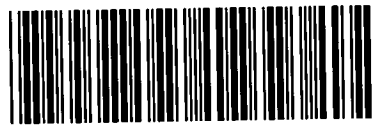


Registration number: 05223400

John Brown Acquisitions Limited
Annual Report and Financial Statements
for the Year Ended 31 December 2017

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John Brown Acquisitions Limited

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John Brown Acquisitions Limited

Company Information

Directors

T De Groose (resigned 13 October 2017)

A Hirsch

M Creighton (appointed 4 December 2017)

M Basterfield - Director (resigned 9 February 2018)

Company secretary

A Moberly

Registered office

10 Triton Street
Regent's Place
London
NW1 3BF

Auditor

KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

John Brown Acquisitions Limited

Strategic Report for the year ended 31 December 2017

The directors present their strategic report for the year ended 31 December 2017.

Principal activity

The principal activity of the Company is that of a holding company.

Business review

The results of John Brown Acquisition Limited ('the Company') for the year are set out in the income statement on page 7. The Company made a loss before tax of £228k (2016: loss £397k).

The balance sheet on page 9 of the Financial Statements shows the Company's financial position.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis of KPI's is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The principal activity of the Company is that of a holding company. The company is exposed to the risk of an impairment in its investment in subsidiaries and related party debtors defaulting on payment. The risks and mitigation strategy are detailed in the respective related party Financial Statements.

Approved by the Board on 24 August 2018 signed on its behalf by:



A Hirsch
Director

John Brown Acquisitions Limited

Directors Report for the year ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Dividends

There were no dividends paid during the year ended December 2017 (2016: nil).

Going concern

The Company has net liabilities of £17,831,727 (2016: £18,106,387). The Company's immediate parent Dentsu Aegis Network Ltd provides financial support to the Company, where required. The directors have considered the ability of Dentsu Aegis Network Ltd to provide such financial support as might be required by the Company, and accordingly have prepared the financial statements on a going concern basis.

Employment policies

It is the policy of the Company that there should be no unfair discrimination in considering applications for employment, including those from disabled persons. Should any employee become disabled, every practical effort is made to provide continued employment. The directors are committed to maintain and develop communication and consultation procedures with employees, who in turn are encouraged to become aware of and involve themselves in the performance of their company. This is achieved through companywide and departmental meetings, by the use of e-mail and intranet and during individual performance reviews.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Directors

The Directors in office during the year were as set out below.

T De Groose, Dentsu Aegis Network UK CEO (resigned 13 October 2017)

A Hirsch, John Brown Media Group CEO

M Creighton, Dentsu Aegis Network UK COO (appointed 4 December 2017)

M Basterfield Dentsu Aegis Network UK CFO (resigned 9 February 2018)

Auditor

Ernst and Young LLP resigned as auditor on 27 October 2017, and KPMG LLP was subsequently appointed. KPMG LLP has indicated a willingness to continue in office, and a resolution for their reappointment as auditor will be proposed to the sole Member of the Company on the date of signing of these accounts.

Approved by the Board on 24 August 2018 signed on its behalf by:



.....
A Hirsch
Director

John Brown Acquisitions Limited

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements.

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the members of John Brown Acquisitions Limited

We have audited the financial statements of John Brown Acquisitions Limited ("the company") for the year ended 31 December 2017 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Independent Auditor's Report to the members of John Brown Acquisitions Limited

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Sarah Styant (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

Date: 5 September 2018

John Brown Acquisitions Limited

Profit and Loss Account for the year ended 31 December 2017

		Year ended 31 December 2017 £ 000	Year ended 31 December 2016 £ 000
	Note		
Turnover		-	-
Operating profit		-	-
Interest payable and similar expenses	4	(228)	(397)
		(228)	(397)
Loss before tax		(228)	(397)
Tax credit	6	503	402
Profit for the year		275	5

The above results were derived from continuing operations.

