

Company registration number 03907297 (England and Wales)

EASYCAR HOLDINGS LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

EASYCAR HOLDINGS LTD

COMPANY INFORMATION

Directors Sir Stelios Haji-Ioannou
Mr R J Angelini-Hurll

Company number 03907297

Registered office 168 Fulham Road
London
SW10 9PR

Auditor Kirk Rice LLP
The Courtyard
High Street
Ascot
Berkshire
SL5 7HP

EASYCAR HOLDINGS LTD

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EASYCAR HOLDINGS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The directors present their annual report and financial statements for the year ended 30 September 2023.

Principal activities

The principal activity of the company and group continued to be that of the exploitation of the "easy" brand in the provision of renting of self drive vehicles.

Results and dividends

The results for the year are set out on page 3.

An ordinary dividend of £285k was declared and paid during the year, which was based on the results for the year ended 30 September 2022.

The directors recommend the payment of an ordinary dividend of £333k based on the results for the year ended 30 September 2023, which is equal to 50% of the group's profit for the financial year.

Directors

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

Sir Stelios Haji-Ioannou
Mr R J Angelini-Hurll

Auditor

Kirk Rice LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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

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

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

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

EASYCAR HOLDINGS LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Sir Stelios Haji-Ioannou
Director

27 November 2023

EASYCAR HOLDINGS LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EASYCAR HOLDINGS LTD

Opinion

We have audited the financial statements of EasyCar Holdings Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2023 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group 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 Financial Reporting Standard 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 group's and the parent company's affairs as at 30 September 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 group and parent 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 directors' 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 group's and parent 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 directors with respect to going concern are described in the relevant sections of this report.

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 directors are 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

EASYCAR HOLDINGS LTD

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have 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.

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 financial statement disclosures to underlying supporting documentation, substantive testing of revenue, making enquiries of management, testing of journals, and evaluating whether the judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias.

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.

EASYCAR HOLDINGS LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EASYCAR HOLDINGS 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.

Graham Jennings (Senior Statutory Auditor)
For and on behalf of Kirk Rice LLP

28 November 2023

Statutory Auditor

The Courtyard
High Street
Ascot
Berkshire
SL5 7HP

EASYCAR HOLDINGS LTD

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2023

		2023	2022
	Notes	£'000	£'000
Turnover	3	946	841
Administrative expenses		(292)	(270)
Operating profit	4	654	571
Interest receivable and similar income	7	12	-
Profit before taxation		666	571
Tax on profit	8	-	438
Profit for the financial year	17	666	1,009

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

EASYCAR HOLDINGS LTD

GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Current assets					
Debtors	13	673		681	
Cash at bank and in hand		1,521		1,137	
		<u>2,194</u>		<u>1,818</u>	
Creditors: amounts falling due within one year	14	<u>(17)</u>		<u>(22)</u>	
Net current assets			2,177		1,796
			<u><u>2,177</u></u>		<u><u>1,796</u></u>
Capital and reserves					
Called up share capital	16		698		698
Share premium account	17		1		1
Profit and loss reserves	17		1,478		1,097
			<u>2,177</u>		<u>1,796</u>
Total equity			<u><u>2,177</u></u>		<u><u>1,796</u></u>

The financial statements were approved by the board of directors and authorised for issue on 27 November 2023 and are signed on its behalf by:

Sir Stelios Haji-Ioannou
Director

Company registration number 03907297 (England and Wales)

EASYCAR HOLDINGS LTD

COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Current assets					
Debtors	13	700		700	
Net current assets			700		700
			==		==
Capital and reserves					
Called up share capital	16		698		698
Share premium account	17		1		1
Profit and loss reserves	17		1		1
			—		—
Total equity			700		700
			==		==

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £285k (2022 - £nil profit).

The financial statements were approved by the board of directors and authorised for issue on 27 November 2023 and are signed on its behalf by:

Sir Stelios Haji-Ioannou
Director

Company registration number 03907297 (England and Wales)

EASYCAR HOLDINGS LTD

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Share capital	Share premium account	Profit and loss reserves	Total
Notes	£'000	£'000	£'000	£'000
Balance at 1 October 2021	698	1	88	787
Year ended 30 September 2022:				
Profit and total comprehensive income	-	-	1,009	1,009
Balance at 30 September 2022	698	1	1,097	1,796
Year ended 30 September 2023:				
Profit and total comprehensive income	-	-	666	666
Dividends	9	-	(285)	(285)
Balance at 30 September 2023	698	1	1,478	2,177

