

BRUNSWICK EUROPE LIMITED

**Annual report and consolidated financial statements
for the year ended 31st December 2018**

Registered number: 3956497

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BRUNSWICK EUROPE LIMITED

Annual report and consolidated financial statements for the year ended 31st December 2018

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

Bryan Cave 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 31st December 2018

The directors present their report and audited consolidated financial statements for the year ended 31st December 2018.

Directors

The directors of the company during the year ended 31st December 2018 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 31st December 2018 (2017: 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 Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the group and 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 31st December 2018 (cont'd)**

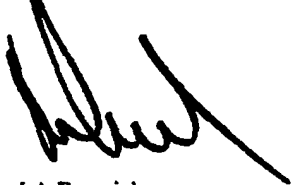
Foreign exchange and liquidity risk

The directors have considered all risks to the group and these have been disclosed in the strategic report.

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
30th September 2019**

BRUNSWICK EUROPE LIMITED

Strategic report for the year ended 31st December 2018

The directors present their strategic report on the group for the year ended 31st December 2018.

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, Austria and Switzerland.

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 and future developments

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 year.

Principal risks and uncertainties

The principal risk facing the group continues to be the uncertainty surrounding trading conditions in the Eurozone. Britain's exit from the European Union will further test those trading conditions. 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 continued 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.

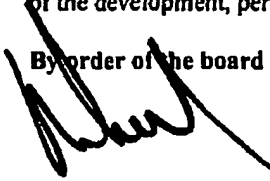
Due to the fact that a large proportion of the group's cost base is driven by personnel costs, the group is not reliant on any one significant supplier and as a result the directors do not consider insolvency risk to have a significant impact on the group.

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 ongoing 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
30th September 2019

Independent auditors' report to the members of Brunswick Europe Limited

Report on the audit of the financial statements

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 31 December 2018 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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and consolidated financial statements (the "Annual Report"), which comprise: the group and company balance sheets as at 31 December 2018; the consolidated profit and loss account and statement of comprehensive income, the consolidated cash flow statement, and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Independent auditors' report to the members of Brunswick Europe Limited

Report on the audit of the financial statements

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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
- certain disclosures of directors' remuneration specified by law are not made; 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.



Richard Porter (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London, 30th September 2019

BRUNSWICK EUROPE LIMITED

Registered number: 3956497

Consolidated profit and loss account for the year ended 31st December 2018

		2018	2017
	Note	£	£
Turnover	4	34,908,539	35,437,149
Cost of sales		(725,655)	(1,969,493)
Gross profit		34,182,884	33,467,656
Administrative expenses		(29,609,766)	(28,113,624)
Operating profit		4,573,118	5,354,032
Interest receivable and similar income	5	22,816	15,997
Interest payable and similar expenses	5	(21,557)	(43,661)
Profit before taxation	6	4,574,377	5,326,368
Tax on profit	9	(1,607,972)	(1,565,161)
Profit for the financial year		2,966,405	3,761,207

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

Consolidated statement of comprehensive income for the year ended 31st December 2018

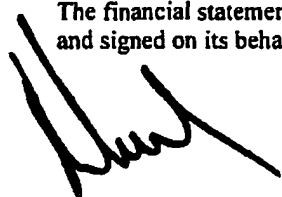
	2018	2017
	£	£
Profit for the financial year	2,966,405	3,761,207
Exchange adjustments offset in reserves	332,058	435,218
Total comprehensive income for the financial year	3,298,463	4,196,425

BRUNSWICK EUROPE LIMITED
Registered number: 3956497

Balance sheets as at 31st December 2018

	Note	Group		Company	
		2018 £	2017 £	2018 £	2017 £
Fixed assets					
Tangible assets	12	323,679	384,968	-	-
Investments	13	-	-	116,000	100,379
Total fixed assets		323,679	384,968	116,000	100,379
Current assets					
Work in progress		210,160	218,002	-	-
Debtors	14				
-Amounts falling due within one year		14,964,975	13,711,993	2	2
Cash at bank and in hand		5,484,287	5,749,895	-	-
Total current assets		20,659,422	19,679,890	2	2
Creditors: Amounts falling due within one year	15	(9,017,068)	(11,397,288)	(1,460,405)	(1,444,784)
Net current assets / (liabilities)		11,642,354	8,282,602	(1,460,403)	(1,444,782)
Total assets less current liabilities		11,966,033	8,667,570	(1,344,403)	(1,344,403)
Capital and reserves					
Called up share capital	17	2	2	2	2
Profit and loss account		11,966,031	8,667,568	(1,344,405)	(1,344,405)
Total shareholders' funds / (deficit)		11,966,033	8,667,570	(1,344,403)	(1,344,403)

