

Company Registration No. 04060333 (England and Wales)

**EASYGROUP LTD**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

THURSDAY



\*A9KLCR8B\*

A15

24/12/2020

#484

COMPANIES HOUSE

SH 16 Dec 20

## EASYGROUP LTD

### COMPANY INFORMATION

---

**Director** Sir Stelios Haji-Ioannou

**Company number** 04060333

**Registered office** 168 Fulham Road  
London  
United Kingdom  
SW10 9PR

**Auditor** UHY Hacker Young  
Quadrant House  
4 Thomas More Square  
London  
E1W 1YW

**Bankers** Coutts & Co.  
440 Strand  
London  
WC2R 0QS



# EASYGROUP LTD

## CONTENTS

---

	Page
Strategic report	1
Director's report	2 - 3
Director's responsibilities statement	4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 28

SA

---

# **EASYGROUP LTD**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

---

The director presents the strategic report for the year ended 30 September 2020.

### **Fair review of the business**

The principal activity of the company is the creation, ownership, protection, exploitation and licensing out for royalty income of the easy family of brands as seen on the easy portal [www.easy.com](http://www.easy.com). The company owns about one thousand registered trademarks with the prefix "easy" and is active in many business sectors via its licensee companies. The aim of the company remains to extend the brand further into other suitable business activities by selecting appropriate business partners (some of which are substantial companies like easyJet PLC or easyHotel PLC and others are entrepreneurial start ups) and licensing the particular sub brand to them with requisite controls, checks and balances. Moreover the company will continue to act as a prudent brand owner in protecting the brand from infringement and any unauthorised use. The overall aim is to maximise returns on a risk adjusted basis.

### **Principal risks and uncertainties**

The principal risks are potential damage to the brand by internal and external threats and failure by licensees to pay royalties due to the company. The way the company manages these risks is by diversifying the royalty income streams and to manage the associated risks of default.

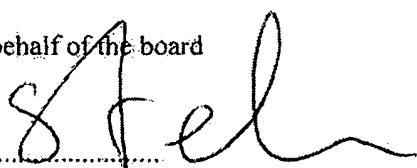
### **Development and performance**

The turnover for the year ended 30 September 2020 was almost £12.2 million. The balance sheet at 30 September 2020 shows shareholders' funds of almost £29.2 million. This is excluding the intangible assets like the easy family of brands which are not valued on the balance sheet. The company continues to make substantial charitable donations to the Stelios Philanthropic Foundation which is set up by the Director of the company for his legacy which reduce the reported profits of the company.

### **Key performance indicators**

The main Key Performance Indicator (KPI) for the financial performance of the company is to maximise its operating profit margin.

On behalf of the board



16 Dec 20

Sir Stelios Haji-Ioannou

Director

---

# **EASYGROUP LTD**

## **DIRECTOR'S REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

---

### **Principal activities**

The principal activity of the company is the creation, ownership, protection, exploitation and licensing out in return for royalty income of the easy family of brands as seen on the easy portal [www.easy.com](http://www.easy.com).

### **Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Sir Stelios Haji-Ioannou

### **Going concern assumption**

The company made a loss for the year amounting to £500,596 (2019: profit of £1,441,092) and at year end had net current liabilities of £3,842,550 (2019: £3,305,099) and net assets of £29,230,212 (2019: £29,730,808). The company has received a letter of support from easyGroup Holdings Ltd that it will support the company and ensure it can settle its liabilities as they fall due for a period of at least 12 months from the approval of the financial statements.

The director has also considered the impact of COVID-19 on the company in the strategic report and going concern accounting policy.

The director has prepared these financial statements on a going concern basis on the basis that, on balance, his expectation is that the company will continue as a going concern for the foreseeable future.

### **Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

### **Auditor**

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as the director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the director has taken all the necessary steps that they ought to have taken as director in order to make him aware of all relevant audit information and to establish that the company's auditor is aware of that information.