John Brown Acquisitions Limited

Other Comprehensive Income for the year ended 31 December 2017

	Note	Year ended 31 December 2017 £ 000	Year ended 31 December 2016 £ 000
Profit for the year		275	5
Total comprehensive income for the year		275	5

John Brown Acquisitions Limited

Balance Sheet as at 31 December 2017

	Note	Year ended 31 December 2017 £ 000	Year ended 31 December 2016 £ 000
Fixed assets			
Investments	7	14,943	14,943
Current assets			
Debtors	8	2,249	1,746
Creditors: Amounts falling due within one year			
Trade and other payables	9	(35,023)	(34,795)
Net current liabilities		(32,774)	(33,049)
Net liabilities		(17,831)	(18,106)
Capital and reserves			
Called up share capital	10	8	8
Share premium reserve	11	9,069	9,069
Profit and loss account		(26,908)	(27,183)
Shareholders' deficit		(17,831)	(18,106)

Approved by the Board on 24 August 2018 and signed on its behalf by:



.....
A Hirsch
Director

John Brown Acquisitions Limited

Statement of Changes in Equity for the year ended 31 December 2017

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2016	8	9,069	(27,188)	(18,111)
Profit for the year	-	-	5	5
Total comprehensive income	-	-	5	5
At 31 December 2016	8	9,069	(27,183)	(18,106)

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2017	8	9,069	(27,183)	(18,106)
Profit for the year	-	-	275	275
Total comprehensive income	-	-	275	275
At 31 December 2017	8	9,069	(26,908)	(17,831)

The notes on pages 11 to 19 form an integral part of these financial statements.

John Brown Acquisitions Limited

Notes to the Financial Statements for the year ended 31 December 2017

1 Authorisation of financial statements and statement of compliance with FRS 101

John Brown Acquisition Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 5223400 and the registered address is 10 Triton Street, Regent's Place, London NW1 3BF.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is itself a wholly owned subsidiary of Dentsu Aegis Network Limited.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework (FRS 101)*.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Dentsu Inc. includes the Company in its consolidated financial statements. The consolidated financial statements of Dentsu Inc. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from The Secretary, Dentsu Inc., 1-8-1 Higashi-shimbashi, Minato-ku, Tokyo 105-7001.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

John Brown Acquisitions Limited

Notes to the Financial Statements for the year ended 31 December 2017

1 Authorisation of financial statements and statement of compliance with FRS 101 (continued)

As the consolidated financial statements of Dentsu Inc. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company [in the current and prior periods including the comparative period reconciliation for goodwill; and]
- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 31 December 2017 for the purposes of the transition to FRS 101 Adopted IFRSs

The financial statements are prepared in pounds sterling and are rounded to the nearest thousand pounds (£000).

The principal accounting policies adopted by the Company are set out in note 2.

2 Accounting policies

Going Concern

The Company has net liabilities of £17,831,727 (2016: £18,106,387). The Company's immediate parent Dentsu Aegis Network Ltd provides financial support to the Company, where required. The directors have considered the ability of Dentsu Aegis Network Ltd to provide such financial support as might be required by the Company, and accordingly have prepared the financial statements on a going concern basis.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

John Brown Acquisitions Limited

Notes to the Financial Statements for the year ended 31 December 2017

2 Accounting policies (continued)

Impairment

A review for impairment of investments is carried out if events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment review comprises of an analysis of the operating results for the subsidiary undertakings, future forecasts and the subsidiary's net assets.

In assessing the value in use the commercial reality is no change from the prior year as the circumstances of the subsidiaries has not changed. The directors consider that the investments' recoverable amount is greater than its carrying amount and consequently no impairment is considered necessary.

Tax

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

John Brown Acquisitions Limited

Notes to the Financial Statements for the year ended 31 December 2017

2 Accounting policies (continued)

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

John Brown Acquisitions Limited

Notes to the Financial Statements for the year ended 31 December 2017

3 Staff costs

Staff Costs and director emoluments have been borne by another Group company, John Brown Magazines Limited.

The directors of the Company were also directors of Dentsu Aegis London Limited ('DALL'). Remuneration of directors was paid by DALL. The directors do not consider it is practicable to apportion this amount between their services as directors of the Company and their services as director of DALL.