EASYCAR HOLDINGS LTD

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Share capital	Share premium account	Profit and loss reserves	Total
Notes	£'000	£'000	£'000	£'000
Balance at 1 October 2021	698	1	1	700
Year ended 30 September 2022:				
Profit and total comprehensive income for the year	-	-	-	-
Balance at 30 September 2022	698	1	1	700
Year ended 30 September 2023:				
Profit and total comprehensive income	-	-	285	285
Dividends	9	-	(285)	(285)
Balance at 30 September 2023	698	1	1	700

EASYCAR HOLDINGS LTD

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash generated from operations	20		657		457
Investing activities					
Interest received		12		-	
Net cash generated from/(used in) investing activities			12		-
Financing activities					
Dividends paid to equity shareholders		(285)		-	
Net cash used in financing activities			(285)		-
Net increase in cash and cash equivalents			384		457
Cash and cash equivalents at beginning of year			1,137		680
Cash and cash equivalents at end of year			1,521		1,137

EASYCAR HOLDINGS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

Company information

easyCar Holdings Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 168 Fulham Road, London, SW10 9PR.

The group consists of easyCar Holdings Ltd and all of its subsidiaries.

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 £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parents company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33: 'Related Party Disclosures': Compensation for key management personnel

easyCar Online Ltd has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of easyCar Online Ltd from its acquisition. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

EASYCAR HOLDINGS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future based on the detailed cash flow projections for at least 12 months from the date of the approval of the accounts. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover represents the net amounts (excluding value added tax and other sales taxes) derived from the provision of car rental service on an agency basis. Revenue related to car rental services is recognised on the pick-up of the vehicle. Rental revenue is stated net of value added tax applied to the margin on the rental.

1.6 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:

Fixtures and fittings	Over a three to four year period
Computers	Over a three year period

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 recognised in the profit and loss account.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

EASYCAR HOLDINGS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the group. 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 group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

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

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 group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

EASYCAR HOLDINGS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

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 group 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 group 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.

EASYCAR HOLDINGS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.10 Equity instruments

Equity instruments issued by the group 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 group.

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 group'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 if, and only if, there is 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.

EASYCAR HOLDINGS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Deferred Tax

Determine the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Investments

Determine whether there are indicators of impairment of the group's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the activities relating to those assets.

3 Turnover and other revenue

	2023 £'000	2022 £'000
Turnover analysed by class of business		
Car rental commissions	946	841
	<u> </u>	<u> </u>
	2023 £'000	2022 £'000
Other revenue		
Interest income	12	-
	<u> </u>	<u> </u>

4 Operating profit

	2023 £'000	2022 £'000
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	1	(2)
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2023 £'000	2022 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company's subsidiaries	15	18
	<u> </u>	<u> </u>

EASYCAR HOLDINGS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was nil (2022: nil).

7 Interest receivable and similar income

	2023 £'000	2022 £'000
Interest income		
Interest on bank deposits	12	-
	<u>12</u>	<u>-</u>

	2023 £'000	2022 £'000
Investment income includes the following:		

Interest received	12	-
	<u>12</u>	<u>-</u>

8 Taxation

	2023 £'000	2022 £'000
Deferred tax		
Origination and reversal of timing differences	-	(438)
	<u>-</u>	<u>(438)</u>

The actual charge/(credit) 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:

	2023 £'000	2022 £'000
Profit before taxation	666	571
	<u>666</u>	<u>571</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 22.00% (2022: 19.00%)	147	108
Tax effect of utilisation of tax losses not previously recognised	(147)	(105)
Change in unrecognised deferred tax assets	-	(441)
	<u>-</u>	<u>(441)</u>
Taxation charge/(credit)	-	(438)
	<u>-</u>	<u>(438)</u>

9 Dividends

	2023 £'000	2022 £'000
Recognised as distributions to equity holders:		
Final paid	285	-
	<u>285</u>	<u>-</u>

EASYCAR HOLDINGS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

10 Tangible fixed assets

Group	Fixtures and fittings £'000	Computers £'000	Total £'000
Cost			
At 1 October 2022 and 30 September 2023	6	30	36
Depreciation and impairment			
At 1 October 2022 and 30 September 2023	6	30	36
Carrying amount			
At 30 September 2023	-	-	-

The company had no tangible fixed assets at 30 September 2023 or 30 September 2022.