The financial statements on pages 7 to 23 were approved by the board of directors on 30th September 2019 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 31st December 2018

	Called up share capital	Profit and loss account	Total shareholders' funds
	£	£	£
Balance as at 1st January 2017	2	4,471,143	4,471,145
Year ended 31st December 2017:			
Profit for the financial year	-	3,761,207	3,761,207
Other comprehensive income:			
Currency translation differences	-	435,218	435,218
Total comprehensive income for the year	-	4,196,425	4,196,425
Balance as at 31st December 2017	2	8,667,568	8,667,570
Year ended 31st December 2018:			
Profit for the financial year	-	2,966,405	2,966,405
Other comprehensive income:			
Currency translation differences	-	332,058	332,058
Total comprehensive income for the year	-	3,298,463	3,298,463
Balance as at 31st December 2018	2	11,966,031	11,966,033

Company statement of changes in equity for the year ended 31st December 2018

	Called up share capital	Profit and loss account	Total shareholders' deficit
	£	£	£
Balance as at 1st January 2017	2	(1,344,405)	(1,344,403)
Year ended 31st December 2017:			
Result for the financial year	-	-	-
Balance as at 31st December 2017	2	(1,344,405)	(1,344,403)
Year ended 31st December 2018:			
Result for the financial year	-	-	-
Balance as at 31st December 2018	2	(1,344,405)	(1,344,403)

BRUNSWICK EUROPE LIMITED

Registered number: 3956497

Consolidated cash flow statement for the year ended 31st December 2018

		2018		2017	
	Note	£	£	£	£
Net cash inflow from operating activities	18	3,786,648		3,560,979	
Taxation		(4,020,687)		(189,118)	
Returns on investments and servicing of finance:					
Interest received		22,816		15,997	
Interest paid		(21,557)		(43,661)	
Net cash inflow/(outflow) from financing activities		1,259		(27,664)	
Capital expenditure and financial investment:					
Purchase of tangible fixed assets		(76,489)		(181,225)	
Net cash outflow from investing activities		(76,489)		(181,225)	
(Decrease)/increase in net cash		(309,269)		3,162,971	
Consolidated reconciliation to net cash					
Net cash at the start of the year:		5,749,895		2,499,226	
(Decrease)/increase in net cash		(309,269)		3,162,971	
Exchange movements		43,661		87,698	
Net cash at the end of the year	19	5,484,287		5,749,895	

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 31st December 2018

1. General information

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

The company is a company limited by shares 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 consolidated financial statements and company financial statements (together "the consolidated financial statements") of Brunswick Europe Limited and its subsidiaries (together "the group") 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 consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

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 company has received continued financial support from Brunswick Consulting LLP, a connected entity. Brunswick Consulting LLP will 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 consolidated financial statements, therefore the directors have prepared the consolidated financial statements on the going concern basis.

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

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group and company accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

3.2 Basis of consolidation

The consolidated financial statements incorporate the results of the company and its subsidiary undertakings Brunswick SARL, Brunswick Arts Consulting SARL, Brunswick Group GmbH, MerchantCantos GmbH, Brunswick S.R.L., BRNSWK Nordic AB, Brunswick Austria & CEE GmbH and MerchantCantos SARL made up to 31st December 2018. The results of subsidiaries acquired are included in the consolidated 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 period. Balance sheet items of overseas subsidiaries are translated into sterling at the exchange rates at the balance sheet date.

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 31st December 2018 (cont'd)

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

Exchange differences arising on the translations of the net investment in overseas subsidiaries are taken to the consolidated statement of comprehensive income. Other exchange differences are taken to the consolidated profit and loss account.

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 corporate communications 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.

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 31st December 2018 (cont'd)

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

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.

