

Company Registration No. 04060333 (England and Wales)

EASYGROUP LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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EASYGROUP LTD

COMPANY INFORMATION

Director	Sir Stelios Haji-Ioannou
Company number	04060333
Registered office	10 Ansdell Street Kensington London W8 5BN
Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW
Business address	10 Ansdell Street Kensington London W8 5BN
Bankers	Coutts & Co. 440 Strand London WC2R 0QS



EASYGROUP LTD

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EASYGROUP LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The director presents his report and financial statements for the year ended 30 September 2017.

Fair review of the business

The principal activity of the company is the ownership, protection, exploitation and licensing of the "easy" brand. The company owns about one thousand registered trademarks with the prefix "easy" and is active in several business categories 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 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. The overall aim is to diversify risk and 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.

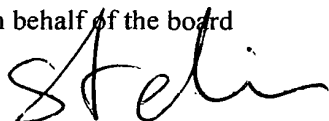
Development and performance

The turnover for the year ended 30 September 2017 was over £14.7 million, an increase from the prior year. The balance sheet at 30 September 2017 shows shareholders' funds of over £26 million up from £20 million the year before. This is excluding the intangible assets like the brand which are not valued on the balance sheet.

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



15 Jan 18

.....
Sir Stelios Haji-Ioannou

Director
.....

EASYGROUP LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The director presents his annual report and financial statements for the year ended 30 September 2017.

Principal activities

The principal activity of the company is the ownership, protection, exploitation and licensing of the 'easy' brand.

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

Results and dividends

The results for the year are set out on page 7.

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

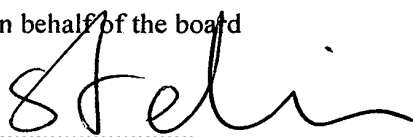
Auditor

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 each person who was a 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 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 company's auditor is aware of that information.

On behalf of the board



15 Jan 18

.....
Sir Stelios Haji-Ioannou

Director

Date:

EASYGROUP LTD

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2017

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 them 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 2017 set out on pages 7 to 27. 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 2017 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

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 set out on page 3, 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 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 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 intend to liquidate the 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.

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.

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

23 JANUARY 2018

EASYGROUP LTD**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Notes	2017 £	2016 £
Turnover	3	14,776,327	13,524,066
Cost of sales		(2,021,437)	(1,179,467)
Gross profit		12,754,890	12,344,599
Administrative expenses		(2,374,899)	(2,057,051)
Other operating income		2,208	5,462
Charitable donations		(3,519,591)	(3,049,098)
Operating profit	4	6,862,608	7,243,912
Interest receivable and similar income	6	60,753	19,868
Interest payable and similar expenses	7	1,060	(6,805)
Fair value gains and losses on investments	8	229,819	(1,274,277)
Profit before taxation		7,154,240	5,982,698
Taxation	9	(1,374,220)	(1,488,424)
Profit for the financial year	21	5,780,020	4,494,274



EASYGROUP LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	2017	2016
	£	£
Profit for the year	5,780,020	4,494,274
Other comprehensive income	-	-
Total comprehensive income for the year	<u>5,780,020</u>	<u>4,494,274</u>



EASYGROUP LTD

BALANCE SHEET

AS AT 30 SEPTEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	10	12,535,886		12,835,174	
Investments	11	250,000		-	
		<u>12,785,886</u>		<u>12,835,174</u>	
Current assets					
Stocks	13	30,477		49,544	
Debtors	14	1,494,466		903,199	
Investments	15	4,032,331		844,883	
Cash at bank and in hand		11,007,030		9,428,815	
		<u>16,564,304</u>		<u>11,226,441</u>	
Creditors: amounts falling due within one year	16	<u>(3,354,361)</u>		<u>(3,834,805)</u>	
Net current assets		<u>13,209,943</u>		<u>7,391,636</u>	
Total assets less current liabilities		<u>25,995,829</u>		<u>20,226,810</u>	
Provisions for liabilities	17	-		(11,001)	
Net assets		<u><u>25,995,829</u></u>		<u><u>20,215,809</u></u>	
Capital and reserves					
Called up share capital	20	3,650,002		3,650,002	
Profit and loss reserves	21	22,345,827		16,565,807	
Total equity		<u><u>25,995,829</u></u>		<u><u>20,215,809</u></u>	

The financial statements were approved and signed by the director and authorised for issue on 15 JAN 2018

Stelios

Sir Stelios Haji-Ioannou
Director

Company Registration No. 04060333

EASYGROUP LTD**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 October 2015	3,650,002	12,071,533	15,721,535
Year ended 30 September 2016:			
Profit and total comprehensive income for the year	-	4,494,274	4,494,274
Balance at 30 September 2016	3,650,002	16,565,807	20,215,809
Year ended 30 September 2017:			
Profit and total comprehensive income for the year	-	5,780,020	5,780,020
Balance at 30 September 2017	3,650,002	22,345,827	25,995,829



