

EXPENSE REDUCTION ANALYSTS (UK) LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due within one year	5	1,504,598	789,321
Cash at bank and in hand		184,157	232,972
		<u>1,688,755</u>	<u>1,022,293</u>
Creditors: amounts falling due within one year	6	(1,589,043)	(909,657)
Net current assets		<u>99,712</u>	<u>112,636</u>
Total assets less current liabilities		<u>99,712</u>	<u>112,636</u>
Provisions for liabilities			
Deferred tax		-	(347)
		<u>-</u>	<u>(347)</u>
Net assets		<u><u>99,712</u></u>	<u><u>112,289</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		99,612	112,189
		<u><u>99,712</u></u>	<u><u>112,289</u></u>

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

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: 4 September 2020

The notes on pages 3 to 7 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Expense Reduction Analysts (UK) Limited is a private 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 on a going concern basis which is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt upon the ability of the company to continue as a going concern. The Directors have considered the impact of Covid-19 as part of their going concern assessment. 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.

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 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
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 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.

2.4 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.

2.5 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.

2.6 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 spot 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.

2.7 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 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 income and retained earnings 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.

2.11 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.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 the 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 material adjustment to the carrying amounts of assets and liabilities within the next financial year have been made.

4. Directors' remuneration

No directors were paid any remuneration for their services in the period (2018: Nil).

There were 4 employees in the year (2018: 4).

5. Debtors

	2019 £	2018 £
Trade debtors	162,439	32,995
Amounts owed by group undertakings	1,099,061	519,777
Other debtors	1,168	-
Prepayments and accrued income	241,930	236,549
	<u>1,504,598</u>	<u>789,321</u>

6. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	148,044	68,002
Amounts owed to group undertakings	1,206,286	420,000
Corporation tax	5,500	105,983
Other taxation and social security	57,234	102,814
Other creditors	14,547	-
Accruals and deferred income	157,432	212,858
	<u>1,589,043</u>	<u>909,657</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Ultimate parent entity and controlling party

The immediate parent company is E R Associates (UK) Ltd, registered in England and Wales. No parent undertaking is required to produce group accounts.

The ultimate controlling 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 Expense Reduction Analysts (UK) Limited.

8. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on 28 September 2020 by Duncan Cochrane-Dyet FCA (Senior statutory auditor) on behalf of MHA MacIntyre Hudson.

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.