an accruals basis using the effective interest method.

Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of expense that are significant in nature or amount.

Notes to the consolidated and company financial statements (continued)

3 Summary of accounting policies (continued)

Income taxes

Any tax expense or credit recognised in the income statement is based on the results for the period as adjusted for items which are disallowed or not taxed. It is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is calculated using the liability method in respect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not recognised if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity respectively.

Intangible assets

Initial recognition

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software.

For internally-developed customised software, expenditure on the research phase of projects to develop new software for IT and telecommunication systems is recognised as an expense as incurred.

Notes to the consolidated and company financial statements (continued)

3 Summary of accounting policies (continued)

Intangible assets (continued)

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- the Group intends to, and has sufficient resources to, complete the project;
- the Group has the ability to use or sell the software; and
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Subsequent measurement

All intangible assets, including internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. The useful life applied for all software is three years. Amortisation of intangible assets is recorded within 'administrative expenses' in the consolidated income statement.

Subsequent expenditure on maintenance of computer software is expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset. This is recognised within 'administrative expenses' in the consolidated income statement.

Goodwill

Goodwill is not amortised but is instead reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination.

Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount, then the impairment loss is allocated first to reduce the carrying amount of goodwill, and then to the other assets of the cash generating unit pro rata on a basis of the carrying amount of each asset in the unit.

Property, plant and equipment

Property, plant and equipment consists of leasehold improvements, driver and restaurant equipment, IT and office equipment and assets under construction.

Notes to the consolidated and company financial statements (continued)

3 Summary of accounting policies (continued)

Property, plant and equipment (continued)

Property, plant and equipment is initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is subsequently measured at cost less subsequent accumulated depreciation and impairment losses. Assets under construction are not depreciated as they are not yet in use. Once construction is completed, the assets are transferred to leasehold improvements.

Depreciation is recognised on a straight-line basis to write down cost to estimated residual value. The following useful lives are applied:

- Leasehold improvements: the shorter of the lease term or 10 years
- Driver and restaurant equipment: 2-5 years
- IT and office equipment: 3 years

Material residual value estimates and estimates of useful life are updated as required and reviewed at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised through profit or loss.

Inventory

Inventory is stated at the lower of cost and net realisable value (NRV). Cost includes expenditure on bringing inventories to their current location and condition. NRV represents the estimated selling price less all estimated costs of completion.

An inventory provision is recognised in situations where NRV is likely to be less than cost. When calculating the provision, management considers the nature and condition of the inventory together with any other conditions existing at the end of the reporting period.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade and other receivables include amounts due for services or goods provided in the normal course of business, prepaid amounts, deposits and other amounts due from third parties. They are recognised as current assets if collection is due in one year or less. If collection is due in over a year, they are presented as non-current assets.

Notes to the consolidated and company financial statements (continued)

3 Summary of accounting policies (continued)

Trade and other receivables (continued)

A provision for impairment of trade receivables is recognised for the difference between the asset's carrying amount and the present value of estimated future cash flows. The provision is reviewed on a monthly basis.

Trade and other payables

Trade and other payables include obligations to pay for goods and services acquired in the normal course of business, amounts outstanding on purchases and other amounts due to third parties. They are recognised as current liabilities if payment is due in one year or less. If payment is due in over a year, they are presented as non-current liabilities.

Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated cost required to settle the present obligation, based on the most reliable evidence available at the reporting date, including risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are discounted where the time value of money is considered to be material. No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no disclosure is included.

Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs directly attributable to the issuing of new shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

- Share premium – comprises the difference between the value of the shares on issue and their nominal value;
- Share options reserve – comprises equity-settled share-based remuneration;
- Foreign currency translation reserve – comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into Sterling;
- Retained earnings – comprises all current and prior period retained losses.

All transactions with owners of the parent are recorded separately within equity.

Notes to the consolidated and company financial statements (continued)

3 Summary of accounting policies (continued)

Capital management

The Group's capital structure consists solely of equity. This represents funds raised from shareholders. The primary objective of the Group's management of equity is to ensure that it is able to finance the Group's activities, both now and in the future. To maintain an appropriate capital structure in order to meet this objective, the Group may issue further shares to investors or adjust its dividend policy.

Details of capital held can be seen in the consolidated statement of financial position, and in note 18.

Leases

All of the Group's leases are operating leases. Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

Employee benefits

Short-term employee benefits

Short-term employee benefits are those that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries and non-monetary benefits. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Long-term employee benefits

The Group operates defined contribution pension plans. Contributions to the plans are charged to the consolidated income statement in the period in which they relate.

Share-based payments

The Group operates an equity-settled share-based remuneration plan for its employees. This plan does not feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair value. Where employees are rewarded using share-based payments awards, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability, sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to the share option reserve. The expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Notes to the consolidated and company financial statements (continued)

3 Summary of accounting policies (continued)

Employee benefits (continued)

Share-based payments (continued)

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates.

Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are allocated to share capital and share premium.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less cumulative impairment losses.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners and equity issued by the group in exchange for control.

At the acquisition date, the identifiable assets and liabilities assumed are recognised at their fair value, except for deferred tax assets or liabilities which are recognised in accordance with IAS 12 Income Taxes.

Goodwill is measured as the excess of the consideration transferred over the net of the fair value of identifiable assets and liabilities.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration.

Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed at the acquisition date. Any subsequent changes in the fair value of contingent consideration will be reported through profit and loss.

Notes to the consolidated and company financial statements (continued)

3 Summary of accounting policies (continued)

Significant accounting judgements and estimates

When preparing the financial statements, management have made a number of estimates and assumptions regarding the future, and have made some significant judgements in applying the Group's accounting policies. These are discussed below:

Capitalisation of internally developed software

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs should be impaired.

Goodwill

Any goodwill held is tested at least annually for impairment in accordance with the accounting policy set out above. The recoverable amount of CGUs is determined based on value in use calculations. These impairment calculations require the use of estimates; see note 10 for further details.