**EASYGROUP LTD**

**DIRECTOR'S REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

---

On behalf of the board



Sir Stelios Haji-Ioannou

**Director**

Date:

16 Dec 20

## **EASYGROUP LTD**

### **DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2020**

---

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



---

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF EASYGROUP LTD**

---

**Opinion**

We have audited the financial statements of easyGroup Ltd (the 'company') for the year ended 30 September 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.





**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF EASYGROUP LTD**

---

**Other information**

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

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

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



**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF EASYGROUP LTD**

---

**Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director is responsible for assessing 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

**Auditor's 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 auditor's 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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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



**Martin Jones (Senior Statutory Auditor)**  
**for and on behalf of UHY Hacker Young**

**16/12/2020**  
.....

**Chartered Accountants**  
**Statutory Auditor**



**EASYGROUP LTD****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

		2020 £	2019 £
	Notes		
Turnover	3	12,235,019	23,706,609
Cost of sales		(4,090,988)	(6,584,730)
Gross profit		8,144,031	17,121,879
Administrative expenses		(4,071,980)	(4,251,084)
Other operating income		265,835	394,324
Charitable donations		(4,500,000)	(11,626,771)
Operating (loss)/profit	4	(162,114)	1,638,348
Interest receivable and similar income	6	111,867	120,143
Interest payable and similar expenses	7	(3,703)	-
Fair value gains and losses on investments	8	(498,644)	(2,746)
(Loss)/profit before taxation		(552,594)	1,755,745
Taxation	9	51,998	(344,653)
(Loss)/profit for the financial year	22	(500,596)	1,411,092

**EASYGROUP LTD****BALANCE SHEET****AS AT 30 SEPTEMBER 2020**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	10	31,102,268		31,431,057	
Investments	11	1,970,494		1,656,848	
		<u>33,072,762</u>		<u>33,087,905</u>	
<b>Current assets</b>					
Stocks	13	6,131		14,039	
Debtors	14	798,079		4,864,915	
Investments	15	5,168,022		4,887,548	
Cash at bank and in hand		10,618,609		1,689,305	
		<u>16,590,841</u>		<u>11,455,807</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(20,433,391)</u>		<u>(14,760,906)</u>	
<b>Net current liabilities</b>			<u>(3,842,550)</u>		<u>(3,305,099)</u>
<b>Total assets less current liabilities</b>			<u>29,230,212</u>		<u>29,782,806</u>
<b>Provisions for liabilities</b>	18		-		(51,998)
<b>Net assets</b>			<u>29,230,212</u>		<u>29,730,808</u>
<b>Capital and reserves:</b>					
Called up share capital	21	3,650,002		3,650,002	
Profit and loss reserves	22	25,580,210		26,080,806	
<b>Total equity</b>			<u>29,230,212</u>		<u>29,730,808</u>

The financial statements were approved and signed by the director and authorised for issue on 16 Dec 20

*Stelios*

Sir Stelios Haji-Ioannou  
Director

Company Registration No. 04060333

**EASYGROUP LTD****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 October 2018	3,650,002	24,669,714	28,319,716
Year ended 30 September 2019:			
Profit and total comprehensive income for the year	-	1,411,092	1,411,092
Balance at 30 September 2019	3,650,002	26,080,806	29,730,808
Year ended 30 September 2020:			
Loss and total comprehensive income for the year	-	(500,596)	(500,596)
Balance at 30 September 2020	3,650,002	25,580,210	29,230,212

