

E R ASSOCIATES (EUROPE) LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2018



E R ASSOCIATES (EUROPE) LIMITED
REGISTERED NUMBER: 08258451

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	5	389,450	419,753
Tangible assets	6	3,194	1,302
Investments	7	35,840	35,840
		<u>428,484</u>	<u>456,895</u>
Current assets			
Debtors: amounts falling due within one year	8	3,710,814	9,548,671
Cash at bank and in hand		1,428,405	2,061,143
		<u>5,139,219</u>	<u>11,609,814</u>
Creditors: amounts falling due within one year	9	(6,810,549)	(13,584,855)
Net current liabilities		<u>(1,671,330)</u>	<u>(1,975,041)</u>
Total assets less current liabilities		<u>(1,242,846)</u>	<u>(1,518,146)</u>
Pension asset/liability		(2,949)	-
Net liabilities		<u>(1,245,795)</u>	<u>(1,518,146)</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		(1,245,895)	(1,518,246)
		<u>(1,245,795)</u>	<u>(1,518,146)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



Ronnie Clucas
Director

20 September 2019

The notes on pages 3 to 9 form part of these financial statements.

E R ASSOCIATES (EUROPE) LIMITED
REGISTERED NUMBER: 08258451

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. General information

E R Associates (Europe) Limited, company number 08258451, is a private company limited by shares incorporated in England within the United Kingdom. The address of the registered office is 40 Churchill Square, Kings Hill, West Malling, Kent, ME19 4YU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest pound.

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis which is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern. A written commitment to the provision of support for at least twelve months has been received from Montgomery Investment Company SA, the parent company, should that support be required.

2.3 Foreign currency translation

The company's functional and presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the average exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.7 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

2.8 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Licensed rights	- 15 years
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2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Office equipment	- 4 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

No judgments have been made in the process of applying the above accounting policies that have had a significant effect on amounts recognised in the financial statements.

No key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year have been made.

4. Employees

The average monthly number of employees, including directors, during the year was 2 (2017 - 2).

E R ASSOCIATES (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Intangible assets

	Licensed rights £
Cost	
At 1 January 2018	434,782
At 31 December 2018	434,782
Amortisation	
At 1 January 2018	15,029
Charge for the year	30,303
At 31 December 2018	45,332
Net book value	
At 31 December 2018	389,450
At 31 December 2017	419,753

E R ASSOCIATES (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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6. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 January 2018	2,734
Additions	2,575
At 31 December 2018	<u>5,309</u>
Depreciation	
At 1 January 2018	1,432
Charge for the year on owned assets	683
At 31 December 2018	<u>2,115</u>
Net book value	
At 31 December 2018	<u><u>3,194</u></u>
At 31 December 2017	<u><u>1,302</u></u>

7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	35,840
At 31 December 2018	<u><u>35,840</u></u>

E R ASSOCIATES (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Debtors

	2018 £	2017 £
Trade debtors	570,604	615,808
Amounts owed by group undertakings	3,022,615	8,661,171
Other debtors	29,551	48,750
Prepayments and accrued income	88,044	222,942
	<u>3,710,814</u>	<u>9,548,671</u>

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	116,020	77,129
Amounts owed to group undertakings	6,576,177	13,469,351
Corporation tax	42,922	269
Other taxation and social security	55,297	29,814
Other creditors	133	-
Accruals and deferred income	20,000	8,292
	<u>6,810,549</u>	<u>13,584,855</u>

10. Controlling party

The immediate parent company is Montgomery Investment Company SA, registered in Luxembourg. The immediate parent undertaking's registered head office and principal place of business address is 50 Esplanade, L - 9227 Diekirch, Luxembourg. The ultimate parent undertaking is Vancouver Trust, a trust registered in Guernsey, over which no individual exercises control. The ultimate controlling party is deemed to be Mr C F Marfleet by virtue of his interest in Vancouver Trust and his ability to direct the financial and operating policies of E R Associates (Europe) Limited.

11. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed by Duncan Cochrane-Dyet FCA (Senior statutory auditor) on behalf of MHA MacIntyre Hudson.