

Company Registration No. 04060333 (England and Wales)

EASYGROUP LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022



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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

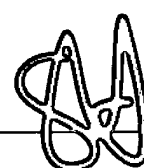
Bankers Coutts & Co.
440 Strand
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WC2R 0QS



EASYGROUP LTD

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EASYGROUP LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The director presents the strategic report for the year ended 30 September 2022.

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 and on www.easyHistory.info. The company owns about one thousand one hundred and fifty 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 Ltd 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 the royalties due to the company or a reduction in the licensee's revenues which will reduce the royalties due to easyGroup. 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 balance sheet at 30 September 2022 shows shareholders' funds of £30.4m. This is excluding the intangible assets like the easy family of brands which are not valued on the balance sheet. The company made a substantial charitable donation out of its profits to the Stelios Philanthropic Foundation which is set up by the Director of the company for his legacy which reduced 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

Sir Stelios Haji-Ioannou
Director



9 Dec 22

9 December 2022

EASYGROUP LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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 and www.easyhistory.info.

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.

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 profit for the year amounting to £436,134 (2021: £761,081) and at year end had net current liabilities of £1,656,606 (2021: £3,464,261) and net assets of £30,427,427 (2021: £29,991,293). The company has produced a cash flow forecast to December 2023 and received a letter from easyGroup Holdings Ltd, its parent company registered in the Cayman Islands, confirming subordination of the loan to 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 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.

Auditor

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



EASYGROUP LTD

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Statement of director's responsibilities

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.

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.

On behalf of the board

Sir Stelios Haji-Ioannou
Director

Stelios
9 Dec 22

9 December 2022

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 2022 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 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.



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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.



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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and profit.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, substantive testing of revenue, review of correspondence with and reports to the regulators, review of correspondence with legal advisors, enquiries of management and testing of journals and evaluating whether there was evidence of bias by the director that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



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

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 them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

Chartered Accountants
Statutory Auditor

12 December 2022



EASYGROUP LTD**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

		2022	2021
	Notes	£	£
Turnover	3	18,366,557	6,506,258
Cost of sales		(3,826,889)	(4,081,562)
Gross profit		14,539,668	2,424,696
Administrative expenses		(3,458,867)	(3,305,473)
Other operating income	3	249,254	216,280
Charitable donations		(10,496,725)	-
Operating profit/(loss)	4	833,330	(664,497)
Interest receivable and similar income	6	142,798	147,951
Fair value gains and losses on investments	7	(417,226)	1,277,627
Profit before taxation		558,902	761,081
Tax on profit	8	(122,768)	-
Profit for the financial year		436,134	761,081

EASYGROUP LTD**BALANCE SHEET****AS AT 30 SEPTEMBER 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	9	30,104,550		30,652,977	
Investments	10	1,979,483		2,802,577	
		<u>32,084,033</u>		<u>33,455,554</u>	
Current assets					
Debtors	12	12,732,019	1,060,328		
Investments	13	966,715	6,250,190		
Cash at bank and in hand		7,479,197	8,065,184		
		<u>21,177,931</u>	<u>15,375,702</u>		
Creditors: amounts falling due within one year	14	<u>(22,834,537)</u>	<u>(18,839,963)</u>		
Net current liabilities			<u>(1,656,606)</u>		<u>(3,464,261)</u>
Total assets less current liabilities			<u>30,427,427</u>		<u>29,991,293</u>
Capital and reserves					
Called up share capital	18	3,650,002		3,650,002	
Profit and loss reserves	19	26,777,425		26,341,291	
Total equity			<u>30,427,427</u>		<u>29,991,293</u>

The financial statements were approved and signed by the director and authorised for issue on 9 December 2022

Sir Stelios Haji-Ioannou
Director

Company Registration No. 04060333

Stelios

9 Dec 22

EASYGROUP LTD**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 October 2020	3,650,002	25,580,210	29,230,212
Year ended 30 September 2021:			
Profit and total comprehensive income for the year	-	761,081	761,081
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2021	3,650,002	26,341,291	29,991,293
Year ended 30 September 2022:			
Profit and total comprehensive income for the year	-	436,134	436,134
	<hr/>	<hr/>	<hr/>
Balance at 30 September 2022	<u>3,650,002</u>	<u>26,777,425</u>	<u>30,427,427</u>



