

Company Registration No. 04060333 (England and Wales)

EASYGROUP LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018



SHD / 18 Jan 19

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

Bankers Coutts & Co.
440 Strand
London
WC2R 0QS



EASYGROUP LTD

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EASYGROUP LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The director presents his report and financial statements for the year ended 30 September 2018.

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. The company owns about one thousand registered trademarks with the prefix "easy" and is active in many business sectors via its licensee companies. The aim of the company remains to extend the brand further into other suitable business activities by selecting appropriate business partners 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 diversify the royalty income streams and to manage the associated risks.

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 2018 was over £22 million,. The balance sheet at 30 September 2018 shows shareholders' funds of over £28 million. This is excluding the intangible assets like the brand which are not valued on the balance sheet. The Company continues to make significant charitable donations to the Stelios Philanthropic Foundation which reduce the reported profits of the company.

Key performance indicators

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

On behalf of the board



18 Jan 19

Sir Stelios Haji-Ioannou

Director

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EASYGROUP LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The director presents his annual report and financial statements for the year ended 30 September 2018.

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.

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 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 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.

EASYGROUP LTD

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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



Sir Stelios Haji-Ioannou

Director

Date:18 Jan 19

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 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 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.

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 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 intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

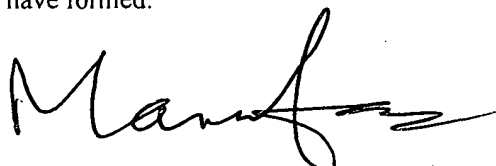
Auditor's responsibilities for the audit of the financial statements

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to 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

18 JANUARY 2019

Chartered Accountants
Statutory Auditor

EASYGROUP LTD**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

		2018	2017
	Notes	£	£
Turnover	3	22,623,766	14,776,327
Cost of sales		(7,637,235)	(2,021,437)
Gross profit		14,986,531	12,754,890
Administrative expenses		(3,891,187)	(2,374,899)
Other operating income		118,926	2,208
Charitable donations		(8,000,000)	(3,519,591)
Operating profit	4	3,214,270	6,862,608
Interest receivable and similar income	6	106,261	60,753
Interest payable and similar expenses	7	-	1,060
Fair value gains and losses on investments	8	(301,324)	229,819
Profit before taxation		3,019,207	7,154,240
Taxation	9	(695,320)	(1,374,220)
Profit for the financial year	21	2,323,887	5,780,020

EASYGROUP LTD**BALANCE SHEET****AS AT 30 SEPTEMBER 2018**

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10	30,703,615		12,535,886	
Investments	11	250,000		250,000	
		<u>30,953,615</u>		<u>12,785,886</u>	
Current assets					
Inventory	13	17,954		30,477	
Debtors	14	4,435,966		1,494,466	
Investments	15	2,454,546		4,032,331	
Cash at bank and in hand		6,942,463		11,007,030	
		<u>13,850,929</u>		<u>16,564,304</u>	
Creditors: amounts falling due within one year	16	<u>(16,484,828)</u>		<u>(3,354,361)</u>	
Net current (liabilities)/assets		<u>(2,633,899)</u>		<u>13,209,943</u>	
Total assets less current liabilities		<u>28,319,716</u>		<u>25,995,829</u>	
Capital and reserves					
Called up share capital	20	3,650,002		3,650,002	
Profit and loss reserves	21	24,669,714		22,345,827	
Total equity		<u>28,319,716</u>		<u>25,995,829</u>	

The financial statements were approved and signed by the director and authorised for issue on 18 JAN 2019

Stelios

Sir Stelios Haji-Ioannou
Director

Company Registration No. 04060333

EASYGROUP LTD**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 October 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
Year ended 30 September 2018:			
Profit and total comprehensive income for the year	-	2,323,887	2,323,887
Balance at 30 September 2018	3,650,002	24,669,714	28,319,716

EASYGROUP LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	25	2,810,647		6,353,239	
Interest paid		-		1,060	
Income taxes paid		(703,082)		(1,606,548)	
Net cash inflow from operating activities		2,107,565		4,747,751	
Investing activities					
Purchase of business	22	2,566,381		-	
Purchase of tangible fixed assets		(18,472,654)		(51,632)	
Proceeds on disposal of tangible fixed assets		25,799		28,972	
Proceeds on disposal of fixed asset investments		-		(250,000)	
Proceeds from other investments and loans		1,276,461		(2,957,629)	
Interest received		4,880		110	
Dividends received		101,381		60,643	
Net cash used in investing activities		(14,497,752)		(3,169,536)	
Financing activities					
Loan from group undertakings		10,000,000		-	
Repayment of amounts owed to group undertaking		(1,674,380)		-	
Net cash generated from/(used in) financing activities		8,325,620		-	
Net (decrease)/increase in cash and cash equivalents		(4,064,567)		1,578,215	
Cash and cash equivalents at beginning of year		11,007,030		9,428,815	
Cash and cash equivalents at end of year		6,942,463		11,007,030	

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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.

