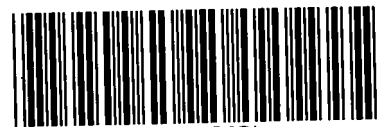


BRUNSWICK EUROPE LIMITED

**Annual report and consolidated financial statements
for the year ended 29th February 2016**

Registered number: 3956497

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BRUNSWICK EUROPE LIMITED

Annual report and consolidated financial statements for the year ended 29th February 2016

Registered number: 3956497

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BRUNSWICK EUROPE LIMITED

Directors and advisers

Directors

A Parker
J A Fenwick

Company secretary

J A Fenwick

Registered office

16 Lincoln's Inn Fields,
London.
WC2A 3ED

Independent auditors

PricewaterhouseCoopers LLP,
Chartered Accountants and Registered Auditors
1 Embankment Place,
London.
WC2N 6RH

Solicitors

Berwin Leighton Paisner,
Adelaide House,
London.
EC4R 9HA

Bankers

Lloyds TSB Bank Plc,
Pall Mall, St James,
8/10 Waterloo Place,
London.
SW1Y 4BE

BRUNSWICK EUROPE LIMITED

Directors' report for the year ended 29th February 2016

The directors present their report and consolidated audited financial statements for the year ended 29th February 2016.

Directors

The directors of the company during the year ended 29th February 2016 and up to the date of approval of these consolidated financial statements were as follows:

A Parker
J A Fenwick

Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 29th February 2016 (2015: £nil).

Independent auditors and disclosure of information to auditors

PricewaterhouseCoopers LLP are the independent auditors of Brunswick Europe Limited. For each of the persons who were directors at the time this report was prepared, so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice and applicable law) including "Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS102). Under company law the directors must not approve the financial statements unless they are 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 directors are 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, including FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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. They are 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.

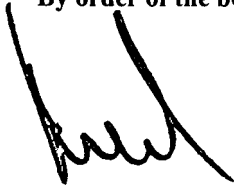
BRUNSWICK EUROPE LIMITED

Directors' report for the year ended 29th February 2016 (cont'd)

Basis of preparation of the financial statements

The parent company has received continued financial support from Brunswick Consulting LLP, a connected entity. Brunswick Consulting LLP has indicated its willingness to continue to support the company so as to enable it to meet its liabilities as they fall due and for a minimum period of twelve months from the date of approval of the financial statements therefore the directors have prepared the financial statements on the going concern basis.

By order of the board

A handwritten signature in black ink, appearing to be 'J A Fenwick', written over a horizontal line.

J A Fenwick
Company secretary
22nd November 2016

BRUNSWICK EUROPE LIMITED

Strategic report for the year ended 29th February 2016

The directors present their strategic report on the group for the year ended 29th February 2016.

Principal activities

The principal activity of Brunswick Europe Limited ("the company") is that of a holding company for trading subsidiaries in France, Germany, Sweden, Italy and Austria.

The principal activity of the trading subsidiaries is that of corporate communications consultancy.

The consolidated profit and loss account for the year is set out on page 7.

Review of the business

Both the level of business within the subsidiaries and the year end financial position were satisfactory in the context of the economic trading conditions during the year, which have continued to provide a difficult environment in which to operate. The directors expect these conditions to continue but believe the group is well placed to grow, supported by the group's profitability both before and after tax in this financial year.

Principal risks and uncertainties

The principal risk facing the group continues to be the uncertainty surrounding trading conditions in the Eurozone. The directors believe that the group has effectively managed this risk during the year as the group continues to maintain a strong presence in each of the markets in which it operates. This is reflected in the strength of the balance sheet, which shows a strong net assets position, and the improved profitability in the year.

Foreign exchange and liquidity risk

Foreign exchange risk and liquidity risk are not considered to have a significant impact on the group. All subsidiaries trade primarily in their functional currency and the impact of exchange rate movements is mostly limited to the translation effects seen on consolidation of the financial statements. The group has adequate liquidity and has the benefit of ongoing financial support from Brunswick Consulting LLP, a connected entity.