4 Interest payable and similar charges

	Year ended December 2017 £ 000	Year ended December 2016 £ 000
Interest payable on loans held with group undertakings	228	397
	<hr/>	<hr/>
	228	397

5 Auditor's remuneration

Audit and tax services have been borne by another Group company, John Brown Magazines Limited. The proportion of fees relating to this company is £4,000 (2016: nil)

John Brown Acquisitions Limited

Notes to the Financial Statements for the year ended 31 December 2017

6 Tax on profit

Recognised in the profit and loss account

The tax expense for continuing operations is made up of the following:

	Year ended 31 December 2017 £ 000	Year ended 31 December 2016 £ 000
Current taxation		
UK corporation tax	(503)	(402)

Reconciliation of the total tax expense

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK: 19.25% (2016: 20%). The differences are explained below:

	Year ended 31 December 2017 £ 000	Year ended 31 December 2016 £ 000
Loss before tax	(228)	(397)
Corporation tax at standard rate of 19.25% (2016: 20%)	(44)	(79)
Transfer pricing adjustments	(459)	(323)
Total tax credit	(503)	(402)

Change in corporation tax rate

The UK Government enacted legislation which reduced the main rate of corporation tax to 20% from 1 April 2015. A further reduction in the main rate of corporation tax is proposed to reduce the rate 19% from 1 April 2017 and 18% from 1 April 2020.

It is expected that this will reduce the company's future current tax charge accordingly.

John Brown Acquisitions Limited

Notes to the Financial Statements for the year ended 31 December 2017

7 Investments

	Year ended December 2017 £ 000	Year ended December 2016 £ 000
Investments	14,943	14,943
At 31 December 2017	14,943	14,943

Details of the subsidiaries as at 31 December 2017 are as follows:

Name of subsidiary	Principal activity	Registered office address	Proportion of ownership interest and voting rights held	
			2017	2016
John Brown Publishing Limited	Holding Company	10 Triton Street, Regent's Place, London. NW1 3BF	100%	100%
John Brown Magazines Limited (owned through subsidiary undertaking)	Publishing	10 Triton Street, Regent's Place, London. NW1 3BF	0%	0%
John Brown Catalogues Limited (owned through subsidiary undertaking)	Publishing	10 Triton Street, Regent's Place, London. NW1 3BF	0%	0%
John Brown Hong Kong Limited (owned through subsidiary undertaking)	Publishing	27/F, 625 King's Road, North Point, Hong Kong.	0%	0%
John Brown Shanghai Company (owned through subsidiary undertaking)	Dormant	Suite 3G, 1208 South Xizang Road. Huangpu District, Shanghai 200011.	0%	0%
John Brown Japan KK (owned through subsidiary undertaking)	Dormant	Yushin Bld. Shinkan 12F, 27- 11 Shibuya 3-Chome Shibuya-ku, Tokyo 150-0002.	0%	0%

John Brown Acquisitions Limited

Notes to the Financial Statements for the year ended 31 December 2017

8 Debtors

	Year ended 31 December 2017	Year ended 31 December 2016
	£ 000	£ 000
Amounts due from group undertaking	963	963
Income tax receivable	1,286	783
	<u>2,249</u>	<u>1,746</u>

The amounts due from group undertakings are non-interest bearing and are repayable on demand.

9 Creditors: amounts falling due within one year

	Year ended December 2017	Year ended December 2016
	£ 000	£ 000
Amounts due to group undertaking	35,023	34,795
	<u>35,023</u>	<u>34,795</u>

10 Capital and reserves

Allotted, called up and fully paid shares

	Year ended 31 December 2017		Year ended 31 December 2016	
	No. 000	£ 000	No. 000	£ 000
799,827 ordinary shares of £0.01 each	800	8	800	8

John Brown Acquisitions Limited

Notes to the Financial Statements for the year ended 31 December 2017

11 Share Premium

	Year ended December 2017 £ 000	Year ended December 2016 £ 000
Share Premium	9,069	9,069
	<hr/>	<hr/>
	9,069	9,069

12 Ultimate parent undertaking and controlling part

John Brown Acquisitions Limited is a wholly owned subsidiary of Dentsu Aegis Network limited, a company incorporated in the United Kingdom and registered in England and Wales. The ultimate parent undertaking and controlling party is Dentsu Inc.

Dentsu Inc. is the parent undertaking of largest group for which group financial statements are prepared and of which the Company is a member. Copies of Group financial statements can be obtained from: The Secretary, Dentsu Inc., 1-8-1 Higashi-shimbashi, Minato-ku, Tokyo 105-7001. The smallest group in which the results of the company are consolidated is the group headed by Dentsu Aegis Network Limited.