Useful lives of depreciable assets

Management reviews the estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Share-based payments

Management uses valuation techniques to determine the value of share-based payments. This involves developing estimates and assumptions consistent with how market participants would price the options. Assumptions are based on observable data as far as possible, but this is not always available, in which case management uses the best information available. See note 17 for further detail on the assumptions used.

Provisions and contingent liabilities

The recognition of a provision requires judgement of the present value of future costs required to settle the obligation. This includes an assessment of the time value of money and the risks specific to each obligation. Where the group has a possible obligation as a result of a past event, it will recognise a contingent liability. Changes to circumstances which may result in a contingent liability becoming a provision are reviewed on a regular basis.

Notes to the consolidated and company financial statements (continued)

4 Revenue

The Group's revenue is analysed as follows:

| | 2017 £ | 2016 £ |
|----------------------|--------------------|--------------------|
| Europe | 217,787,463 | 109,245,207 |
| Rest of the World | 59,354,610 | 19,318,935 |
| Total revenue | 277,142,073 | 128,564,142 |

5 Other operating income and expenses

Other operating income and expenses are predominantly made up of income derived from sales of rider kit and the costs associated with this.

6 Operating loss

Operating loss is stated after charging:

| | 2017 £ | 2016 £ |
|--|------------------|------------------|
| Depreciation (see note 9) | 9,076,435 | 5,296,473 |
| Amortisation (see note 10) | 3,856,035 | 988,274 |
| Loss on disposal of property, plant and equipment (see note 9) | 43,266 | 2,547,439 |
| Auditors' remuneration (see note 20) | 349,514 | 166,600 |
| Costs associated with fundraising and acquisitions | 732,000 | 260,003 |
| Amounts charged under operating lease rentals | 7,653,389 | 2,884,908 |
| Exceptional costs | 3,636,994 | 5,324,161 |

Exceptional costs in 2017 relate to write-offs of property, plant and equipment and inventory, due to changes made in our treatment of restaurant and rider kit. In 2016, exceptional costs included an asset write-off of old branded equipment as well as design costs incurred for rebranding.

Notes to the consolidated and company financial statements (continued)

7 Finance (cost)/income

| | 2017 £ | 2016 £ |
|--|--------------------|-------------------|
| Bank interest received | 1,421,842 | 263,529 |
| Unrealised foreign exchange (losses)/gains | (8,084,161) | 11,705,205 |
| Net finance (cost)/income | (6,662,319) | 11,968,734 |

8 Income tax expense

| | 2017 £ | 2016 £ |
|--|--------------------|-----------|
| Current tax charge relating to prior year adjustment | 304,902 | - |
| Deferred tax credit relating to the current year | (1,433,163) | - |
| Total | (1,128,261) | - |

None of the tax charge for the year relates to exceptional items.

The effective tax rate for the Group is 19.18% (2016: 20%).

The Company is subject to all taxes applicable to a commercial company in the United Kingdom. The UK business profits or losses of the Company are subject to income tax at a rate of 19.25% (2016: 20%).

The reconciliation between the tax expense and the product of accounting profit multiplied by the domestic tax rate for the years ended 31 December 2017 and 2016 is as follows:

| | 2017 £ | 2016 £ |
|---|---------------------|---------------------|
| Loss before income tax | (184,655,350) | (129,076,986) |
| Loss before tax multiplied by the tax rate of 19.18% (2016: 20%) | (35,416,896) | (25,815,397) |
| Adjustments for non-deductible expenses: | | |
| • losses not recognised | 27,123,305 | 24,864,656 |
| • non-deductible expenses | 3,562,235 | - |
| • non-taxable income | 336,134 | - |
| • effect of taxable allowances | (317,917) | - |
| • unrecognised deferred tax movement | 3,279,976 | - |
| • prior year adjustment | 304,902 | - |
| • effect of changes in tax rates | - | 950,741 |
| Total | (1,128,261) | - |

Notes to the consolidated and company financial statements (continued)

8 Income tax expense (continued)

The UK government announced reductions in the main rate of UK Corporation Tax which falls to 19% with effect from 1 April 2017 and 17% from 1 April 2020, and these were enacted on 18 November 2015 and 15 September 2016 respectively. Deferred taxes at the balance sheet date have been measured using these enacted tax rates.

The Group operates across a number of different jurisdictions, which results in various cross-border transactions arising between Group companies. In line with OECD guidelines, the Group bases its transfer pricing policy on the "arm's length principle". In certain situations, different tax authorities may seek to attribute further profit to activities being undertaken in their jurisdiction which could lead to double taxation.

Notes to the consolidated and company financial statements (continued)