**EASYGROUP LTD****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	12,127,053		1,040,019	
Interest paid		(3,703)		-	
Income taxes refunded/(paid)		45,025		(955,858)	
<b>Net cash inflow from operating activities</b>		<b>12,168,375</b>		<b>84,161</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(263,174)		(1,185,395)	
Proceeds on disposal of tangible fixed assets		5,000		-	
Proceeds on disposal of investment		3,198		-	
Purchase of unlisted investments		(313,646)		(1,406,848)	
Other investments and loans		(782,316)		(2,435,748)	
Interest received		130		16,202	
Dividends received		111,737		103,941	
<b>Net cash used in investing activities</b>		<b>(1,239,071)</b>		<b>(4,907,848)</b>	
<b>Financing activities</b>					
Proceeds from issue of shares		-		70,529	
Repayment of borrowings		(2,000,000)		(500,000)	
<b>Net cash used in financing activities</b>		<b>(2,000,000)</b>		<b>(429,471)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>8,929,304</b>		<b>(5,253,158)</b>	
Cash and cash equivalents at beginning of year		1,689,305		6,942,463	
<b>Cash and cash equivalents at end of year</b>		<b>10,618,609</b>		<b>1,689,305</b>	

# **EASYGROUP LTD**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020**

---

### **1 Accounting policies**

#### **Company information**

easyGroup Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 168 Fulham Road, London, United Kingdom, SW10 9PR.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

The financial statements have been prepared on a going concern basis. The director has prepared detailed forecasts and cashflow projections which confirm that the company has adequate resources available to continue in operational existence for the foreseeable future. Accordingly, the director continues to adopt the going concern basis.

#### **1.3 Turnover**

##### **Revenue recognition on airport transfers**

Revenue represents airport transfers provided in the year, net of VAT. Revenue is recognised on the date that travel takes place.

##### **Revenue on contracts**

Revenue represents royalty income, cost recharges and letting income, net of VAT. Turnover is recognised on the issuing of an invoice.

#### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	2% Straight Line
Land and buildings Leasehold	2% Straight Line
Fixtures, fittings & equipment	20% & 33% Straight Line
Motor vehicles	3 years

# EASYGROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 1 Accounting policies

(Continued)

Depreciation is not charged on land.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.



# EASYGROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# EASYGROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 1 Accounting policies

(Continued)

#### *Other financial assets*

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# EASYGROUP LTD.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 1 Accounting policies

(Continued)

#### *Basic financial liabilities*

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# EASYGROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 1 Accounting policies

(Continued)

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.14 Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### 1.16 Investments

Current assets investments in listed entities are stated at the quoted market price in an active market.

## EASYGROUP LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

#### 2. Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### *Depreciation, useful lives and residual values of property, plant & equipment*

The director estimates the useful lives and residual values of property, plant & equipment in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the statement of comprehensive income and the carrying value of the property, plant & equipment in the balance sheet.

#### 3. Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Royalties and other income	12,235,019	23,706,609
	<u>          </u>	<u>          </u>
	2020 £	2019 £
<b>Other significant revenue</b>		
Interest income	130	16,202
Dividends received	111,737	103,941
Commissions received	4,738	8,740
Rental income arising from investment properties	227,568	362,214
	<u>          </u>	<u>          </u>

**EASYGROUP LTD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020****3 Turnover and other revenue****(Continued)**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Turnover analysed by geographical market</b>		
United Kingdom	12,110,619	23,533,367
France	64,543	102,610
Netherlands	59,857	70,632
	<u>12,235,019</u>	<u>23,706,609</u>

**4 Operating (loss)/profit**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange gains	(23,079)	(106,115)
Fees payable to the company's auditor for the audit of the company's financial statements	24,800	21,500
Depreciation of owned tangible fixed assets	591,963	457,953
Profit on disposal of tangible fixed assets	(5,000)	-
	<u>588,684</u>	<u>373,338</u>

**5 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Administration staff	15	16
Operations	5	9
	<u>20</u>	<u>25</u>

**EASYGROUP LTD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2020****5 Employees****(Continued)**

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	800,735	963,743
Social security costs	84,959	101,572
Pension costs	13,456	15,251
	<u>899,150</u>	<u>1,080,566</u>