Credit risk

Credit risk is not considered to have a significant impact on the group. All subsidiaries are required to regularly monitor the ageing of their customers' debt and appropriate action is swiftly taken to address any situations in which customers' arrears begin to grow.

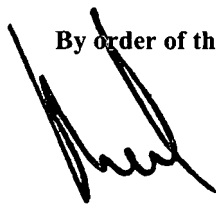
Due to the fact that a large proportion of the group's cost base is driven by personnel costs, the group is not reliant on any one significant supplier and as a result the directors do not consider insolvency risk to have a significant impact on the group.

The risk assessment and review of the business mean that the directors believe it is appropriate to consider the group to be a going concern. The group continues to have the on going support of its parent company.

Key performance indicators

Brunswick Europe Limited is one of several connected undertakings that make up the Brunswick Group. The directors, who are also directors or members of the other connected entities, consider the key performance indicators of the Brunswick Group as a whole and not at an individual company level. The directors are of the opinion that analysis using the same key performance indicators in respect of Brunswick Europe Limited would lead to a misleading representation of the development, performance and position of the business.

By order of the board



J A Fenwick
Company secretary
22nd November 2016

Independent auditors' report to the members of Brunswick Europe Limited

Report on the financial statements

Our opinion

In our opinion, Brunswick Europe Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 29 February 2016 and of the group's profit and cash flows 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.
-

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance sheets as at 29 February 2016;
- the Consolidated profit and loss account and the Consolidated statement of comprehensive income for the year then ended;
- the Consolidated cash flow for the year then ended;
- the Statement in changes in equity for the year then ended;
- the Consolidated statement in changes in equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Brunswick Europe Limited (cont'd)

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Richard Porter (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

30 November 2016

BRUNSWICK EUROPE LIMITED

Registered number: 3956497

Consolidated profit and loss account for the year ended 29th February 2016

	Note	2016 £	2015 £
Turnover	4	26,818,674	20,841,270
Cost of sales		(2,332,979)	(1,530,361)
Gross profit		24,485,695	19,310,909
Administrative expenses		(22,792,390)	(18,966,975)
Operating profit		1,693,305	343,934
Interest receivable and similar income	5	11,547	19,581
Interest payable and similar charges	5	(16,785)	(18,199)
Profit on ordinary activities before taxation	6	1,688,067	345,316
Tax on profit on ordinary activities	9	(256,740)	(597,150)
Profit / (loss) for the financial year		1,431,327	(251,834)

All figures in the consolidated profit and loss account relate to continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the profit/(loss) for the financial years stated above and their historical cost equivalents.

Consolidated statement of comprehensive income for the year ended 29th February 2016

	2016 £	2015 £
Profit / (loss) for the financial year	1,431,327	(251,834)
Exchange adjustments offset in reserves	294,713	(469,630)
Total comprehensive income / (expense) for the financial year	1,726,040	(721,464)

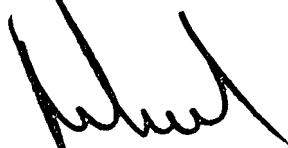
BRUNSWICK EUROPE LIMITED

Registered number: 3956497

Balance sheets as at 29th February 2016

		Group		Company	
	Note	2016	2015	2016	2015
		£	£	£	£
Fixed assets					
Tangible assets	12	423,751	191,269	-	-
Investments	13	-	-	79,040	73,735
		<u>423,751</u>	<u>191,269</u>	<u>79,040</u>	<u>73,735</u>
Current assets					
Work in progress		4,145	49,645	-	-
Debtors	14	5,074,982	4,771,777	2	2
Cash at bank and in hand		4,860,438	1,894,812	-	-
		<u>9,939,565</u>	<u>6,716,234</u>	<u>2</u>	<u>2</u>
Creditors: Amounts falling due within one year	15	<u>(7,311,386)</u>	<u>(5,581,613)</u>	<u>(1,423,445)</u>	<u>(1,268,263)</u>
Net current assets / (liabilities)		<u>2,628,179</u>	<u>1,134,621</u>	<u>(1,423,443)</u>	<u>(1,268,261)</u>
Total assets less current liabilities		<u>3,051,930</u>	<u>1,325,890</u>	<u>(1,344,403)</u>	<u>(1,194,526)</u>
Capital and reserves					
Called up share capital	17	2	2	2	2
Profit and loss account		3,051,928	1,325,888	(1,344,405)	(1,194,528)
Total shareholders' funds / (deficit)		<u>3,051,930</u>	<u>1,325,890</u>	<u>(1,344,403)</u>	<u>(1,194,526)</u>