9 Property, plant and equipment

| Group | Leasehold improvements £ | Driver and restaurant equipment £ | IT and office equipment £ | Assets under construction £ | Total £ |
|----------------------------------|-----------------------------|--------------------------------------|------------------------------|--------------------------------|--------------|
| Cost | | | | | |
| At 1 January 2016 | 442,400 | 2,939,329 | 893,532 | - | 4,275,261 |
| Additions | 600,346 | 12,995,592 | 1,637,323 | 122,852 | 15,356,113 |
| Disposals | (1,869) | (5,521,976) | (21,221) | - | (5,545,066) |
| At 31 December 2016 | 1,040,877 | 10,412,945 | 2,509,634 | 122,852 | 14,086,308 |
| Additions | 9,280,236 | 9,920,724 | 2,493,027 | 2,089,825 | 23,783,812 |
| Disposals | (40,666) | (555,879) | (3,932) | - | (600,477) |
| Transferred to inventory | - | (4,319,168) | - | - | (4,319,168) |
| Currency translation | 3,215 | 143,882 | 9,269 | 52,572 | 208,938 |
| At 31 December 2017 | 10,283,662 | 15,602,504 | 5,007,998 | 2,265,249 | 33,159,413 |
| Accumulated depreciation | | | | | |
| At 1 January 2016 | (16,756) | (464,339) | (184,854) | - | (665,949) |
| Depreciation charge for the year | (81,359) | (4,678,421) | (536,693) | - | (5,296,473) |
| Disposals | - | 2,980,712 | 16,915 | - | 2,997,627 |
| At 31 December 2016 | (98,115) | (2,162,048) | (704,632) | - | (2,964,795) |
| Depreciation charge for the year | (873,237) | (6,869,381) | (1,333,817) | - | (9,076,435) |
| Disposals | 1,135 | 555,879 | 197 | - | 557,211 |
| Impairment loss for the year | - | (2,142,683) | - | - | (2,142,683) |
| Currency translation | (1,212) | (52,915) | (2,462) | - | (56,589) |
| At 31 December 2017 | (971,429) | (10,671,148) | (2,040,714) | - | (13,683,291) |
| Net book value | | | | | |
| At 31 December 2017 | 9,312,233 | 4,931,356 | 2,967,284 | 2,265,249 | 19,476,122 |
| At 31 December 2016 | 942,762 | 8,250,897 | 1,805,002 | 122,852 | 11,121,513 |

Notes to the consolidated and company financial statements (continued)

9 Property, plant and equipment (continued)

| Company | Leasehold improvements £ | Driver and restaurant equipment £ | IT and office equipment £ | Assets under construction £ | Total £ |
|----------------------------------|-----------------------------|--------------------------------------|------------------------------|--------------------------------|-------------|
| Cost | | | | | |
| At 1 January 2016 | 440,374 | 2,893,747 | 739,851 | - | 4,073,972 |
| Additions | 445,056 | 12,669,154 | 1,124,101 | - | 14,238,311 |
| Disposals | (1,869) | (5,460,635) | (2,600) | - | (5,465,104) |
| Transferred to subsidiaries | - | (3,584,786) | - | - | (3,584,786) |
| At 31 December 2016 | 883,561 | 6,517,480 | 1,861,352 | - | 9,262,393 |
| Additions | 7,880,228 | 9,403,165 | 2,250,271 | 1,894,790 | 21,428,454 |
| Disposals | (40,666) | - | (3,932) | - | (44,598) |
| Transferred to inventory | - | (3,155,452) | - | - | (3,155,452) |
| Transferred to subsidiaries | - | (4,274,492) | - | - | (4,274,492) |
| At 31 December 2017 | 8,723,123 | 8,490,701 | 4,107,691 | 1,894,790 | 23,216,305 |
| Accumulated depreciation | | | | | |
| At 1 January 2016 | (16,680) | (459,602) | (157,974) | - | (634,256) |
| Depreciation charge for the year | (62,490) | (3,704,291) | (374,701) | - | (4,141,482) |
| Disposals | - | 2,935,466 | 1,517 | - | 2,936,983 |
| At 31 December 2016 | (79,170) | (1,228,427) | (531,158) | - | (1,838,755) |
| Depreciation charge for the year | (629,023) | (3,001,987) | (1,025,044) | - | (4,656,054) |
| Disposals | 1,135 | - | 197 | - | 1,332 |
| Impairment loss for the year | - | (1,420,137) | - | - | (1,420,137) |
| Transferred to subsidiaries | - | 355,424 | - | - | 355,424 |
| At 31 December 2017 | (707,058) | (5,295,127) | (1,556,005) | - | (7,558,190) |
| Net book value | | | | | |
| At 31 December 2017 | 8,016,065 | 3,195,574 | 2,551,686 | 1,894,790 | 15,658,115 |
| At 31 December 2016 | 804,391 | 5,289,053 | 1,330,194 | - | 7,423,638 |

Neither the Group nor the Company has any property, plant and equipment held under finance leases.

Notes to the consolidated and company financial statements (continued)

10 Intangible assets

| Group | Goodwill £ | Internally-developed software £ | Acquired software £ | Total £ |
|----------------------------------|------------------|---------------------------------------|------------------------|--------------------|
| Cost | | | | |
| At 1 January 2016 | - | 1,358,786 | 111,649 | 1,470,435 |
| Additions | - | 5,541,807 | 209,787 | 5,751,594 |
| At 31 December 2016 | - | 6,900,593 | 321,436 | 7,222,029 |
| Additions | - | 6,434,278 | 331,138 | 6,765,416 |
| Acquisitions (note 22) | 4,185,289 | - | 8,184,250 | 12,369,539 |
| Currency translation | - | (95,828) | 1,400 | (94,428) |
| At 31 December 2017 | 4,185,289 | 13,239,043 | 8,838,224 | 26,262,556 |
| Accumulated amortisation | | | | |
| At 1 January 2016 | - | (84,091) | (12,405) | (96,496) |
| Amortisation charge for the year | - | (937,022) | (51,252) | (988,274) |
| At 31 December 2016 | - | (1,021,113) | (63,657) | (1,084,770) |
| Amortisation charge for the year | - | (3,607,888) | (248,147) | (3,856,035) |
| Currency translation | - | (6,551) | (20) | (6,571) |
| At 31 December 2017 | - | (4,635,552) | (311,824) | (4,947,376) |
| Net book value | | | | |
| At 31 December 2017 | 4,185,289 | 8,603,491 | 8,526,400 | 21,315,180 |
| At 31 December 2016 | - | 5,879,480 | 257,779 | 6,137,259 |