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 consolidated 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 consolidated 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 period or prior periods 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 debtors

Trade debtors 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.

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 31st December 2018 (cont'd)

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

3.16 Other debtors (within one year)

Receivables within one year are carried at transaction price equal to the consideration expected to be received and are not discounted.

3.17 Trade creditors and other creditors

Trade creditors and other creditors are recorded at transaction cost.

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	
	2018	2017	2018	2017
	£	£	£	£
Geographical analysis				
Continental Europe	34,908,539	35,437,149	4,574,377	5,326,368
	<u>34,908,539</u>	<u>35,437,149</u>	<u>4,574,377</u>	<u>5,326,368</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 receivable / (payable) and similar income / (expenses)

	2018	2017
	£	£
Other interest payable	(19,862)	(42,215)
Interest payable on amounts due to connected undertaking	<u>(1,695)</u>	<u>(1,446)</u>
Total group interest payable	(21,557)	(43,661)
Other interest receivable	1,120	8,620
Group interest receivable	<u>21,696</u>	<u>7,377</u>
Total group interest receivable	22,816	15,997
Net interest receivable/(payable)	<u>1,259</u>	<u>(27,664)</u>

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 31st December 2018 (cont'd)

6. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	2018	2017
	£	£
Staff costs (see note 8)	19,593,910	17,829,694
Depreciation of tangible fixed assets	138,133	166,845
Other operating lease rentals	1,178,550	1,055,347
Gain on disposal of fixed assets	-	(3,215)
Foreign exchange loss	22,805	210,050

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:

	2018	2017
	£	£
Fees payable to company's auditors and their associates for other services: - the audit of the company's subsidiaries pursuant to legislation	59,550	54,562

	59,550	54,562
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The fees payable to the company auditors for the audit of the parent company and the consolidated financial statements of £20,000 (2017: £20,000) have been paid by Brunswick Group Services Limited, a connected entity.

7. Directors' emoluments

Neither director received any emoluments from the group or the company during the year (2017: nil).

8. Employees and directors

Staff costs for the group during the year:

	2018	2017
	£	£
Wages and salaries	16,116,037	14,927,932
Social security costs	2,997,852	2,502,131
Other pension costs	480,021	399,631

	19,593,910	17,829,694
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At 31st December 2018 the group had prepaid pensions contributions of £nil (2017: £nil).

The average monthly number of persons employed by the group including directors during the year was 149 (2017: 143). This was split between corporate communications staff of 123 (2017: 121) and administrative staff of 26 (2017: 22).

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 31st December 2018 (cont'd)

8. Employees and directors (cont'd)

The average monthly number of persons employed by the company including directors during the year was 2 (2017: 2).
The number of administrative staff was 2 (2017: 2).

9. Tax on profit

	2018	2017
	£	£
Current tax		
UK corporation tax	-	-
Foreign tax		
Corporation taxes	1,607,972	1,565,161
Total current tax	1,607,972	1,565,161
Tax on profit	1,607,972	1,565,161

Factors affecting the tax charge for the year

The tax for the year is higher (2017: higher) than the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%) applied to the profit before taxation. The differences are explained below:

	2018	2017
	£	£
Profit before taxation	4,574,377	5,326,368
Profit before taxation multiplied by the standard tax rate in the UK of 19.00% (2017: 19.25%)	869,132	1,025,326
Effects of:		
Adjustment in respect of foreign tax rates	800,467	527,835
Adjustment in respect of prior years	661	-
(Creation) / utilisation of tax loss	(62,288)	12,000
Total tax	1,607,972	1,565,161

10. Profit of holding company

Of the profit for the financial year, a result of £nil (2017: £nil) 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 31st December 2018 (2017: nil).

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 31st December 2018 (cont'd)

12. Tangible assets

Group	Short Leasehold Improvements £	Computer Equipment £	Fixtures & Fittings £	Total £
Cost				
At 1st January 2018	241,181	314,208	569,276	1,124,665
Exchange adjustment	2,485	3,189	5,343	11,017
Additions	10,432	53,502	12,555	76,489
Disposals	-	(637)	-	(637)
At 31st December 2018	254,098	370,262	587,174	1,211,534
Accumulated depreciation				
At 1st January 2018	141,133	245,057	353,507	739,697
Exchange adjustment	1,824	5,744	3,094	10,662
Charge for the year	28,071	50,231	59,831	138,133
Disposals	-	(637)	-	(637)
At 31st December 2018	171,028	300,395	416,432	887,855
Net book value				
At 31st December 2018	83,070	69,867	170,742	323,679
At 31st December 2017	100,048	69,151	215,769	384,968

The parent company had no tangible fixed assets during the year (2017: nil). All assets are held in the trading subsidiaries.