The financial statements on pages 7 to 22 were approved by the board of directors on 22nd November 2016 and signed on its behalf by:



J A Fenwick
Director

BRUNSWICK EUROPE LIMITED

Registered number: 3956497

Consolidated statement of changes in equity for the year ended 29th February 2016

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance as at 1st March 2014	2	2,047,352	2,047,354
Year ended 28th February 2015:			
Loss for the financial year	-	(251,834)	(251,834)
Other comprehensive income:			
Currency translation differences	-	(469,630)	(469,630)
Total comprehensive income for the year	-	(721,464)	(721,464)
Balance as at 28th February 2015	2	1,325,888	1,325,890
Year ended 29th February 2016:			
Profit for the financial year	-	1,431,327	1,431,327
Other comprehensive income:			
Currency translation differences	-	294,713	294,713
Total comprehensive income for the year	-	1,726,040	1,726,040
Balance as at 29th February 2016	2	3,051,928	3,051,930

Company statement of changes in equity for the year ended 29th February 2016

	Called up share capital	Profit and loss account	Total shareholders' deficit
	£	£	£
Balance as at 1st March 2014	2	(925,451)	(925,449)
Year ended 28th February 2015:			
Loss for the financial year	-	(269,077)	(269,077)
Balance as at 28th February 2015	2	(1,194,528)	(1,194,526)
Year ended 29th February 2016:			
Loss for the financial year	-	(149,877)	(149,877)
Balance as at 29th February 2016	2	(1,344,405)	(1,344,403)

BRUNSWICK EUROPE LIMITED

Registered number: 3956497

Consolidated cash flow statement for the year ended 29th February 2016

	Note	2016 £	£	2015 £	£
Net cash inflow from operating activities	18	3,626,492		912,485	
Returns on investments and servicing of finance:					
Interest received		11,547		19,581	
Interest paid		(16,785)		(18,199)	
Net cash (outflow)/inflow from returns on investments and servicing of finance		(5,238)		1,382	
Taxation		(449,381)		(463,403)	
Capital expenditure and financial investment:					
Purchase of tangible fixed assets		(352,794)		(91,063)	
Net cash outflow for capital expenditure and financial investment		(352,794)		(91,063)	
Net cash inflow before use of liquid resources and financing		2,819,079		359,401	
Increase in net cash		2,819,079		359,401	
Consolidated reconciliation to net cash					
Net cash at the start of the year:		1,894,812		1,899,179	
Increase in net cash		2,819,079		359,401	
Exchange movements		146,547		(363,768)	
Net cash at the end of the year	19	4,860,438		1,894,812	

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 29th February 2016

1. General information

Brunswick Europe Limited's principal activity is that of a holding company for trading subsidiaries in France, Germany, Sweden, Italy and Austria. The principal activity of the trading subsidiaries is that of corporate communications consultancy.

The company is a limited company and is incorporated and domiciled in England. The address of its registered office is 16 Lincoln's Inn Fields, London, WC2A 3ED.

2. Statement of compliance

The financial statements of Brunswick Europe Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS102 in these financial statements. This is the first year in which the financial statements have been prepared under FRS102. Details of the transition to FRS102 are disclosed in note 24.

3.1 Basis of preparation

These consolidated financial statements are prepared under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) on the going concern basis, under the historical cost convention.

The parent company has received continued financial support from Brunswick Consulting LLP, a connected entity. Brunswick Consulting LLP has indicated its willingness to continue to support the company so as to enable it to meet its liabilities as they fall due and for a minimum period of twelve months from the date of approval of the financial statements therefore the directors have prepared the financial statements on the going concern basis.

The parent company has not presented its own profit and loss account as permitted by section 408 of the Companies Act 2006.