| Company | Goodwill £ | Internally-developed software £ | Acquired software £ | Total £ |
|----------------------------------|------------------|---------------------------------------|------------------------|--------------------|
| Cost | | | | |
| At 1 January 2016 | - | 761,552 | 111,649 | 873,201 |
| Additions | - | 4,804,021 | 205,131 | 5,009,152 |
| At 31 December 2016 | - | 5,565,573 | 316,780 | 5,882,353 |
| Additions | - | 5,766,386 | 314,983 | 6,081,369 |
| Acquisitions (note 22) | 4,185,289 | - | 8,184,250 | 12,369,539 |
| At 31 December 2017 | 4,185,289 | 11,331,959 | 8,816,013 | 24,333,261 |
| Accumulated amortisation | | | | |
| At 1 January 2016 | - | (84,091) | (12,405) | (96,496) |
| Amortisation charge for the year | - | (937,022) | (50,958) | (987,980) |
| At 31 December 2016 | - | (1,021,113) | (63,363) | (1,084,476) |
| Amortisation charge for the year | - | (2,802,918) | (241,068) | (3,043,986) |
| At 31 December 2017 | - | (3,824,031) | (304,431) | (4,128,462) |
| Net book value | | | | |
| At 31 December 2017 | 4,185,289 | 7,507,928 | 8,511,582 | 20,204,799 |
| At 31 December 2016 | - | 4,544,460 | 253,417 | 4,797,877 |

Notes to the consolidated and company financial statements (continued)

10 Intangible assets (continued)

Goodwill was recognised on the acquisition of assets from Omakase Inc (see note 22). It has been allocated to the Cash Generating Unit 'Roofoods Ltd'. The recoverable amount of the CGU and the group of units are determined from value in use calculations. The key assumptions in these calculations comprise discount rates, growth rates, pricing fluctuations and changes to direct costs. These assumptions are consistent with available external information sources. Discount rates are estimated using pre-tax rates that reflect current market assessments of the time value of money. The discount rate used was 12.5%. A terminal growth rate of 3% was used to extrapolate cashflow beyond the budgeted period.

For the purpose of a goodwill impairment review, management prepares cash flow forecasts for a period of five years. Thereafter a growth rate is applied that does not exceed the long-term average growth rate for the industry and geography. There is no reasonably possible change in any key assumptions that would cause the carrying amount to exceed the recoverable amount.

11 Trade and other receivables

| Group | 2017 | Current | | 2017 | Non-current |
|------------------------------|-------------------|-------------------|--|------------------|------------------|
| | 2016 | 2016 | | 2016 | 2016 |
| | £ | £ | | £ | £ |
| Trade receivables | 20,322,683 | 10,195,097 | | - | - |
| Provision for doubtful debts | (631,152) | (85,885) | | - | - |
| Net trade receivables | 19,691,531 | 10,109,212 | | - | - |
| Prepayments | 2,837,146 | 6,473,679 | | - | - |
| Other receivables | 1,533,734 | 600,562 | | 5,545,953 | 1,451,925 |
| Total receivables | 24,062,411 | 17,183,453 | | 5,545,953 | 1,451,925 |

| Company | 2017 | Current | | 2017 | Non-current |
|-------------------------------|-------------------|--------------------|--|------------------|------------------|
| | 2016 | 2016 | | 2016 | 2016 |
| | £ | £ | | £ | £ |
| Trade receivables | 8,294,058 | 4,753,496 | | - | - |
| Provision for doubtful debts | (153,021) | (85,885) | | - | - |
| Net trade receivables | 8,141,037 | 4,667,611 | | - | - |
| Prepayments | 2,181,031 | 5,820,184 | | - | - |
| Amounts due from subsidiaries | 21,245,067 | 113,501,569 | | - | - |
| Other receivables | 357,841 | 26,884 | | 4,705,330 | 1,033,776 |
| Total receivables | 31,924,976 | 123,816,248 | | 4,705,330 | 1,033,776 |

Notes to the consolidated and company financial statements (continued)

11 Trade and other receivables (continued)

The net carrying value of receivables is considered a reasonable approximation of fair value. Long-term other receivables relate to rental deposits for leased property, all due within five years.

At 31 December, the analysis of Group trade receivables is as follows:

| | 2017 £ | 2016 £ |
|-----------------------------------|-------------------|-------------------|
| Neither past due nor impaired | 18,191,379 | 9,440,111 |
| <i>Past due but not impaired:</i> | | |
| • 0 – 30 days | 210,168 | 110,492 |
| • 31 – 60 days | 501,938 | 162,838 |
| • 61 – 90 days | 224,289 | 191,226 |
| • > 90 days | 563,757 | 204,545 |
| Impaired | 631,152 | 85,885 |
| Total | 20,322,683 | 10,195,097 |

Concentration of credit risk with respect to trade receivables is very limited due to the broad customer base across regions.

12 Cash and cash equivalents

| Group | 2017 £ | 2016 £ |
|-----------------------------------|--------------------|--------------------|
| Cash at bank and cash equivalents | 380,025,948 | 179,797,407 |
| Total cash | 380,025,948 | 179,797,407 |

| Company | 2017 £ | 2016 £ |
|-----------------------------------|--------------------|--------------------|
| Cash at bank and cash equivalents | 345,276,624 | 157,041,346 |
| Total cash | 345,276,624 | 157,041,346 |

All funds held are available within the same day.

Notes to the consolidated and company financial statements (continued)

13 Inventory

| Group | 2017 £ | 2016 £ |
|------------------------------|------------------|-----------|
| Rider clothing and equipment | 4,487,195 | - |
| Restaurant equipment | 618,590 | - |
| Food and packaging | 194,926 | - |
| Total inventories | 5,300,711 | - |

| Company | 2017 £ | 2016 £ |
|------------------------------|------------------|-----------|
| Rider clothing and equipment | 3,729,223 | - |
| Restaurant equipment | 356,525 | - |
| Food and packaging | 52,049 | - |
| Total inventories | 4,137,797 | - |

At a Group level, the cost of inventories recognised as an expense in the year is £2,696,160 (2016: £nil). Of this, £1,439,081 is included within 'cost of sales' and £1,257,079, all related to rider clothing and equipment, is within 'other operating expenses' in the consolidated income statement. The write-down of inventory to net realisable value recognised as an expense in the year is £1,550,390 (2016: £nil). This is recorded within 'administrative expenses' in the consolidated income statement, with £1,471,115 of the cost being exceptional.