On 1 October 2017, the company acquired the trade, assets and liabilities of easyBus Limited. The company has elected to account for the group reorganisation using the group reconstruction hybrid method. Comparative figures have not been restated. The net assets of easyBus Limited were transferred at book value and no goodwill is recognised (see note 22).

1.2 Going concern

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

1.3 Turnover

Revenue recognition on airport transfers

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

Revenue on contracts

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

1.4 Tangible fixed assets

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

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

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	2% Straight Line
Fixtures, fittings & equipment	20% 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.

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.

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

(Continued)

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 Stocks

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

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

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

1.8 Cash 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.

1.9 Financial instruments

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

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

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

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

(Continued)

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.

Classification of financial liabilities

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

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.10 Equity instruments

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

1.11 Taxation

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

Current tax

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

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

(Continued)

Deferred tax

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

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

1.12 Employee benefits

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

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

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

1.13 Retirement benefits

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

1.14 Leases

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

1.15 Foreign exchange

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

1.16 Investments

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

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

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.

Key sources of estimation uncertainty

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

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

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

3 Turnover and other revenue

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

	2018	2017
	£	£
Turnover analysed by class of business		
Royalties and other charges	17,321,411	14,776,327
Revenue from easyBus brand	5,302,355	-
	<u>22,623,766</u>	<u>14,776,327</u>
	2018	2017
	£	£
Other significant revenue		
Interest income	4,880	110
Dividends received	101,381	60,643
Rental income	86,596	2,208
	<u></u>	<u></u>

EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2018****3 Turnover and other revenue****(Continued)**

	2018	2017
	£	£
Turnover analysed by geographical market		
United Kingdom	22,442,724	14,704,155
Netherlands	93,522	72,172
France	87,520	-
	<u>22,623,766</u>	<u>14,776,327</u>

The turnover for the easyBus business in 2018 is £5,302,355. The corresponding turnover for 2017 included in the financial statements of easyBus Limited was £5,111,474. The profit before tax for the easyBus business in 2017 was £892,873.

4 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(32,832)	(3,736)
Fees payable to the company's auditor for the audit of the company's financial statements	33,500	19,000
Depreciation of owned tangible fixed assets	384,367	283,782
(Profit)/loss on disposal of tangible fixed assets	(4,446)	38,166
	<u>382,689</u>	<u>336,102</u>

5 Employees

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

	2018	2017
	Number	Number
Admin staff	14	9
Operations	11	-
	<u>25</u>	<u>9</u>

EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018****5 Employees****(Continued)**

Their aggregate remuneration comprised:

	2018	2017
	£	£
Wages and salaries	935,541	440,619
Social security costs	97,712	47,798
Pension costs	9,230	2,135
	<u>1,042,483</u>	<u>490,552</u>

6 Interest receivable and similar income

	2018	2017
	£	£
Interest income		
Interest on bank deposits	4,880	110
Other income from investments		
Dividends received	101,381	60,643
Total income	<u>106,261</u>	<u>60,753</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	4,880	110
Dividends from financial assets measured at fair value through profit or loss	101,381	60,643

7 Interest payable and similar expenses

	2018	2017
	£	£
Other finance costs:		
Other interest	-	(1,060)

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

**8 Amounts written off investments
fixed asset investments**

	2018	2017
	£	£
Fair value gains/(losses) on financial instruments		
Change in value of financial assets held at fair value through profit or loss	(361,558)	229,819
Other gains/(losses)		
Gain on disposal of financial assets held at fair value through profit or loss	60,234	-
	<u>(301,324)</u>	<u>229,819</u>

9 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	662,704	1,385,221
Adjustments in respect of prior periods	4,829	-
Total current tax	<u>667,533</u>	<u>1,385,221</u>
Deferred tax		
Origination and reversal of timing differences	<u>27,787</u>	<u>(11,001)</u>
Total tax charge	<u>695,320</u>	<u>1,374,220</u>

EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2018****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:

	2018 £	2017 £
Profit before taxation	3,019,207	7,154,240
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.50%)	573,649	1,395,077
Tax effect of expenses that are not deductible in determining taxable profit	69,747	2,938
Tax effect of income not taxable in determining taxable profit	-	(44,815)
Permanent capital allowances in excess of depreciation	38,368	31,154
Deferred tax adjustments in respect of prior years	(3,841)	1,691
Exempt dividend income	(19,262)	(11,825)
Chargeable Gains	31,830	-
Adjustments in respect of prior period	4,829	-
Taxation charge for the year	695,320	1,374,220