3.2 Basis of consolidation

The consolidated financial statements incorporate the results of the company and its subsidiary undertakings, Brunswick Arts Consulting SARL, Brunswick SARL, Brunswick Group GmbH, Brunswick S.R.L., BRNSWK Nordic AB and Brunswick Austria & CEE GmbH made up to 29th February 2016. The results of subsidiaries acquired are included in the profit and loss account from the date of acquisition which is coterminous with the date from which control passed. Intra group transactions and balances are eliminated fully on consolidation.

3.3 Foreign currencies

Foreign currency transactions are recorded in the functional currency of the relevant subsidiary at the exchange rate at the date of transaction. Foreign currency monetary assets and liabilities are retranslated into the relevant functional currency at the exchange rate at the balance sheet date.

Trading results and cash flows of overseas subsidiaries are translated into sterling at the average rates for the year. Balance sheet items of overseas subsidiaries are translated into sterling at the exchange rates at the balance sheet date.

Exchange differences arising on the translations of the net investment in overseas subsidiaries are taken to the Statement of group total recognised gains and losses. Other exchange differences are taken to the profit and loss account.

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 29th February 2016 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.4 Tangible assets and depreciation

Tangible fixed assets are stated at original purchase cost less accumulated depreciation. Depreciation is provided so as to write off the cost of each asset evenly over its expected useful economic life. The principal annual rates used for this purpose are:

	%
Short leasehold improvements	10 or life of the lease
Computer equipment	33.3
Fixtures & fittings	15

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 the profit and loss account.

3.5 Investments

Investments in subsidiaries are stated in the parent company's balance sheet at cost less impairment. Impairment reviews are performed by the directors when there has been an indication of impairment. Provision is made where there is an impairment in the value of the investment.

3.6 Work in progress

Work in progress comprises expenditure rechargeable to clients and is valued at the lower of cost and net realisable value.

3.7 Turnover

Turnover represents amounts receivable from corporate communications consultancy fees earned and expenses recharged to clients during the year, net of value added tax.

Turnover for retained fees is recognised in equal monthly instalments over the contract period and is generally invoiced either monthly or quarterly in advance.

Turnover for project fees reflects the fair value of the services provided on each client assignment including expenses and disbursements, based on the stage of completion of each assignment as at the balance sheet date. Unbilled turnover on individual client assignments is included as unbilled amounts for client work within debtors. Where individual billings on account exceed revenue on client assignments, the excess is classified as progress billings for client work within creditors.

Turnover in respect of contingent fee assignments (over and above any agreed minimum fee) is only recognised when the contingent event occurs and collectability of the fee is assured.

Turnover for public relations fees for services rendered to connected undertakings is recognised on a quarterly basis.

3.8 Administrative expenses

Administrative expenses refers to all costs relating to operating the business except those arising directly from specific client work and are accounted for on an accruals basis.

3.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. 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.

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 29th February 2016 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.10 Pension costs

The group makes contributions to various defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension costs charge (detailed in note 8) represents the contributions payable by the group to the funds.

3.11 Interest

Income and expenditure arising on financial instruments is recognised on an accruals basis and taken to the profit and loss account in the financial period in which it arises.

3.12 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years and is recognised in the jurisdictions in which the taxable profits are generated. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted in these jurisdictions by the period end.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date and that result in an obligation to pay more tax in the future or right to pay less tax in the future. A net deferred tax asset is recognised as recoverable only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Current or deferred taxation assets and liabilities are not discounted.

3.13 Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

3.14 Cash at bank and in hand

Cash at bank and in hand includes cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

3.15 Trade receivables

Trade receivables are stated in the balance sheet at estimated net realisable value. Net realisable value is the invoiced amount less provisions for bad and doubtful debtors. Provisions are made specifically against debtors where there is evidence of a dispute or an inability to pay and are considered on all debtors with amounts falling 90 days past due or when there are exceptional circumstances.

3.16 Other debtors (within one year)

Receivables within one year are carried at transaction price and not adjusted.

3.17 Trade creditors and other creditors

These are recorded at transaction cost.