EASYGROUP LTD**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	25	6,353,239		8,942,716	
Interest paid		1,060		(6,805)	
Income taxes paid		(1,606,548)		(1,629,419)	
Net cash inflow from operating activities		4,747,751		7,306,492	
Investing activities					
Purchase of tangible fixed assets		(51,632)		(1,870,409)	
Proceeds on disposal of tangible fixed assets		28,972		36,001	
Purchase of investments		(3,207,629)		(1,043,532)	
Interest received		110		11,156	
Dividends received		60,643		8,712	
Net cash used in investing activities		(3,169,536)		(2,858,072)	
Net cash used in financing activities		-		-	
Net increase in cash and cash equivalents		1,578,215		4,448,420	
Cash and cash equivalents at beginning of year		9,428,815		4,980,395	
Cash and cash equivalents at end of year		11,007,030		9,428,815	

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

Company information

easyGroup Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 10 Ansdell Street, Kensington, London, W8 5BN.

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

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.



EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

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	11% Straight Line
Fixtures, fittings & equipment	20% Straight Line
Motor vehicles	1.5 years

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 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.

1.6 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.

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

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.

1.7 Cash at bank and in hand

Cash at bank and in hand 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.

1.8 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.

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

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 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.

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.



EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

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 direct issue 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.

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 2017

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.

1.11 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

Rentals payable under operating leases are charged against income 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 are included in the profit and loss account for the period.

1.15 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 2017

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.

The director has not identified any estimates or assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Turnover and other revenue

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

	2017 £	2016 £
Turnover analysed by class of business		
Recharges	1,123,323	995,480
Royalties receivable	13,541,805	12,448,814
Other income	111,199	79,772
	<u>14,776,327</u>	<u>13,524,066</u>

	2017 £	2016 £
Other significant revenue		
Interest income	110	11,156
Dividends received	60,643	8,712
Rental income	2,208	5,462
	<u>62,961</u>	<u>25,330</u>

	2017 £	2016 £
Turnover analysed by geographical market		
United Kingdom	14,704,155	13,524,066
Netherlands	72,172	-
	<u>14,776,327</u>	<u>13,524,066</u>

EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017****4 Operating profit**

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(3,736)	(205,225)
Fees payable to the company's auditor for the audit of the company's financial statements	19,000	10,500
Depreciation of owned tangible fixed assets	283,782	218,876
Loss on disposal of tangible fixed assets	38,166	21,276
Cost of stocks recognised as an expense	122,376	133,575
	<u> </u>	<u> </u>

5 Employees

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

	2017 Number	2016 Number
Admin staff	9	9
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	440,619	483,923
Social security costs	47,798	53,498
Pension costs	2,135	-
	<u> </u>	<u> </u>
	490,552	537,421
	<u> </u>	<u> </u>

6 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	110	11,156
Other income from investments		
Dividends received	60,643	8,712
	<u> </u>	<u> </u>
Total income	60,753	19,868
	<u> </u>	<u> </u>

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

(Continued)

6 Interest receivable and similar income

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	110	11,156
Dividends from financial assets measured at fair value through profit or loss	60,643	8,712
	<u> </u>	<u> </u>

7 Interest payable and similar expenses

	2017	2016
	£	£
Other finance costs:		
Other interest	(1,060)	6,805
	<u> </u>	<u> </u>

8 Fair value gains and losses on investments

	2017	2016
	£	£
Fair value gains/(losses) on financial instruments		
Change in value of financial assets held at fair value through profit or loss	229,819	(1,274,277)
	<u> </u>	<u> </u>

9 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	1,385,221	1,479,750
Adjustments in respect of prior periods	-	(827)
	<u> </u>	<u> </u>
Total current tax	1,385,221	1,478,923
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(11,001)	9,501
	<u> </u>	<u> </u>
Total tax charge	1,374,220	1,488,424
	<u> </u>	<u> </u>

EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017****9 Taxation****(Continued)**

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:

	2017 £	2016 £
Profit before taxation	7,154,240	5,982,698
Expected tax charge based on the standard rate of corporation tax in the UK of 19.50% (2016: 20.00%)	1,395,077	1,196,540
Tax effect of expenses that are not deductible in determining taxable profit	2,938	256,779
Tax effect of income not taxable in determining taxable profit	(44,815)	-
Adjustments in respect of prior years	-	(827)
Permanent capital allowances in excess of depreciation	31,154	42,044
Other permanent differences	-	(2,600)
Deferred tax adjustments in respect of prior years	1,691	(1,870)
Exempt dividend income	(11,825)	(1,642)
Taxation charge for the year	1,374,220	1,488,424