At a Company level, the cost of inventories recognised as an expense in the year is £1,902,828 (2016: £nil). Of this, £874,035 is included within 'cost of sales' and £1,028,793, related to rider clothing and equipment, is within 'other operating expenses' in the consolidated income statement.

14 Trade and other payables

| Group | 2017 £ | 2016 £ |
|--|-------------------|-------------------|
| Trade payables | 5,596,049 | 8,921,007 |
| Amounts due to restaurants | 27,055,093 | 17,087,765 |
| Accruals and deferred income | 29,717,055 | 10,122,302 |
| Other tax and social security payables | 9,496,578 | 3,686,525 |
| Corporation tax payables | 115,161 | - |
| Other payables | 7,503,886 | 5,523,142 |
| Total payables | 79,483,822 | 45,340,741 |

Notes to the consolidated and company financial statements (continued)

14 Trade and other payables (continued)

| Company | 2017 £ | 2016 £ |
|--|-------------------|-------------------|
| Trade payables | 3,808,365 | 6,301,140 |
| Amounts due to restaurants | 13,149,027 | 8,128,357 |
| Accruals and deferred income | 17,976,060 | 5,244,793 |
| Other tax and social security payables | 6,171,226 | 2,332,177 |
| Other payables | 4,244,814 | 2,969,691 |
| Total payables | 45,349,492 | 24,976,158 |

All trade and other payables are considered to be short-term. The carrying value of trade and other payables is considered to be a reasonable approximation of fair value.

15 Provisions

| | 2017 £ | 2016 £ |
|-------------------------|------------------|------------------|
| Legal provisions | 4,687,498 | 1,618,266 |
| Total provisions | 4,687,498 | 1,618,266 |

The movement in the provisions during the year is reconciled below:

| | Legal provisions £ |
|---------------------------------|-----------------------|
| At 1 January 2017 | 1,618,266 |
| Additional amounts provided for | 3,000,000 |
| Currency translation | 69,232 |
| Total provisions | 4,687,498 |

The Group is involved in a number of ongoing legal and arbitration proceedings with third parties, primarily across its European territories.

Notes to the consolidated and company financial statements (continued)

16 Deferred tax

| Group | 2017 £ | 2016 £ |
|--|-------------------|-------------------|
| Deferred tax assets / (liabilities) | | |
| Deferred tax assets relating to tax losses | 1,265,650 | |
| Deferred tax liabilities relating to intangible assets (see note 22) | (1,265,650) | - |
| Net deferred tax assets / (liabilities) | - | - |
| Unrecognised deferred tax assets | | |
| Deferred tax relating to unused tax losses | 61,588,499 | 10,257,409 |
| Deferred tax relating to capital allowances | 2,242,657 | 619,234 |
| Other deferred tax assets | 2,982,597 | - |
| Total unrecognised deferred tax assets | 66,813,753 | 10,876,643 |

| Company | 2017 £ | 2016 £ |
|--|-------------------|-------------------|
| Deferred tax assets / (liabilities) | | |
| Deferred tax assets relating to tax losses | 1,265,650 | |
| Deferred tax liabilities relating to intangible assets (see note 22) | (1,265,650) | - |
| Net deferred tax assets / (liabilities) | - | - |
| Unrecognised deferred tax assets | | |
| Deferred tax relating to unused tax losses | 33,104,841 | 10,257,409 |
| Deferred tax relating to capital allowances | 2,012,737 | 619,234 |
| Other deferred tax assets | 2,651,210 | - |
| Total unrecognised deferred tax assets | 37,768,788 | 10,876,643 |

All deferred tax liabilities are expected to be settled more than twelve months after the reporting period.

The Group has unrelieved tax losses of £305,362,631 (2016: £56,695,149) and the Company has unrelieved tax losses of £194,734,360 (2016: £56,695,149) available for offset against future taxable profits.

Notes to the consolidated and company financial statements (continued)

17 Employee benefits

17.1 Employee benefits expense

| Group | 2017 £ | 2016 £ |
|--------------------------------|-------------------|-------------------|
| Wages and salaries | 62,829,882 | 40,590,889 |
| Social security costs | 11,795,084 | 4,565,650 |
| Other pension costs | 1,169,880 | 611,605 |
| Share-based payment charge | 13,134,275 | 4,478,522 |
| Total employee benefits | 88,929,121 | 50,246,666 |

| Company | 2017 £ | 2016 £ |
|--------------------------------|-------------------|-------------------|
| Wages and salaries | 32,611,658 | 20,163,813 |
| Social security costs | 7,665,427 | 1,268,951 |
| Other pension costs | 394,834 | - |
| Share-based payment charge | 13,134,275 | 4,478,522 |
| Total employee benefits | 53,806,194 | 25,911,286 |

There has been no compensation for the loss of office during the year ended 31 December 2017 (2016: £nil).

17.2 Average monthly employee numbers

| Group | 2017 £ | 2016 £ |
|---------------------------------|--------------|--------------|
| Sales, marketing and operations | 1,222 | 884 |
| Technology | 259 | 78 |
| Administration | 145 | 77 |
| Directors and global management | 38 | 10 |
| Total employee numbers | 1,664 | 1,049 |

Notes to the consolidated and company financial statements (continued)

17 Employee benefits (continued)

17.2 Average monthly employee numbers (continued)

| Company | 2017 £ | 2016 £ |
|---------------------------------|------------|------------|
| Sales, marketing and operations | 459 | 379 |
| Technology | 259 | 153 |
| Administration | 124 | 73 |
| Directors and global management | 38 | 10 |
| Total employee numbers | 880 | 615 |

No distinction is made between full-time and part-time employees in the above analyses.