**6 Interest receivable and similar income**

	2020	2019
	£	£
<b>Interest income</b>		
Interest on bank deposits	130	16,202
<b>Other income from investments</b>		
Dividends received	111,737	103,941
<b>Total income</b>	<u>111,867</u>	<u>120,143</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	130	16,202
Dividends from financial assets measured at fair value through profit or loss	111,737	103,941
	<u>111,867</u>	<u>120,143</u>

**7 Interest payable and similar expenses**

	2020	2019
	£	£
<b>Other finance costs:</b>		
Other interest	3,703	-
	<u>3,703</u>	<u>-</u>

**EASYGROUP LTD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2020**

<b>8</b>	<b>Amounts written off investments</b>		
	<b>fixed asset investments</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	<b>Fair value gains/(losses) on financial instruments</b>		
	Change in value of financial assets held at fair value through profit or loss	(497,874)	(2,746)
	<b>Other gains/(losses)</b>		
	Loss on disposal of financial assets held at fair value through profit or loss	(770)	-
		<u>(498,644)</u>	<u>(2,746)</u>
<b>9</b>	<b>Taxation</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	-	222,126
		<u>-</u>	<u>222,126</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(51,998)	122,527
		<u>(51,998)</u>	<u>122,527</u>
	<b>Total tax (credit)/charge</b>	<u>(51,998)</u>	<u>344,653</u>





# EASYGROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2020

#### 9 Taxation

(Continued)

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
(Loss)/profit before taxation	(552,594)	1,755,745
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(104,993)	333,592
Tax effect of expenses that are not deductible in determining taxable profit	95,067	636
Group relief	(77,735)	-
Permanent capital allowances in excess of depreciation	47,553	44,589
Exempt dividend income	(21,230)	(19,749)
Remeasurement of deferred tax for changes in tax rates	9,340	-
Adjustment to closing deferred tax	-	(14,415)
Taxation (credit)/charge for the year	(51,998)	344,653

#### 10 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 October 2019	30,935,431	621,347	1,174,555	375,924	33,107,257
Additions	71,089	-	192,085	-	263,174
At 30 September 2020	31,006,520	621,347	1,366,640	375,924	33,370,431
<b>Depreciation and impairment</b>					
At 1 October 2019	870,042	159,728	409,998	236,432	1,676,200
Depreciation charged in the year	237,854	12,427	227,468	114,214	591,963
At 30 September 2020	1,107,896	172,155	637,466	350,646	2,268,163
<b>Carrying amount</b>					
At 30 September 2020	29,898,624	449,192	729,174	25,278	31,102,268
At 30 September 2019	30,065,389	461,619	764,557	139,492	31,431,057

# EASYGROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 11 Fixed asset investments

	2020 £	2019 £
Unlisted investments	1,970,494	1,656,848

### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 October 2019	1,656,848
Additions	313,646
At 30 September 2020	1,970,494
<b>Carrying amount</b>	
At 30 September 2020	1,970,494
At 30 September 2019	1,656,848

### 12 Financial instruments

	2020 £	2019 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	499,502	2,349,068
Equity instruments measured at cost less impairment	1,970,494	1,656,848
Instruments measured at fair value through profit or loss	5,168,022	4,887,548
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	19,133,520	14,409,309

### 13 Stocks

	2020 £	2019 £
Finished goods and goods for resale	6,131	14,039

# EASYGROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 14 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	229,097	245,139
Corporation tax recoverable	50,474	95,499
Other debtors	10,968	171,198
Prepayments and accrued income	507,540	4,353,079
	<u>798,079</u>	<u>4,864,915</u>

### 15 Current asset investments

	2020	2019
	£	£
Listed investments at fair value through profit or loss	<u>5,168,022</u>	<u>4,887,548</u>

### 16 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other borrowings	7,500,000	9,500,000
Trade creditors	626,102	2,149,480
Other taxation and social security	1,299,871	351,597
Other creditors	8,559,685	60,430
Accruals and deferred income	2,447,733	2,699,399
	<u>20,433,391</u>	<u>14,760,906</u>

### 17 Loans and overdrafts

	2020	2019
	£	£
Loans from group undertakings	<u>7,500,000</u>	<u>9,500,000</u>
Payable within one year	<u>7,500,000</u>	<u>9,500,000</u>

**EASYGROUP LTD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020****17 Loans and overdrafts****(Continued)**

The above amount due to the parent undertaking is interest free and repayable on demand.