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 29th February 2016 (cont'd)

3. Summary of significant accounting policies (cont'd)

3.18 Connected undertakings

Connected undertakings are defined as those entities with which one or more directors of the company also have an interest. The connected undertakings with which the company had any business dealings during the year are disclosed in Note 21 – Related party disclosures.

4. Turnover

	Turnover		Profit on ordinary activities before taxation	
	2016	2015	2016	2015
	£	£	£	£
Geographical analysis				
Continental Europe	26,818,674	20,841,270	1,714,307	345,316
	<u>26,818,674</u>	<u>20,841,270</u>	<u>1,714,307</u>	<u>345,316</u>

Geographical analysis is based on the country in which the corporate communications services are provided from. It would not be materially different if based on the country in which the customer is located.

Analysis by business segment is not disclosed separately as the group has only one class of business, being that of corporate communications consultancy.

5. Interest (payable) / receivable and similar (charges) / income

	2016	2015
	£	£
Other interest payable	(11,099)	(12,176)
Interest payable on amounts due to connected undertaking	<u>(5,686)</u>	<u>(6,023)</u>
Total group interest payable	(16,785)	(18,199)
Other interest receivable	5,511	843
Group interest receivable	<u>6,036</u>	<u>18,738</u>
Net interest (payable) / receivable	<u>(5,238)</u>	<u>1,382</u>

6. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2016	2015
	£	£
Staff costs (see note 8)	12,992,425	12,314,044
Depreciation of tangible fixed assets	124,072	83,277
Other operating lease rentals	689,201	730,386
Loss on disposal of fixed assets	1,040	-
Foreign exchange loss	<u>87,992</u>	<u>79,179</u>

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 29th February 2016 (cont'd)

6. Profit on ordinary activities before taxation (cont'd)

Services provided by the company's auditors and their associates

During the year the group (including the overseas subsidiaries) obtained the following services from the company's auditors and their associates:

	2016 £	2015 £
Fees payable to company's auditors and their associates for other services:		
- the audit of the company's subsidiaries pursuant to legislation	28,738	29,082
- tax services	1,950	3,629
	<u>30,688</u>	<u>32,711</u>

The fees payable to the company auditors for the audit of the parent company and the consolidated financial statements of £16,670 (2015: £16,000) have been paid by Brunswick Group LLP, a connected entity.

7. Directors' emoluments

Neither director received any emoluments from the group or the company during the year (2015: nil).

8. Employees and directors

Staff costs for the group during the year:

	2016 £	2015 £
Wages and salaries	10,773,670	10,397,288
Social security costs	1,897,099	1,604,442
Other pension costs	321,656	312,314
	<u>12,992,425</u>	<u>12,314,044</u>

At 29th February 2016 the group had prepaid pensions contributions of £633 (2015: £6,979).

The average monthly number of persons employed by the group including directors during the year was 118 (2015: 109). This was split between corporate communications staff of 98 (2015: 89) and administrative staff of 20 (2015: 20).

The average monthly number of persons employed by the company including directors during the year was 2 (2015: 2). The number of administrative staff was 2 (2015: 2).

9. Tax on profit on ordinary activities

	2016 £	2015 £
Current tax		
UK corporation tax	-	-
Foreign tax		
Corporation taxes	256,740	597,150
Total current tax	<u>256,740</u>	<u>597,150</u>
Tax on profit on ordinary activities	<u>256,740</u>	<u>597,150</u>

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 29th February 2016 (cont'd)

9. Tax on profit on ordinary activities (cont'd)

Factors affecting the tax charge for the year

The tax for the year is lower (2015: higher) than the standard effective rate of corporation tax in the UK of 20.08% (2015: 21.17%) applied to the profit on ordinary activities before taxation. The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>1,688,067</u>	<u>345,316</u>
Profit on ordinary activities multiplied by the standard effective tax rate in the UK of 20.08% (2015: 21.17%)	338,964	73,103
Effects of:		
Adjustment in respect of foreign tax rates	(105,104)	(4,847)
Adjustment in respect of prior year	-	548,068
Utilisation / (creation) of tax loss	<u>22,880</u>	<u>(19,174)</u>
Total tax	<u><u>256,740</u></u>	<u><u>597,150</u></u>

10. Loss of holding company

Of the profit for the financial year, a loss of £149,877 (2015: £269,077) is dealt with in the financial statements of Brunswick Europe Limited. The directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented a profit and loss account for the company alone.