17.3 Share-based payments

The Group maintains an equity-settled share-based payment scheme for employees. Options under this program will vest if certain conditions are met. In addition, participants must be employed until the end of the agreed vesting period. Upon vesting, each option allows the holder to purchase one ordinary share at a price determined at grant date.

The following table sets out the movement in share options during the year.

| | Number of share options | Weighted average exercise price (£) |
|--|----------------------------|--|
| Outstanding at 31 December 2016 (restated ¹) | 354,108 | 2.89 |
| Granted | 189,842 | 16.26 |
| Forfeited | (7,472) | 16.21 |
| Exercised | nil | Nil |
| Outstanding at 31 December 2017 | 536,478 | 6.26 |
| Exercisable at 31 December 2017 | 181,408 | 6.26 |
| Exercisable at 31 December 2016 (restated ²) | 80,275 | 2.89 |

¹ Restated to correct the number of options outstanding at the end of the prior year.

² Restated to correct the prior year number of exercisable options.

Notes to the consolidated and company financial statements (continued)

17 Employee benefits (continued)

17.3 Share-based payments (continued)

The fair value of options granted was determined using a Black-Scholes model, taking into account the terms and conditions under which the options were granted. The following table lists the principal assumptions used in the valuation:

| | 2017 | 2016 |
|--|----------|----------|
| Vesting period | 4 years | 4 years |
| Volatility | 30% | 2% |
| Option life | 10 years | 10 years |
| Risk free investment rate | 1.5% | 1.5% |
| Weighted average share price | £271.70 | £7.15 |
| Weighted average exercise price at date of grant | £16.28 | £7.15 |

The underlying expected volatility was determined by reference to historical data of a similar company's shares. Exercise prices of share options outstanding at the end of the year have a range of £0.61 - £16.28 (2016: £0.61 - £16.28) and a weighted average remaining contractual life of 8.4 years (2016: 8.8 years).

In total, a charge of £13,134,275 (2016: £4,478,522) relating to the equity-settled share-based payment plan has been included within 'administrative expenses' in both the consolidated and company income statements, and credited to share option reserve.

18 Share capital

| Shares issued and fully paid: | 2017 Shares | 2016 Shares | 2017 £ | 2016 £ |
|-------------------------------|------------------|------------------|------------|------------|
| Ordinary | 1,096,055 | 1,088,055 | 110 | 109 |
| Series A Preferred | 328,947 | 328,947 | 33 | 32 |
| Series B Preferred | 440,579 | 440,579 | 44 | 44 |
| Series C Preferred | 491,566 | 491,566 | 49 | 49 |
| Series D Preferred | 469,150 | 457,769 | 47 | 46 |
| Series E Preferred | 1,243,722 | 1,157,613 | 124 | 116 |
| Series F Preferred | 1,395,544 | - | 140 | - |
| Total shares issued | 5,465,563 | 3,964,529 | 547 | 396 |

Notes to the consolidated and company financial statements (continued)

18 Share capital (continued)

The Company and Group issued 1,489,653 shares during 2017, which corresponds to 27% of total shares issued. The Company and Group received £363,421,147 in cash proceeds from issue of shares. Of this, £363,414,982 related to a fundraising exercise undertaken by the Group, with the funds being raised from third party investors.

All ordinary and preferred shares have a nominal value of £0.0001. At year end, the Company and Group has authorised share capital of 5,465,563 (2016: 3,964,529). Of these, 1,096,055 (2016: 1,088,055) are ordinary shares and 4,369,508 (2016: 2,876,474) are preferred shares.

Holders of preferred shares hold the same rights as holders of ordinary shares, but they are entitled to distributions of available profits ahead of ordinary shareholders. All preferred shares from funding rounds A to F rank pari passu in all respects. Holders of ordinary shares are entitled to distributions of available profits pro-rata to their respective shareholdings, after distributions have been made to holders of preferred shares.

19 Reconciliation of cash used in operations

| Group | 2017 £ | 2016 £ |
|---|----------------------|----------------------|
| Cash flows from operating activities | | |
| Operating loss | (177,993,031) | (141,045,720) |
| Exceptional items (see note 6) | 3,636,994 | - |
| Depreciation and amortisation | 12,932,470 | 6,284,747 |
| Loss on disposal of fixed assets | 43,266 | 2,541,264 |
| Share-based payments charge | 13,134,275 | 4,478,522 |
| Increase in inventories | (2,443,790) | - |
| Increase in trade and other receivables | (11,327,834) | (12,985,610) |
| Increase in trade and other payables | 32,915,433 | 33,894,323 |
| Increase in provisions | 3,069,232 | 1,618,268 |
| Other non-cash items | - | (5,840,922) |
| Cash used in operations | (126,032,985) | (111,055,128) |

Notes to the consolidated and company financial statements (continued)

19 Reconciliation of cash used in operations (continued)

| Company | 2017 £ | 2016 £ |
|---|---------------------|---------------------|
| Cash flows from operating activities | | |
| Operating loss | (179,469,313) | (58,367,403) |
| Exceptional items (see note 6) | 875,010 | - |
| Depreciation and amortisation | 7,700,040 | 5,129,462 |
| Loss on disposal of fixed assets | 43,266 | 2,528,121 |
| Share-based payments charge | 13,134,275 | 4,478,522 |
| Increase in inventories | (1,994,010) | - |
| Increase in trade and other receivables | 44,291,902 | (6,745,906) |
| Increase in trade and other payables | 66,455,463 | 16,029,074 |
| Other non-cash items | - | 10,316 |
| Cash used in operations | (48,963,367) | (36,937,814) |

Other non-cash items in 2016 consisted of unrealised foreign exchange gains/losses on intercompany balances.

20 Auditors' remuneration

| | 2017 £ | 2016 £ |
|--|----------------|----------------|
| Remuneration for audit of the financial statements | 344,564 | 120,700 |
| Tax advisory services | 4,950 | 42,150 |
| Tax compliance services | - | 3,750 |
| Total auditors' remuneration | 349,514 | 166,600 |

The parent Company incurred £53,600 (2016: £30,000) in relation to UK statutory audit fees for the year.

