

**E R ASSOCIATES (ITALY) LTD**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

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	Note	2022 £	2021 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	465,194	397,656
Cash at bank and in hand		2	-
		<u>465,196</u>	<u>397,656</u>
Creditors: amounts falling due within one year	6	(150,446)	(196,525)
<b>Net current assets</b>		<u>314,750</u>	<u>201,131</u>
<b>Total assets less current liabilities</b>		<u>314,750</u>	<u>201,131</u>
<b>Net assets</b>		<u>314,750</u>	<u>201,131</u>
<b>Capital and reserves</b>			
Called up share capital		2	2
Profit and loss account		314,748	201,129
		<u>314,750</u>	<u>201,131</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 income and retained earnings 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 by:

**Mr R Clucas**  
Director

Date: 26 September 2023

The notes on pages 2 to 5 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. General information**

E R Associates (Italy) Ltd is a company limited by shares incorporated in England and Wales 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 under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK 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 judgement 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 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.

**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**2.4 Finance costs**

Finance costs are charged to profit or loss 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.

**2.5 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.

**2.6 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.

**2.7 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.

**2.8 Foreign currency translation**

**Functional and presentation currency**

The company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the average rate of exchange 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.

**2.9 Taxation**

Tax is recognised in profit or loss 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.

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**2. Accounting policies (continued)****2.10 Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

**3. Judgements 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 1 (2021 - 2).

**5. Debtors**

	<b>2022</b>	2021
	<b>£</b>	£
Amounts owed by group undertakings	<b>465,139</b>	383,338
Other debtors	<b>55</b>	14,318
	<u><b>465,194</b></u>	<u>397,656</u>

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**6. Creditors: Amounts falling due within one year**

	<b>2022</b>	2021
	<b>£</b>	£
Amounts owed to group undertakings	<b>49,352</b>	113,757
Corporation tax	<b>27,128</b>	17,389
Accruals and deferred income	<b>73,966</b>	65,379
	<b><u>150,446</u></b>	<u>196,525</u>

**7. Ultimate parent**

The immediate parent company is E R Associates (Europe) Ltd, a company registered in England and Wales. The parent of the smallest group for which consolidated financial statements are available is Mico Holding Ltd, registered at Suite 24, 40 Churchill Square, Kings hill, West Malling, England, ME19 4YU.

**8. Auditor's information**

The auditor's report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on 29 September 2023 by Duncan Cochrane-Dyet BSc BFP FCA (Senior Statutory Auditor) on behalf of MHA.

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

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.