11. Dividends

The directors have not recommended the payment of a dividend in respect of the year ended 29th February 2016 (2015: nil).

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 29th February 2016 (cont'd)

12. Tangible assets

Group	Short Leasehold Improvements £	Computer Equipment £	Fixtures & Fittings £	Total £
Cost				
At 1st March 2015	216,342	153,479	443,436	813,257
Exchange adjustment	16,484	11,695	34,083	62,262
Additions	129,138	118,609	105,047	352,794
Disposals	(144,235)	(21,995)	(39,641)	(205,871)
At 29th February 2016	217,729	261,788	542,925	1,022,442
Accumulated depreciation				
At 1st March 2015	183,466	125,080	313,442	621,988
Exchange adjustment	15,865	13,483	27,275	56,623
Charge for the year	26,110	54,734	43,228	124,072
Disposals	(144,235)	(21,994)	(37,763)	(203,992)
At 29th February 2016	81,206	171,303	346,182	598,691
Net book value				
At 29th February 2016	136,523	90,485	196,743	423,751
At 28th February 2015	32,876	28,399	129,994	191,269

The parent company had no tangible fixed assets during the year (2015: nil). All assets are held in the trading subsidiaries.

13. Investments

Company	Shares in subsidiary companies £
Cost	
At 1st March 2015	1,268,262
Additions	155,182
At 29th February 2016	1,423,444
Provision against cost	
At 1st March 2015	1,194,527
Charge in the year	149,877
At 29th February 2016	1,344,404
Net book value	
At 29th February 2016	79,040
At 28th February 2015	73,735

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 29th February 2016 (cont'd)

13. Investments (cont'd)

The investment in subsidiary companies represents the cost of the share capital held in Brunswick SARL, Brunswick Group GmbH, BRNSWK Nordic AB, Brunswick S.R.L., Brunswick Austria & CEE GmbH and Brunswick Arts Consulting SARL.

During the year the company purchased an investment in Brunswick Arts Consulting SARL of €7,500 shares. The investment is shown as the cost of the share capital of £5,305.

The investment in Brunswick S.R.L. was increased on 22nd July 2015 as the equity was increased to cover the losses generated in the subsidiary in the year ended 28th February 2015. The increase in equity was subsequently provided for in full. The additional equity amounted to £149,877 (2015: £269,076). The directors do not believe that a provision for the initial share capital is necessary as the directors are confident that the performance of the subsidiary will improve in future accounting periods. The investment is therefore retained in the financial statements at the original cost of investment before any subsequent injections of capital.

It is not considered that any provision against cost is necessary for Brunswick SARL, Brunswick Group GmbH, BRNSWK Nordic AB, Brunswick Austria & CEE GmbH and Brunswick Arts Consulting SARL for the current financial year, nor is any further provision against cost necessary for Brunswick S.R.L. Brunswick Consulting LLP, a connected undertaking, has indicated its willingness to continue to support the investments for the foreseeable future so the directors believe that the assets have not suffered any impairment in value.

14. Debtors

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	3,833,303	3,371,574	-	-
Amounts owed by connected undertaking	110,970	581,698	-	-
Other debtors	353,308	180,239	2	2
Prepayments and accrued income	777,401	638,266	-	-
	<u>5,074,982</u>	<u>4,771,777</u>	<u>2</u>	<u>2</u>

Amounts owed by a connected undertaking represent loan balances owed and are unsecured, repayable on demand and earn interest at Bank of England base rate.

15. Creditors: Amounts falling due within one year

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	462,210	125,273	-	-
Amounts owed to connected undertaking	1,515	-	1,423,445	1,268,263
Overseas tax	79,443	176,120	-	-
Other creditors	4,744	9,740	-	-
Other taxation and social security costs	661,565	613,313	-	-
Accruals and deferred income	6,101,909	4,657,167	-	-
	<u>7,311,386</u>	<u>5,581,613</u>	<u>1,423,445</u>	<u>1,268,263</u>

Amounts owed to a connected undertaking represents a loan balance owed and is unsecured, repayable on demand and interest free.