Notes to the consolidated and company financial statements (continued)

21 Leases

The Group and Company lease a number of office buildings under operating leases. Future minimum lease payments are as follows:

| Group | 2017 £ | 2016 £ |
|----------------------------|-------------------|-------------------|
| Within one year | 8,475,965 | 5,547,268 |
| Between one and five years | 27,548,188 | 17,388,788 |
| After five years | 24,548,264 | 22,775,122 |
| Total | 60,572,417 | 45,711,178 |

| Company | 2017 £ | 2016 £ |
|----------------------------|-------------------|-------------------|
| Within one year | 6,784,612 | 4,234,132 |
| Between one and five years | 24,095,535 | 14,848,173 |
| After five years | 22,728,243 | 21,519,753 |
| Total | 53,608,390 | 40,602,058 |

22 Acquisitions

On 24 August 2017 the Group acquired certain assets from Omakase Inc, obtaining control of those assets. These were acquired in order to grow the Group's research and development team and obtain specialist restaurant-facing technology. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as follows:

| | £ |
|--------------------------------|-------------------|
| Assets acquired | |
| Identifiable intangible assets | 8,184,250 |
| Liabilities assumed | |
| Deferred tax liability | (1,265,650) |
| Net assets acquired | 6,918,600 |
| Goodwill | 4,185,289 |
| Purchase consideration | 11,103,889 |

The consideration was satisfied by the transfer of 64,789 ordinary shares in the parent Company.

Notes to the consolidated and company financial statements (continued)

22 Acquisitions (continued)

Goodwill of £4,185,289 arising from the acquisition consists of a high value, experienced workforce and acquired technological know-how. None of the goodwill is expected to be deductible for income tax purposes.

Acquisition-related costs amounted to £247,000.

Between the date of acquisition and the balance sheet date, Omakase Inc contributed £nil revenue and £nil to the Group's result for the year. There would have been no change to the Group's revenue or result for the year if the acquisition of Omakase Inc had been completed on the first day of the financial year.

23 Financial instrument risk

23.1 Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments, the most significant of which are market risk, credit risk and liquidity risk. The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes, or write options. The most significant financial risks to which the Group is exposed are described below.

23.2 Market risk

The Group is exposed to market risk through its use of financial instruments, and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency sensitivity

Most of the Group's transactions are carried out in Sterling. Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US Dollars, Euros, Australian Dollars, Hong Kong Dollars, Singapore Dollars and United Arab Emirates Dirham. To mitigate the Group's exposure to foreign currency risk, non-Sterling cash flows are monitored in accordance with the Group's risk management policies.

Notes to the consolidated and company financial statements (continued)

23 Financial instrument risk (continued)

23.2 Market risk (continued)

The carrying amounts of the Group's cash balances held in foreign currency at the reporting date were as follows:

| | 2017 £ | 2016 £ |
|-----|-------------|-------------|
| USD | 310,205,167 | 127,040,872 |
| EUR | 27,252,235 | 19,837,507 |
| AUD | 3,854,937 | 2,091,504 |
| HKD | 2,980,914 | 2,467,778 |
| SGD | 4,840,676 | 1,540,819 |
| AED | 2,734,053 | 2,028,559 |

The following table illustrates the sensitivity of profit/loss and equity in regard to the Group's financial assets and liabilities and various exchange rates, all other things being equal. It assumes a +/- 10% change of the exchange rates for the year ended at 31 December 2017.

| | Cash increase / (decrease) | | | |
|-----|----------------------------|--------------|---------------|------------|
| | 10% strengthening | | 10% weakening | |
| | 2017 £ | 2016 £ | 2017 £ | 2016 £ |
| USD | (28,200,470) | (11,549,170) | 34,467,241 | 14,115,652 |
| EUR | (2,423,244) | (1,803,410) | 3,094,309 | 2,204,167 |
| AUD | (350,449) | (190,137) | 428,326 | 232,389 |
| HKD | (270,992) | (224,343) | 331,213 | 274,198 |
| SGD | (440,061) | (140,074) | 537,853 | 171,202 |
| AED | (248,550) | (184,414) | 303,784 | 225,395 |

The Group's sensitivity to fluctuations in foreign currencies is the result of increased holdings in foreign currency due to the growth of overseas entities. Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

Interest rate sensitivity

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 December 2017, the Group had no exposure to changes in market interest rates as there were no loans held.

Notes to the consolidated and company financial statements (continued)

23 Financial instrument risk (continued)

23.3 Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

| | 2017 £ | 2016 £ |
|-------------------------------|--------------------|--------------------|
| Cash and cash equivalents | 380,025,948 | 179,797,407 |
| Trade and other receivables | 26,771,218 | 12,161,699 |
| Total financial assets | 406,797,166 | 191,959,106 |

The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group considers that £631,152 (2016: £85,885) of trade and other receivables included within the above financial assets are impaired, with the remainder not impaired. Impairment is calculated based on an age analysis of receivables as well as awareness of individual receivable balances.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk in relation to any single counterparty or any group of counterparties having similar characteristics. The Group holds no financial assets that are past due as at the end of the reporting date but not impaired.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

23.4 Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by forecasting cash inflows and outflows due in day-to-day business.

The Group's objective is to maintain cash to meet its liquidity requirements. This objective was met for the reporting periods by keeping all cash as readily available. Funding for long-term liquidity needs is additionally secured by the ability to sell long-term financial assets.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables significantly exceed the current cash outflow requirements.

Notes to the consolidated and company financial statements (continued)

23 Financial instruments risk (continued)

23.4 Liquidity risk (continued)

The Group's financial liabilities measured at amortised cost are all made up of trade and other payables. They have contractual maturities as follows:

| | 2017 £ | 2016 £ |
|-----------------|-------------------|-------------------|
| Within one year | 79,483,822 | 45,340,741 |
| Total | 79,483,822 | 45,340,741 |

The above amounts reflect the contractual undiscounted cash flows, which are in line with the carrying values of the liabilities at the reporting date.