13. Investments

Company	Shares in subsidiary companies £
Cost	
At 1st January 2018	1,444,783
Additions	15,621
At 31st December 2018	1,460,404
Provision against cost	
At 1st January 2018	1,344,404
Charge in the year	-
At 31st December 2018	1,344,404
Net book value	
At 31st December 2018	116,000
At 31st December 2017	100,379

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 31st December 2018 (cont'd)

13. Investments (cont'd)

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

During the year the company purchased an investment in MerchantCantos SARL of CHF 20,000 shares. The investment is shown as the cost of the share capital of £15,621.

It is not considered that any provision against the cost of the investment in these subsidiary companies is necessary for the current financial year. 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	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	7,272,622	7,586,161	-	-
Amounts owed by connected undertakings	6,868,305	5,794,246	-	-
Other debtors	467,085	113,706	2	2
Prepayments and accrued income	356,963	217,880	-	-
	<u>14,964,975</u>	<u>13,711,993</u>	<u>2</u>	<u>2</u>

Amounts owed by connected undertakings represent loan balances owed and are unsecured, repayable on demand and earn interest at either Bank of England base rate or 5% above Euribor.

Other debtors include overseas tax prepaid in the amount of £395,285 as at 31st December 2018 (31st December 2017: £107,395)

15. Creditors: Amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	318,921	499,110	-	-
Amounts owed to connected undertakings	397,396	189,656	1,444,784	1,444,784
Overseas tax	7,907	2,141,777	-	-
Other creditors	35,976	126,765	-	-
Other taxation and social security	1,429,231	1,289,459	-	-
Accruals and deferred income	6,827,637	7,150,521	-	-
	<u>9,017,068</u>	<u>11,397,288</u>	<u>1,444,784</u>	<u>1,444,784</u>

Amounts owed to connected undertakings from the Group represent balances arising from trading transactions and are unsecured, interest free and repayable on demand. Amounts owed to a connected undertaking from the Company represents a loan balance owed and is unsecured, repayable on demand and interest free.

16. Deferred tax

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

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 31st December 2018 (cont'd)

17. Called up share capital

	Group and Company	
	2018	2017
	£	£
Authorised:		
1,000 (2017: 1,000) ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid:		
14 (2017: 14) ordinary shares of £0.143 each	2	2

18. Net cash inflow from operating activities

	2018	2017
	£	£
Operating profit	4,573,118	5,354,032
Depreciation charge	138,133	166,845
Gain on disposal of fixed assets	-	(3,215)
Increase/(decrease) in work in progress	7,843	(58,601)
Increase in debtors	(974,137)	(3,544,593)
Increase in creditors	41,691	2,646,187
Net cash inflow from operating activities	3,786,648	4,560,655

19. Reconciliation in net cash

	At 1st January 2018	Cash flow	Exchange movements	At 31st December 2018
	£	£	£	£
Cash at bank and in hand	5,749,895	(309,269)	43,661	5,484,287
Net funds	5,749,895	(309,269)	43,661	5,484,287

20. Operating lease commitments

At 31st December 2018 and 31st December 2017 the group had total commitments under non-cancellable operating leases as follows:

	2018		2017	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Within one year	958,612	18,058	959,926	24,409
Within two and five years	2,119,389	25,185	3,169,892	9,554
After more than five years	155,574	-	627,153	-
	3,233,575	43,243	4,756,971	33,963

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 31st December 2018 (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 A Parker has a beneficial interest in the shares of Brunswick Group Services Limited, The Lincoln Centre Limited.