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 29th February 2016 (cont'd)

16. Deferred tax

There is no material asset or liability due to deferred taxation in the current or prior financial year.

17. Called up share capital

	Group and Company	
	2016	2015
	£	£
Authorised:		
1,000 (2015: 1,000) ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid:		
14 (2015: 2) ordinary shares of £0.143 each	2	2

18. Cash flow from operating activities

	2016	2015
	£	£
Operating profit	1,693,305	343,934
Depreciation charge	124,072	83,277
Loss on disposal of fixed assets	1,040	-
Decrease / (increase) in work in progress	49,300	(29,495)
Decrease in debtors	254,567	1,231,970
Increase / (decrease) in creditors	1,540,177	(717,201)
Revaluing prior year balances	(35,969)	-
Net cash inflow from operating activities	3,626,492	912,485

19. Reconciliation in net cash

	At 1st March 2015	Cash flow	Exchange movements	At 29th February 2016
	£	£	£	£
Cash at bank and in hand	1,894,812	2,819,079	146,547	4,860,438
Net funds	1,894,812	2,819,079	146,547	4,860,438

20. Operating lease commitments

At 29th February the group had total commitments under non-cancellable operating leases as follows:

	2016		2015	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Within one year	731,823	37,552	664,759	38,404
Within two and five years	2,425,650	36,478	2,879,193	157,288
After more than five years	857,042	-	1,475,127	-
	4,014,515	74,030	5,019,079	195,692

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 29th February 2016 (cont'd)

21. Related party disclosures

Brunswick Europe Limited and its subsidiaries has business dealings with certain entities in which the directors of the parent company have interests as follows:

A Parker and J A Fenwick are directors of and have beneficial interests in the shares of Brunswick Group Services Limited and Brunswick Management Communications Limited.

A Parker and J A Fenwick are members of Brunswick Group LLP (registered in England), Brunswick Consulting LLP, Brunswick Corporate Advisory LLP, Brunswick Financial Advisory LLP, Brunswick Public Relations LLP, Brunswick Arts Consulting LLP, Cantos Communications LLP and MerchantCantos LLP.

Brunswick Group LLP (registered in England), Brunswick Consulting LLP, Brunswick Financial Advisory LLP, Brunswick Corporate Advisory LLP, Brunswick Public Relations LLP, Brunswick Arts Consulting LLP and Cantos Communications LLP jointly own 100% of the share capital of Brunswick Gulf Limited and Brunswick Group Limited (registered in Hong Kong). Brunswick Group Limited (registered in Hong Kong) owns 100% of the share capital of Beijing Brunswick Consultancy Limited.

A Parker and J A Fenwick are members of Brunswick Group LP that is a partner in Brunswick Group LLP (registered in Delaware) that owns 100% of Brunswick Group LLC.

A Parker and J A Fenwick are directors of Brunswick South Africa Limited, a company 100% owned by Wynnstay South Africa Limited. A Parker and J A Fenwick are directors of and A Parker has a beneficial interest in the shares of Wynnstay South Africa Limited.

During the year the group sold corporate communications consultancy support on cross border assignments to the above entities. The value of the transactions were as follows:

Sales to:	2016 £	2015 £
Brunswick Group LLP	965,384	711,288
Brunswick Financial Advisory LLP	855,653	24,223
Brunswick Public Relations LLP	153	14,856
Brunswick Arts Consulting LLP	378,209	314,678
Brunswick Management Communications Limited	-	1,373
Brunswick Group LLC (registered in Delaware)	924,019	196,902
Brunswick South Africa Limited	1,720	-
Brunswick Group Limited (registered in Hong Kong)	18,830	112,217
Brunswick Gulf Limited	117,061	-
Beijing Brunswick Consultancy Limited	-	479

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 29th February 2016 (cont'd)