Subsequent to the year end loans from group undertakings have increased from £7,500,000 to £11,500,000.

**18 Provisions for liabilities**

	Notes	2020 £	2019 £
Deferred tax liabilities	19	-	51,998

**19 Deferred taxation**

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020 £	Liabilities 2019 £
<b>Balances:</b>		
Accelerated capital allowances	-	51,998
<b>Movements in the year:</b>		2020 £
Liability at 1 October 2019		51,998
Credit to profit or loss		(51,998)
Liability at 30 September 2020		-

The deferred tax asset relates to fixed asset timing differences.

**EASYGROUP LTD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020****20 Retirement benefit schemes**

	2020	2019
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	13,456	15,251

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

**21 Share capital**

	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
3,650,002 Ordinary shares of £1 each	3,650,002	3,650,002

Share capital represents the nominal value of shares that have been issued. There is a single class of ordinary shares, which have attached to them full voting, dividend and capital distribution (including winding up) rights. They do not confer any rights of redemption.

**22 Profit and loss reserves**

Represents all current and prior period retained profits and losses.

**23 Related party transactions**

**EASYGROUP LTD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020****23 Related party transactions****(Continued)**

The company received royalties of £193,225 (2019: £185,081), management fees of £14,400 (nil) and recharged costs of £120,000 (2019: £317) to easyCar Online Limited. easyCar Online Limited is a company under common control of easyGroup Holdings Limited.

During the year the company was charged £600,000 (2019: £600,000) in management charges by easyGroup Holdings Limited, a company registered in the Cayman Islands whose ultimate controlling party is the Sir Stelios Haji-Ioannou Trust.

During the year the company made donations of £4,500,000 (2019: £11,626,771) to the Stelios Philanthropic Foundation. The Foundation is controlled by Sir Stelios Haji-Ioannou, who is also a trustee.

**24 Ultimate controlling party**

The company's immediate and ultimate parent undertaking is easyGroup Holdings Limited, a company registered in the Cayman Islands whose ultimate controlling party is the Sir Stelios Haji-Ioannou Trust, a Cayman Islands trust set up for the benefit of Sir Stelios Haji-Ioannou and others in which he participates in the management. The financial statements of easyGroup Holdings Limited are not available to the public.

**25 Cash generated from operations**

	2020 £	2019 £
(Loss)/profit for the year after tax	(500,596)	1,411,092
<b>Adjustments for:</b>		
Taxation (credited)/charged	(51,998)	344,653
Finance costs	3,703	-
Investment income	(111,867)	(120,143)
Gain on disposal of tangible fixed assets	(5,000)	-
Depreciation and impairment of tangible fixed assets	591,963	457,953
Fair value gains and losses on investments	498,644	2,746
<b>Movements in working capital:</b>		
Decrease in stocks	7,908	3,915
Decrease/(increase) in debtors	4,021,811	(403,979)
Increase/(decrease) in creditors	7,672,485	(656,218)
<b>Cash generated from operations</b>	<b>12,127,053</b>	<b>1,040,019</b>

**EASYGROUP LTD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020****26 Analysis of changes in net funds/(debt)**

	<b>1 October 2019</b>	<b>Cash flows</b>	<b>30 September 2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,689,305	8,929,304	10,618,609
Borrowings excluding overdrafts	(9,500,000)	2,000,000	(7,500,000)
	<u>(7,810,695)</u>	<u>10,929,304</u>	<u>3,118,609</u>