EASYGROUP LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

10 Tangible fixed assets

	Land and buildings Freehold	Land and buildings Leasehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2017	12,388,415	621,347	307,982	92,462	13,410,206
Additions	18,165,900	-	46,829	259,925	18,472,654
Disposals	-	-	-	(61,793)	(61,793)
Transfers	-	-	30,465	70,330	100,795
At 30 September 2018	30,554,315	621,347	385,276	360,924	31,921,862
Depreciation and impairment					
At 1 October 2017	445,851	134,874	224,488	69,107	874,320
Depreciation charged in the year	201,939	12,427	51,579	118,422	384,367
Eliminated in respect of disposals	-	-	-	(40,440)	(40,440)
At 30 September 2018	647,790	147,301	276,067	147,089	1,218,247
Carrying amount					
At 30 September 2018	29,906,525	474,046	109,209	213,835	30,703,615
At 30 September 2017	11,942,564	486,473	83,494	23,355	12,535,886

11 Fixed asset investments

	2018 £	2017 £
Unlisted investments measured at cost less impairment	250,000	250,000

12 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	3,177,709	1,347,239
Equity instruments measured at cost less impairment	250,000	250,000
Instruments measured at fair value through profit or loss	2,454,546	4,032,331
Carrying amount of financial liabilities		
Measured at amortised cost	15,243,243	2,288,536

EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018****13 Inventory**

	2018	2017
	£	£
Finished goods and goods for resale	17,954	30,477

14 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	576,971	122,508
Deferred Tax asset	70,529	-
Other debtors	231,673	-
Prepayments and accrued income	3,556,793	1,371,958
	<u>4,435,966</u>	<u>1,494,466</u>

15 Current asset investments

	2018	2017
	£	£
Listed investments at fair value through profit or loss	2,454,546	4,032,331

16 Creditors: amounts falling due within one year

	2018	2017
	£	£
Other borrowings	10,000,000	-
Trade creditors	1,392,979	429,540
Corporation tax	567,704	496,534
Other taxation and social security	673,881	569,291
Other creditors	313,086	18,175
Accruals and deferred income	3,537,178	1,840,821
	<u>16,484,828</u>	<u>3,354,361</u>

EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2018****17 Loans and overdrafts**

	2018 £	2017 £
Loans from group undertakings	10,000,000	-
Payable within one year	10,000,000	-

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

Subsequent to year end £3m of the loan was repaid by the company to the parent undertaking.

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:

Movements in the year:	2018 £
Liability/(Asset) at 1 October 2017	-
Transfer from easyBus limited	(98,316)
Profit and loss account	27,787
Liability/(Asset) at 30 September 2018	(70,529)

The deferred tax asset relates to fixed asset timing differences.

19 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	9,230	2,135

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 2018

20 Share capital

	2018 £	2017 £
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 Acquisition of a business

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

	Fair Value £
Property, plant and equipment	100,795
Trade and other receivables	426,704
Cash and cash equivalents	2,566,381
Trade and other payables	(1,411,097)
Tax liabilities	(106,719)
Deferred tax	98,316
Total identifiable net assets	<u>1,674,380</u>
Goodwill	<u>-</u>
Total consideration	<u>1,674,380</u>
Satisfied by:	£
Increase in amounts owed to group undertakings	<u>1,674,380</u>

EASYGROUP LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 SEPTEMBER 2018****22 Acquisition of a business****(Continued)**

Following the transfer easyBus Limited was dissolved on 12 June 2018.

23 Related party transactions

The company received royalty income of £175,766 (2017: £177,973) and recharged costs of £82,072 (2017: £121,901) to Lowcost Vehicle Rental (UK) Limited (trading as easyCar) during the year.

During the year the company was charged £600,000 (2017: £600,000) in management charges by easyGroup Holdings Limited, a company registered in the Cayman Islands whose ultimate controlling party is the Sir Stelios Haji-Ioannou Trust.

During the year, the company made donations of £8,000,000 (2017: £3,519,591) 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.

25 Cash generated from operations

	2018 £	2017 £
Profit for the year after tax	2,323,887	5,780,020
Adjustments for:		
Taxation charged	695,320	1,374,220
Finance costs	-	(1,060)
Investment income	(106,261)	(60,753)
(Gain)/loss on disposal of tangible fixed assets	(4,446)	38,166
Depreciation and impairment of tangible fixed assets	384,367	283,782
Fair value gains and losses on investments	301,324	(229,819)
Movements in working capital:		
Decrease in stocks	12,523	19,067
(Increase) in debtors	(2,444,267)	(591,267)
Increase/(decrease) in creditors	1,648,200	(259,117)
Cash generated from operations	<u>2,810,647</u>	<u>6,353,239</u>