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

10 Tangible fixed assets

	Land and buildings Freehold	Land and buildings Leasehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2016	12,388,415	621,347	286,522	182,977	13,479,261
Additions	-	-	21,460	30,172	51,632
Disposals	-	-	-	(120,687)	(120,687)
At 30 September 2017	12,388,415	621,347	307,982	92,462	13,410,206
Depreciation and impairment					
At 1 October 2016	346,917	74,044	190,755	32,371	644,087
Depreciation charged in the year	98,934	60,830	33,733	90,285	283,782
Eliminated in respect of disposals	-	-	-	(53,549)	(53,549)
At 30 September 2017	445,851	134,874	224,488	69,107	874,320
Carrying amount					
At 30 September 2017	11,942,564	486,473	83,494	23,355	12,535,886
At 30 September 2016	12,041,498	547,303	95,767	150,606	12,835,174

11 Fixed asset investments

	2017 £	2016 £
Unlisted investments measured at cost less impairment	250,000	-

EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017****11 Fixed asset investments****(Continued)****Movements in fixed asset investments**

	Investments other than loans £
Cost	
At 1 October 2016	-
Additions	250,000
At 30 September 2017	250,000
Carrying amount	
At 30 September 2017	250,000
At 30 September 2016	-

12 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,347,239	710,654
Equity instruments measured at cost less impairment	250,000	-
Instruments measured at fair value through profit or loss	4,032,331	844,883
Carrying amount of financial liabilities		
Measured at amortised cost	2,288,536	2,733,156

13 Stocks

	2017 £	2016 £
Finished goods and goods for resale	30,477	49,544

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017

14 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	122,508	189,348
Other debtors	-	16,928
Prepayments and accrued income	1,371,958	696,923
	<u>1,494,466</u>	<u>903,199</u>

15 Current asset investments

	2017	2016
	£	£
Listed investments at fair value through profit or loss	4,032,331	844,883
	<u>4,032,331</u>	<u>844,883</u>

16 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	429,540	930,552
Corporation tax	496,534	717,861
Other taxation and social security	569,291	383,788
Other creditors	18,175	33,109
Accruals and deferred income	1,840,821	1,769,495
	<u>3,354,361</u>	<u>3,834,805</u>

17 Provisions for liabilities

		2017	2016
	Notes	£	£
Deferred tax liabilities (note 18)	18	-	11,001
		<u>-</u>	<u>11,001</u>



EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017****18 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 2017 £	Liabilities 2016 £
Balances:		
Accelerated capital allowances	-	11,001
	<u> </u>	<u> </u>
Movements in the year:		2017 £
Liability at 1 October 2016		11,001
Credit to profit or loss		(11,001)
		<u> </u>
Liability at 30 September 2017		-
		<u> </u>

19 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	2,135	-
	<u> </u>	<u> </u>

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.



EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

20 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
3,650,002 Ordinary shares of £1 each	3,650,002	3,650,002
	<u>3,650,002</u>	<u>3,650,002</u>

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.

21 Profit and loss reserves

Represents all current and prior period retained profits and losses.

22 Events after the reporting date

On 1 October 2017 the trade, assets and liabilities of easyBus Limited were transferred to the company.

23 Related party transactions

The company received royalty income of £177,973 (2016: £176,697) and recharged costs of £121,901 (2016: £41,348) to Lowcost Vehicle Rental (UK) Limited (trading as easyCar) during the year.

During the year the company was charged £600,000 (2016: £600,000) in management charges by easyGroup Holdings Limited, a company registered in the Cayman Islands whose ultimate controlling party is the Stelios Trust.

During the year, the company made donations of £3,519,591 (2016: £3,049,098) to the Stelios Philanthropic Foundation.

24 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.

EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017****25 Cash generated from operations**

	2017 £	2016 £
Profit for the year after tax	5,780,020	4,494,274
Adjustments for:		
Taxation charged	1,374,220	1,488,424
Finance costs	(1,060)	6,805
Investment income	(60,753)	(19,868)
Loss on disposal of tangible fixed assets	38,166	21,276
Depreciation and impairment of tangible fixed assets	283,782	218,876
Fair value gains and losses on investments	(229,819)	1,274,277
Movements in working capital:		
Decrease/(increase) in stocks	19,067	(49,544)
(Increase)/decrease in debtors	(591,267)	32,749
(Decrease)/increase in creditors	(259,117)	1,475,447
Cash generated from operations	<u>6,353,239</u>	<u>8,942,716</u>