EASYGROUP LTD**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	22	(16,109,834)		(6,123,572)	
Income taxes refunded/(paid)		50,474		-	
Net cash outflow from operating activities		(16,059,360)		(6,123,572)	
Investing activities					
Purchase of tangible fixed assets		(20,237)		(36,680)	
Proceeds on disposal of tangible fixed assets		250,000		95,500	
Purchase of investments		(146,049)		(892,238)	
Proceeds on disposal of investments		5,835,392		255,614	
Interest received		30,492		18,702	
Dividends received		112,306		129,249	
Net cash generated from/(used in) investing activities		6,061,904		(429,853)	
Financing activities					
Proceeds from loans from group undertakings		9,411,469		4,000,000	
Net cash generated from financing activities		9,411,469		4,000,000	
Net decrease in cash and cash equivalents		(585,987)		(2,553,425)	
Cash and cash equivalents at beginning of year		8,065,184		10,618,609	
Cash and cash equivalents at end of year		7,479,197		8,065,184	

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

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. This assessment has been made based on the projected cash flow forecasts for a period of 12 months from the date of these financial statements, in conjunction with a letter from the parent company confirming subordination of the loan. Accordingly, the director continues to adopt the going concern basis.

1.3 Turnover

Revenue on contracts

Revenue represents royalty income and cost recharges, net of VAT. Revenue is recognised based on the conditions specified in brand protection licenses and recharge agreements with licensees.

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

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.



EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

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.

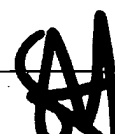
Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific 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.

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 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.



EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.8 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

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.

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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.9 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.

1.10 Taxation

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



EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

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.

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.

1.11 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.

1.12 Retirement benefits

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

1.13 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.14 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.

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.15 Investments

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

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.

Unlisted investments

Unlisted investments are tested for impairment when circumstances indicate that the carrying value may be impaired.

Impairment is determined for unlisted investments by assessing the recoverable amount of each investment as the higher of the value in use and its fair value less costs to sell. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised. The director makes an impairment review once per year and, based on the available information from the investee companies, has made certain provisions in these accounts.



EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****3 Turnover and other revenue**

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

	2022 £	2021 £
Turnover analysed by class of business		
Recharge income	2,093,933	1,776,121
Royalty income	16,272,624	4,730,137
	<u>18,366,557</u>	<u>6,506,258</u>

	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	18,251,884	6,431,609
Rest of the world	114,673	74,649
	<u>18,366,557</u>	<u>6,506,258</u>

	2022 £	2021 £
Other operating income		
Commissions received	4,855	-
Rental income	243,399	215,379
Other income	1,000	901
	<u></u>	<u></u>

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	169,138	66,167
Fees payable to the company's auditor for the audit of the company's financial statements	27,000	24,750
Fees payable to the company's auditor for non-audit services	6,900	5,490
Depreciation of owned tangible fixed assets	442,765	476,971
Profit on disposal of tangible fixed assets	(124,101)	(86,500)
	<u></u>	<u></u>

EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****5 Employees**

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

	2022	2021
	Number	Number
Administration staff	13	15

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	685,529	658,723
Social security costs	82,179	73,608
Pension costs	11,361	11,037
	<u>779,069</u>	<u>743,368</u>

6 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Other interest	927	-
Interest on loans	29,565	18,702
Total interest revenue	<u>30,492</u>	<u>18,702</u>
Other income from investments		
Dividends received	112,306	129,249
Total income	<u>142,798</u>	<u>147,951</u>

EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****7 Amounts written off investments****fixed asset investments****Fair value gains/(losses) on financial instruments**

Change in value of financial assets held at fair value through profit or loss

Other gains/(losses)

(Loss)/gain on disposal of financial assets held at fair value through profit or loss

Impairment of investment

2022**£****2021****£**

565,956

1,336,793

(14,039)

989

(969,143)

(60,155)

(417,226)

1,277,627

8 Taxation**2022****£****2021****£****Current tax**

UK corporation tax on profits for the current period

122,768

-

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

	2022	2021
	£	£
Profit before taxation	558,902	761,081
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	106,191	144,605
Tax effect of expenses that are not deductible in determining taxable profit	1,900	11,429
Tax effect of income not taxable in determining taxable profit	(104,864)	(253,991)
Change in unrecognised deferred tax assets	(62,609)	78,742
Permanent capital allowances in excess of depreciation	-	43,772
Exempt dividend income	(21,338)	(24,557)
Impairment of assets	203,488	-
Taxation charge for the year	122,768	-