21. Related party disclosures (cont'd)

During the year the group purchased support and administration services and corporate communications support on cross border assignments from the above entities. The value of the transactions were as follows:

Purchases from:	2016	2015
	£	£
Brunswick Group Services Limited	-	649,005
Brunswick Management Communications Limited	-	9,997
Brunswick Group LLP	1,492,118	1,497,894
Brunswick Financial Advisory LLP	341	-
Brunswick Public Relations LLP	-	3,983
Brunswick Arts Consulting LLP	46,648	70,016
MerchantCantos LLP	46,932	18,628
Brunswick Group LLC (registered in Delaware)	2,367,410	423,858
Brunswick South Africa Limited	1,016	-
Brunswick Group Limited (registered in Hong Kong)	4,722	3,890
Beijing Brunswick Consultancy Limited	1,413	3,893
Brunswick Gulf Limited	1,302	1,360

All transactions with the above entities were carried out in the ordinary course of business on normal commercial terms. The company is exempt under the terms of paragraph 33.1A of FRS 102 from disclosing related party transactions from entities that are part of the Brunswick Europe Limited group.

At 29th February 2016 a balance of £110,970 (2015: £581,698) was due to the group from Brunswick Consulting LLP. Net interest receivable of £350 (2015: £12,715) was earned on the balance held in the year.

At 29th February 2016 a balance of £1,515 (2015: nil) was due to the Beijing Brunswick Consultancy Limited.

At 29th February 2016 a balance of £1,423,446 (2015: £1,268,263) was due to Brunswick Consulting LLP by the parent company. There was no interest payable in the year (2015: nil).

22. Information on subsidiary undertakings

Details of investment in Brunswick Arts Consulting SARL

Country of incorporation or registration	France
Description of shares held	7,500 Euro shares
Proportion of nominal value of issued shares held	100%
Latest year end	29th February 2016
Nature of the business	Corporate communications consultancy

Details of investment in Brunswick SARL

Country of incorporation or registration	France
Description of shares held	7,622 Euro shares
Proportion of nominal value of issued shares held	100%
Latest year end	29th February 2016
Nature of the business	Corporate communications consultancy

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 29th February 2016 (cont'd)

22. Information on subsidiary undertakings (cont'd)

Details of investment in Brunswick Group GmbH

Country of incorporation or registration	Germany
Description of shares held	25,000 Euro shares
Proportion of nominal value of issued shares held	100%
Latest year end	29th February 2016
Nature of the business	Corporate communications consultancy

Details of investment in BRNSWK Nordic AB

Country of incorporation or registration	Sweden
Description of shares held	350,000 Swedish Krona shares
Proportion of nominal value of issued shares held	100%
Latest year end	29th February 2016
Nature of the business	Corporate communications consultancy

Details of investment in Brunswick S.R.L.

Country of incorporation or registration	Italy
Description of shares held	10,000 Euro shares
Proportion of nominal value of issued shares held	100%
Latest year end	29th February 2016
Nature of the business	Corporate communications consultancy

Details of investment in Brunswick Austria & CEE GmbH

Country of incorporation or registration	Austria
Description of shares held	17,500 Euro shares
Proportion of nominal value of issued shares held	100%
Latest year end	29th February 2016
Nature of the business	Corporate communications consultancy

23. Ultimate controlling party

The ultimate controlling party is A Parker by virtue of his majority share in each of Brunswick Group LLP (registered in England), Brunswick Consulting LLP, Brunswick Corporate Advisory LLP, Brunswick Financial Advisory LLP, Brunswick Public Relations LLP, Brunswick Arts Consulting LLP and Cantos Communications LLP who in turn jointly own 100% (2015: 100%) of the share capital of Brunswick Europe Limited.

Brunswick Europe Limited is the only group to consolidate the financial statements.

24. Transition to FRS102

This is the first year that the group has presented its results under FRS 102. The last financial statements, under previous UK GAAP, were for the year ended 28th February 2015. The date of transition to FRS 102 was 1st March 2014. The partnership has also early adopted the Amendments to FRS 102 (issued in July 2015).

There were no adjustments required as a result of the transition to FRS102.