Notes to the consolidated and company financial statements (continued)

24 Investments in subsidiaries

Investments in subsidiaries of the Company consist of the following, all of which are included in the Group consolidated results for the year:

| | Registered address | Country of incorporation | Proportion of shares held | Carrying value of investment | |
|-----------------------------|---|--------------------------|---------------------------|------------------------------|---------------|
| | | | | 2017 £ | 2016 £ |
| Roofoods (USA) Inc. | 2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808 | USA | 100% | 2,740,639 | 1 |
| Deliveroo France SAS | 19 Rue des Petites Ecuries, 75010 Paris | France | 100% | 36,747,600 | 7,170 |
| Deliveroo Germany GMBH | Schlesische Strasse 26, Berlin 10997 | Germany | 100% | 17,924 | 17,924 |
| Deliveroo Ireland Ltd | 15 Flemmings Place, Ballsbridge, Dublin 4 | Ireland | 100% | 5,040,113 | 2 |
| Deliveroo Netherlands BV | Keizersgracht 562, 1017EM, Amsterdam | The Netherlands | 100% | 9,597,961 | 1 |
| Deliveroo Belgium SPRL | Rue de Monastere 10, Brussels | Belgium | 99.99% | 15,289 | 4,522 |
| Roofoods Spain SL | Calle Antonio González Echarte, 1, 28029 Madrid | Spain | 100% | 11,834,794 | 2,195 |
| Deliveroo Australia Pty Ltd | 56 Alexandra Street, St Kilda, VIC 3183 | Australia | 100% | 46 | 46 |
| Deliveroo Singapore Pte Ltd | 135 Cecil Street, #10-01, MYP Plaza, Singapore 69536 | Singapore | 100% | 16,115,639 | 1 |
| Deliveroo Hong Kong Ltd | 21 st Floor, Nam Wo Hong Building, 148 Wing Lok Street | Hong Kong | 100% | 8,969,214 | 8 |
| Deliveroo Italy SRL | Via Ettore Ponti 21, Milan 20143 | Italy | 100% | 7,823,462 | 7,462 |
| Deliveroo DMCC | The Oberoi Business Centre, 11/F, Unit 1103, Business Bay, Dubai | UAE | 100% | 1 | 1 |
| Roofoods Food Delivery LLC | The Oberoi Business Centre, 11/F, Unit 1103, Business Bay, Dubai | UAE | 49% | 41,497 | 9,065 |
| Total investments | | | | 98,944,179 | 48,398 |

The principal activity of all subsidiaries within the Group is the provision of an on-demand delivery service of restaurant food.

During the year, total capital contributions of £98,895,781 (2016: £nil) were made by the UK parent to its overseas subsidiaries, increasing the investments held.

Notes to the consolidated and company financial statements (continued)

25 Related party transactions

Roofoods Ltd is the immediate parent, ultimate parent and controlling party.

25.1 Transactions with key management personnel

Key management of the Group are the members of Roofoods Ltd's Board of Directors and senior management, and are therefore equivalent for the Group and the Company. Key management remuneration includes the following employee benefits:

| | 2017 £ | 2016 £ |
|----------------------------|------------------|------------------|
| Wages and salaries | 1,132,452 | 1,081,039 |
| Post-retirement benefits | 15,000 | - |
| Share-based payment charge | 2,813,457 | 1,420,599 |
| Total remuneration | 3,960,909 | 2,501,638 |

No termination payments were made during the current or previous year.

25.2 Remuneration of the highest paid director

The highest paid director's remuneration is shown below. The highest paid director has not received or exercised options in the Company during either the current or prior years.

| | 2017 £ | 2016 £ |
|---------------------------|----------------|----------------|
| Total wages and salaries | 159,532 | 124,999 |
| Post-retirement benefits | 3,333 | - |
| Total remuneration | 162,865 | 124,999 |

Notes to the consolidated and company financial statements (continued)

25 Related party transactions (continued)

25.3 Company transactions with related entities

The table below shows the Company's outstanding balances due from other entities within the Company and included within receivables:

| | 2017 £ | 2016 £ |
|--|-------------------|--------------------|
| Roofoods (USA) Inc. | (734,124) | 2,237,621 |
| Deliveroo France SAS | (8,006,424) | 24,747,078 |
| Deliveroo Germany GMBH | 19,392,706 | 19,806,025 |
| Deliveroo Ireland Ltd | (1,043,708) | 3,604,301 |
| Deliveroo Netherlands BV | (3,015,448) | 6,361,406 |
| Deliveroo Belgium SPRL | 5,173,358 | 5,515,219 |
| Roofoods Spain SL | (6,767,460) | 7,557,349 |
| Deliveroo Australia Pty Ltd | (3,776,499) | 14,074,833 |
| Deliveroo Singapore Pte Ltd | (2,396,929) | 10,176,727 |
| Deliveroo Hong Kong Ltd | 17,106,831 | 7,844,827 |
| Deliveroo Italy SRL | (2,553,709) | 5,278,967 |
| Roofoods DMCC | 7,866,473 | 6,297,216 |
| Net amount due from subsidiary undertakings | 21,245,067 | 113,501,569 |

Transactions between the Company and its subsidiaries include cash transfers and payments on behalf of the subsidiary.

26 Contingent liabilities

In common with other companies in our industry, there are entities in the Group with ongoing regulatory reviews, at various stages. For some of these, we have elected to defend ourselves in court. The Directors believe at this stage that the positions taken in each territory are defensible, however, we recognise the inherent uncertainty of the situation at this early stage of proceedings. Due to this uncertainty, no accurate quantification of any cost, or timing of such cost which could arise in the future as a result of this situation can be made.

27 Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.