11 Fixed asset investments

	Group 2023 £'000	2022 £'000	Company 2023 £'000	2022 £'000
Movements in fixed asset investments				
Company				
Cost or valuation				
At 1 October 2022 and 30 September 2023				10,379
Impairment				
At 1 October 2022 and 30 September 2023				10,379
Carrying amount				
At 30 September 2023				-
At 30 September 2022				-

The investments represent 100% of the ordinary share capital of the company's subsidiary, easyCar Online Ltd.

EASYCAR HOLDINGS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

12 Financial instruments

	Group 2023 £'000	2022 £'000	Company 2023 £'000	2022 £'000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	102	100	700	700
	<u>102</u>	<u>100</u>	<u>700</u>	<u>700</u>
Carrying amount of financial liabilities				
Measured at amortised cost	17	21	-	-
	<u>17</u>	<u>21</u>	<u>-</u>	<u>-</u>

13 Debtors

	Group 2023 £'000	2022 £'000	Company 2023 £'000	2022 £'000
Amounts falling due within one year:				
Trade debtors	84	-	-	-
Amounts owed by group undertakings	-	-	700	700
Other debtors	18	118	-	-
Prepayments and accrued income	8	-	-	-
	<u>110</u>	<u>118</u>	<u>700</u>	<u>700</u>
Deferred tax asset (note 15)	563	563	-	-
	<u>673</u>	<u>681</u>	<u>700</u>	<u>700</u>

14 Creditors: amounts falling due within one year

	Group 2023 £'000	2022 £'000	Company 2023 £'000	2022 £'000
Trade creditors	-	1	-	-
Other creditors	-	1	-	-
Accruals and deferred income	17	20	-	-
	<u>17</u>	<u>22</u>	<u>-</u>	<u>-</u>

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Assets 2023 £'000	Assets 2022 £'000
Group		
Tax losses	563	563
	<u>563</u>	<u>563</u>

The company has no deferred tax assets or liabilities.

EASYCAR HOLDINGS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

15 Deferred taxation

(Continued)

There were no deferred tax movements in the year.

The group has recognised a deferred tax asset in respect of tax losses which are expected to be utilised over the next three years, based on forecasted profits over that period.

The group has cumulative trading losses of £45m (2022 - £45m). The deferred tax assets not provided on trading losses amount to £11m (2022 - £11m).

16 Share capital

Group and company	2023	2022	2023	2022
Ordinary share capital	Number	Number	£'000	£'000
Issued and fully paid				
Ordinary shares of 0.00001p each	69,842,903,456	69,842,903,456	698	698
A growth shares of 0.000001p each	1,634,899,426	7,357,047,415	-	-
B growth shares of 0.000001p each	4,545,020,403	4,545,020,403	-	-
	<u>76,022,823,285</u>	<u>81,744,971,274</u>	<u>698</u>	<u>698</u>

A special resolution was signed on 20 October 2022, issuing a reduction in issued share capital of 5,722,147,989 A Growth shares. Upon this reduction taking effect the credit of £57 arising upon the cancellation of capital was transferred to the profit and loss reserve.

Called up share capital represents the nominal value of the shares issued.

17 Reserves

Share premium

Share premium represents the consideration for, or value of, shares issued in excess of the nominal values of such shares.

Share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss reserves

Profit and loss account represents accumulated profits and losses less dividends paid and other adjustments.

18 Related party transactions

Transactions with related parties

During the year, the group was charged £201k (2022: £176k) for royalties, £50k (2022: £50k) for brand protection costs and £24k (2022: £24k) for management fees by easyGroup Ltd, a company under common control.

EASYCAR HOLDINGS LTD

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

19 Controlling party

Controlling party

The group's ultimate parents undertaking is easyGroup Holdings Limited, which is the holding vehicle for the Sir Stelios Haji-loannou Trust, of which Sir Stelios Haji-loannou is currently the primary beneficiary and, as settlor of the Trust, Sir Stelios Haji-loannou retains a significant role in relation to the control structure.

20 Cash generated from group operations

	2023 £'000	2022 £'000
Profit for the year after tax	666	1,009
Adjustments for:		
Taxation charged/(credited)	-	(438)
Investment income	(12)	-
Movements in working capital:		
Decrease/(increase) in debtors	8	(68)
Decrease in creditors	(5)	(46)
Cash generated from operations	657	457

21 Analysis of changes in net funds - group

	1 October 2022 £'000	Cash flows £'000	30 September 2023 £'000
Cash at bank and in hand	1,137	384	1,521

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.