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

9 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 October 2021	31,015,219	621,347	1,394,621	61,992	33,093,179
Additions	-	-	20,237	-	20,237
Disposals	(125,899)	-	-	-	(125,899)
At 30 September 2022	30,889,320	621,347	1,414,858	61,992	32,987,517
Depreciation and impairment					
At 1 October 2021	1,339,264	184,582	857,864	58,492	2,440,202
Depreciation charged in the year	231,470	12,427	196,368	2,500	442,765
At 30 September 2022	1,570,734	197,009	1,054,232	60,992	2,882,967
Carrying amount					
At 30 September 2022	29,318,586	424,338	360,626	1,000	30,104,550
At 30 September 2021	29,675,955	436,765	536,757	3,500	30,652,977

10 Fixed asset investments

	2022 £	2021 £
Unlisted investments	1,979,483	2,802,577

EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022****10 Fixed asset investments (Continued)****Movements in fixed asset investments**

	Investments £
Cost or valuation	
At 1 October 2021	2,862,732
Additions	146,049
	<u>3,008,781</u>
At 30 September 2022	<u>3,008,781</u>
Impairment	
At 1 October 2021	60,155
Impairment losses	969,143
	<u>1,029,298</u>
At 30 September 2022	<u>1,029,298</u>
Carrying amount	
At 30 September 2022	<u>1,979,483</u>
At 30 September 2021	<u>2,802,577</u>

11 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	12,403,316	726,908
Equity instruments measured at cost less impairment	1,979,483	2,802,577
Instruments measured at fair value through profit or loss	966,715	6,250,190
	<u>15,349,514</u>	<u>9,780,675</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>22,295,200</u>	<u>17,061,676</u>

The above disclosure excludes cash balances held of £7,479,197 (2021: £8,065,184).

EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****12 Debtors**

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	512,648	456,678
Corporation tax recoverable	-	50,474
Other debtors	98,434	10,695
Prepayments and accrued income	12,120,937	542,481
	<u>12,732,019</u>	<u>1,060,328</u>

13 Current asset investments

	2022	2021
	£	£
Listed investments at fair value through profit or loss	<u>966,715</u>	<u>6,250,190</u>

14 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other borrowings	20,911,469	11,500,000
Trade creditors	1,019,276	750,362
Corporation tax	122,768	-
Other taxation and social security	32,968	327,321
Deferred income	383,601	1,450,966
Other creditors	70,012	4,067,169
Accruals	294,443	744,145
	<u>22,834,537</u>	<u>18,839,963</u>

15 Loans and overdrafts

	2022	2021
	£	£
Loans received from parent company	<u>20,911,469</u>	<u>11,500,000</u>
Payable within one year	<u>20,911,469</u>	<u>11,500,000</u>

EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****15 Loans and overdrafts (Continued)**

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

16 Deferred income

	2022 £	2021 £
Other deferred income	383,601	1,450,966

17 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	11,361	11,037

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.

18 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	3,650,002	3,650,002	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.

19 Profit and loss reserves

Represents all current and prior period retained profits and losses.

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

20 Related party transactions

The company received royalties of £211,523 (2021: £198,055), management fees of £28,800 (2021: £28,800) and recharged costs of £122,970 (2021: £2,970) from easyCar Online Limited. easyCar Online Limited is a company under common control.

During the year the company was charged £600,000 (2021: £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. At the year end, an outstanding balance of £20,911,469 (2021: £11,500,000) was due to easyGroup Holdings Limited.

During the year the company made donations of £10,496,725 (2021: £Nil) to the Stelios Philanthropic Foundation, a UK registered charity. The Foundation is controlled by its seven Trustees, of which Sir Stelios Haji-Ioannou is one of them.

21 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.

22 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	436,134	761,081
Adjustments for:		
Taxation charged	122,768	-
Investment income	(142,798)	(147,951)
Gain on disposal of tangible fixed assets	(124,101)	(86,500)
Depreciation and impairment of tangible fixed assets	442,765	476,971
Fair value gains and losses on investments	417,226	(1,277,627)
Movements in working capital:		
(Increase)/decrease in stocks	-	6,131
(Increase) in debtors	(11,638,405)	(262,249)
(Decrease) in creditors	(4,556,058)	(7,044,394)
(Decrease)/increase in deferred income	(1,067,365)	1,450,966
Cash absorbed by operations	(16,109,834)	(6,123,572)

EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2022****23 Analysis of changes in net debt**

	1 October 2021	Cash flows	30 September 2022
	£	£	£
Cash at bank and in hand	8,065,184	(585,987)	7,479,197
Borrowings excluding overdrafts	(11,500,000)	(9,411,469)	(20,911,469)
	<u>(3,434,816)</u>	<u>(9,997,456)</u>	<u>(13,432,272)</u>