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

A Parker and J A Fenwick are directors of and have beneficial interests in Brunswick Group Partnership Limited. Brunswick Group Partnership Limited is a member in Brunswick Group LLC (registered in Delaware) and owns 100% of Brunswick Wynnstay Limited. Brunswick Wynnstay Limited owns 100% of the share capital of Brunswick Group Limited (registered in Hong Kong) and Brunswick Gulf Limited.

Brunswick Group Limited (registered in Hong Kong) owns 100% of the share capital of Beijing Brunswick Consultancy Limited and Brunswick Group PTE Limited.

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:

	2018	2017
	£	£
Brunswick Group LLP	951,260	857,753
Brunswick Financial Advisory LLP	166,176	454,255
Brunswick Public Relations LLP	-	2,078
Brunswick Arts Consulting LLP	83,298	285,207
Brunswick Group LLC (registered in Delaware)	2,676,749	2,518,398
Brunswick South Africa Limited	3,704	437
Brunswick Group Limited (registered in Hong Kong)	8,852	8,154
Beijing Brunswick Consultancy Limited	-	2,865
Brunswick Gulf Limited	31,412	512,257

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 31st December 2018 (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:

	2018	2017
	£	£
The Lincoln Centre Limited	-	2,115
Brunswick Group LLP	3,380,622	3,476,051
Brunswick Financial Advisory LLP	75,440	315,503
Brunswick Arts Consulting LLP	44,917	104,198
MerchantCantos LLP	29,229	28,424
Brunswick Group LLC (registered in Delaware)	255,518	1,051,283
Brunswick South Africa Limited	2,312	6,776
Brunswick Group Limited (registered in Hong Kong)	6,629	356,034
Beijing Brunswick Consultancy Limited	24,292	7,592
Brunswick Gulf Limited	-	16,855
Brunswick Group PTE Limited	11,035	-

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 31st December 2018 a balance of £5,795,243 (2017: £5,610,225) was due from Brunswick Consulting LLP. Net interest receivable of £20,001 (2017: £6,365) was incurred on the balance held in the year.

At 31st December 2018 a balance of £Nil (2017: £184,021) was due from Brunswick Arts Consulting LLP.

At 31st December 2018 a balance of £1,460,404 (2017: £1,444,785) was due to Brunswick Consulting LLP by the parent company. There was no interest payable in the year (2017: nil).

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 31st December 2018 (cont'd)

22. Information on subsidiary undertakings

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	31st December 2018
Nature of the business	Corporate communications consultancy
Registered address	69 Boulevard Haussmann 75008 PARIS

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	31st December 2018
Nature of the business	Corporate communications consultancy
Registered address	69 Boulevard Haussmann 75008 PARIS

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	28th February 2018
Nature of the business	Corporate communications consultancy
Registered address	Thurn-und-Taxisplatz 6, 60313 Frankfurt

Details of investment in MerchantCantos 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	31st December 2018
Nature of the business	Corporate communications consultancy
Registered address	Taubenstraße 20-22, 10117 Berlin

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	31st December 2018
Nature of the business	Corporate communications consultancy
Registered address	Kungsträdgårdsgatan 16, 111 47 Stockholm

BRUNSWICK EUROPE LIMITED

Notes to the consolidated financial statements for the year ended 31st December 2018 (cont'd)

22. Information on subsidiary undertakings (cont'd)

Details of investment in Brunswick S.R.L.

Country of incorporation or registration	Italy
Description of shares held	12,000 Euro shares
Proportion of nominal value of issued shares held	100%
Latest year end	31st December 2018
Nature of the business	Corporate communications consultancy
Registered address	Via Solferino, 7 20121 Milano, Italy

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	31st December 2018
Nature of the business	Corporate communications consultancy
Registered address	Concordia Haus, Bankgasse 8, 1010, Vienna

Details of investment in Merchant Cantos SARL

Country of incorporation or registration	Switzerland
Description of shares held	20,000 CHF shares
Proportion of nominal value of issued shares held	100%
Latest year end	N/A
Nature of the business	Corporate communications consultancy
Registered address	Rue Francois-Bellot 6, 1206 Geneve

23. Ultimate controlling party

The ultimate controlling party is A Parker by virtue of his majority interest in the shares of Brunswick Group Partnership Limited which in turn owns 100% of the share capital of Brunswick Wynnstay Limited which in turn owns 100% of the share capital of Brunswick Europe Limited.

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