

Company Registration No. 04656535 (England and Wales)

EUROPEAN AMERICAN CAPITAL GROUP LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

PAGES FOR FILING WITH REGISTRAR

EUROPEAN AMERICAN CAPITAL GROUP LIMITED

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EUROPEAN AMERICAN CAPITAL GROUP LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	4	1,000,000		1,000,000	
Tangible assets	5	3,839		3,398	
Investments	6	50,000		252,508	
			1,053,839		1,255,906
Current assets					
Debtors	7	106,574		88,803	
Cash at bank and in hand		5,816		-	
			112,390		88,803
Creditors: amounts falling due within one year	8	(180,979)		(203,840)	
Net current liabilities			(68,589)		(115,037)
Total assets less current liabilities			985,250		1,140,869
Creditors: amounts falling due after more than one year	9	(405,944)		(375,353)	
Provisions for liabilities			(194,750)		(199,500)
Net assets			384,556		566,016
Capital and reserves					
Called up share capital	11	83,343		83,343	
Share premium account		587,920		587,920	
Revaluation reserve		836,212		836,212	
Fair value reserve		20,250		40,500	
Profit and loss reserves		(1,143,169)		(981,959)	
Total equity			384,556		566,016

EUROPEAN AMERICAN CAPITAL GROUP LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 28 October 2021 and are signed on its behalf by:

Mr R Frye
Director

Company Registration No. 04656535

EUROPEAN AMERICAN CAPITAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

European American Capital Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Capital Office Kemp House, 152 City Road, London, EC1V 2NX.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 the revaluation of licences and to include unlisted investments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.3 Intangible fixed assets other than goodwill

Intangible assets consist of licences and are initially recognised at cost. The directors revalue the licences annually to their fair value as in their opinion there is an active market for the licences. The difference between the historical cost and fair value of the licences is accounted for through the revaluation reserve.

1.4 Tangible fixed assets

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

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

Fixtures, fittings & equipment	20% reducing balance
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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.

EUROPEAN AMERICAN CAPITAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Fixed asset investments

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

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

1.6 Impairment of fixed assets

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

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

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

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

1.7 Cash at bank and in hand

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.

1.8 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.

EUROPEAN AMERICAN CAPITAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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.

1.9 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 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.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

EUROPEAN AMERICAN CAPITAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

3 Employees

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

	2020 Number	2019 Number
Total	2	3

4 Intangible fixed assets

	Other £
Valuation	
At 1 January 2020 and 31 December 2020	1,000,000
Amortisation and impairment	
At 1 January 2020 and 31 December 2020	-
Carrying amount	
At 31 December 2020	1,000,000
At 31 December 2019	1,000,000

EUROPEAN AMERICAN CAPITAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2020	6,863
Additions	1,400
	<hr/>
At 31 December 2020	8,263
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Depreciation and impairment	
At 1 January 2020	3,465
Depreciation charged in the year	959
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At 31 December 2020	4,424
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Carrying amount	
At 31 December 2020	3,839
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At 31 December 2019	3,398
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6 Fixed asset investments

	2020 £	2019 £
Shares in group undertakings and participating interests	50,000	52,408
Other investments other than loans	-	200,100
	<hr/>	<hr/>
	50,000	252,508
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EUROPEAN AMERICAN CAPITAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 January 2020	52,408	200,100	252,508
Valuation changes	-	(25,000)	(25,000)
Reallocation to loan	-	(25,000)	(25,000)
Disposals	(2,408)	(150,100)	(152,508)
	<u>50,000</u>	<u>-</u>	<u>50,000</u>
At 31 December 2020			
	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Carrying amount			
At 31 December 2020	<u>50,000</u>	<u>-</u>	<u>50,000</u>
At 31 December 2019	<u>52,408</u>	<u>200,100</u>	<u>252,508</u>

7 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	2,749	7,055
Amounts owed by group undertakings	2,750	5,673
Other debtors	101,075	76,075
	<u>106,574</u>	<u>88,803</u>

8 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	2,034	6,950
Trade creditors	56,892	71,122
Amounts owed to group undertakings	50,000	49,039
Other creditors	72,053	76,729
	<u>180,979</u>	<u>203,840</u>

EUROPEAN AMERICAN CAPITAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans and overdrafts	20,466	-
Other creditors	385,478	375,353
	<u>405,944</u>	<u>375,353</u>

10 Provisions for liabilities

	2020 £	2019 £
Deferred tax liabilities	194,750	199,500
	<u>194,750</u>	<u>199,500</u>

The above provision is deferred tax relating to revalued intangible assets and investments.

11 Called up share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary of 10p each	2,644	2,644	264	264
Ordinary B of £1 each	83,079	83,079	83,079	83,079
	<u>85,723</u>	<u>85,723</u>	<u>83,343</u>	<u>83,343</u>

12 Related party transactions

Included within creditors due after one year is £40,922 (2019: £92,172) owed to the directors of the company.

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.