

# FCB Europe Limited

**Directors' Report, Strategic Report and  
Financial Statements**

**Year ended 31 December 2018**

**Registered Number: 3007253**

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# FCB Europe Limited

## Strategic Report for the year ended 31 December 2018

The directors present their strategic report of FCB Europe Limited (the "Company"), registered number 3007253 for the year ended 31 December 2018.

### Principal activities and review of the business

The Company's principal activity during the year was that of an investment holding company. Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for the understanding of the development, performance or position of the business.

The Company's loss for the year is £2,334,000 (2017: loss of £472,000). The directors consider that the result for the year is in line with expectations. The Company had net liabilities of £1,965,000 as at 31 December 2017 (2017: net assets of £369,000).

### Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of The Interpublic Group of Companies, Inc. and are not managed separately. These risks are discussed in The Interpublic Group of Companies, Inc. annual financial statements for the year ended 31 December 2018, which does not form part of this report. Copies of The Interpublic Group of Companies, Inc. consolidated financial statements can be obtained from:

The Interpublic Group of Companies, Inc.  
909 Third Avenue  
New York, NY 10022 U.S.A.

On behalf of the Board



W Kay  
Director

24 May 2019

# **FCB Europe Limited**

## **Directors' Report for the year ended 31 December 2018**

The directors present their report and the financial statements of FCB Europe Limited (the "Company") registered number 3007253 for the year ended 31 December 2018.

### **Future developments**

Future developments, strategy and key performance indicators are discussed in the strategic report.

### **Directors**

The directors who held office during the year and up to the date of signing the financial statements are given below:

W Kay

D Coleman

### **Events post statement of financial position**

No material events post statement of financial position have occurred.

**Directors' Report for the year ended 31 December 2018 (continued)**

**Statement of directors' responsibilities**

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, the directors have prepared the Company's financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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.

The directors acknowledge their responsibilities for:

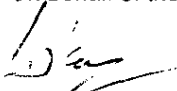
- ensuring that the Company keeps adequate accounting records which comply with section 386 of the Companies Act 2006; and
- preparing financial statements which give a true and fair view of the state of the affairs of the Company at 31 December 2018 and its profit or loss for the year then ended in accordance with the requirement of section 394 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements so far as applicable to the Company.

**Audit exemption**

Advantage has been taken of the audit exemption available for subsidiary companies conferred by section 479A of the Companies Act 2006 on the grounds:

- a) that for the year ended 31 December 2018 the Company was entitled to the exemption from a statutory audit under section 479A of the Companies Act 2006 relating to subsidiary companies; and
- b) that no notice has been deposited under section 476 of the Companies Act 2006 in relation to the financial statements for the financial year.

On behalf of the Board



W Kay  
Director  
24 May 2019

# FCB Europe Limited

## Statement of comprehensive income

For the year ended 31 December 2018

		2018	2017
	Note	£000's	£000's
Interest payable and similar charges	4	(9)	(18)
Dividends received		-	3,500
Disposal of Investment		(2,325)	(3,954)
<b>Loss on ordinary activities before taxation</b>		<b>(2,334)</b>	<b>(472)</b>
Tax on loss on ordinary activities	6	-	-
<b>Loss and total comprehensive loss for the financial year</b>		<b>(2,334)</b>	<b>(472)</b>

All operations are discontinued.

# FCB Europe Limited

## Statement of financial position As at 31 December 2018

	Note	2018 £000's	2017 £000's
<b>Current Assets</b>			
Cash at bank			369
Investments in subsidiaries	7	-	-
		-	369
<b>Creditors: amounts falling due within one year</b>	8	(1,965)	-
<b>Net assets</b>		(1,965)	369
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Share premium account		-	-
Retained earnings		(1,966)	368
<b>Total equity</b>		(1,965)	369

Advantage has been taken of the audit exemption available for subsidiary companies conferred by section 479A of the Companies Act 2006 on the grounds:

- that for the year ended 31 December 2018 the Company was entitled to the exemption from a statutory audit under section 479A of the Companies Act 2006 relating to subsidiary companies; and
- that no notice has been deposited under section 476 of the Companies Act 2006 in relation to the financial statements for the financial year.

The directors acknowledge their responsibilities for:

- ensuring that the Company keeps adequate accounting records which comply with section 386 of the Companies Act 2006; and
- preparing financial statements which give a true and fair view of the state of the affairs of the Company at 31 December 2018 and of its profit or loss for the year then ended in accordance with the requirement of section 394 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements so far as applicable to the Company.

The notes on pages 7 to 10 are an integral part of these financial statements.

The financial statements on pages 4 to 10 were authorised for issue by the board of directors on 24 May 2019 and were signed on its behalf.



W Kay  
Director  
FCB Europe Limited  
Registered No. 3007253

# FCB Europe Limited

## Statement of changes in equity for the year ended 31 December 2018

	Called up share capital	Share premium account	Retained earnings	Total Equity
	£000's	£000's	£000's	£000's
At 1 January 2017	1	349	491	841
Loss for the financial year and total comprehensive loss	-	-	(472)	(472)
Share Premium reduction		(349)	349	-
At 31 December 2017 and 1 January 2018	1	-	368	369
Loss for the financial year and total comprehensive loss	-	-	(2,334)	(2,334)
Total transactions with owners, recognised directly in equity	-			
At 31 December 2018	1	-	(1,966)	(1,965)

On 26 October 2017 the Company reduced its share premium account by £349,453.

**Notes to the financial statements for the year ended 31 December 2018**

**1 General information**

The Company's principal activity during the year was that of an investment holding company. The company is expected to be put into liquidation in 2019.

*The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is 3 Grosvenor Gardens, London, SW1W 0BD.*

**2 Statement of compliance**

The individual financial statements of the Company 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" ("FRS 102") and the Companies Act 2006.

**3 Summary of significant accounting policies**

The principal 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 FRS 102 in these financial statements.

**a) Basis of preparation**

*The Directors have expressed an intention to liquidate FCB Europe Limited in 2019 and accordingly prepare the financial statements on a basis other than going concern.*

Preparation of financial statements on a basis other than going concern requires that:

- i) assets are stated at their expected recoverable value;
- ii) any long term assets and liabilities are reclassified as current assets and liabilities; and
- iii) provision is made for closure costs and future trading losses, unless such costs are more than offset by expected future trading profits.

No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

The other principal accounting policies used in the preparation of the financial statements are set out below

**b) Exemptions for qualifying entities under FRS 102**

As a qualifying entity, the Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its intermediate parent company, IPG Holdings (UK) Ltd, includes the Company's cash flows in its own consolidated financial statements.

**c) Consolidated financial statements**

The Company is a wholly owned subsidiary of IPG Holdings (UK) Limited and of its ultimate parent, The Interpublic Group of Companies, Inc. and its results are included in the consolidated financial statements of The Interpublic Group of Companies, Inc. which are publicly available. Therefore the directors have concluded that the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements are the Company's separate financial statements.



### 3 Summary of significant accounting policies (continued)

#### d) Investments

Investments in subsidiaries are held at cost less accumulated impairment losses.

#### e) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 4 Interest payable and similar charges

	2018 £000's	2017 £000's
Interest payable on bank overdrafts	9	18

### 5 Directors, key management and employee costs

The Company had no employees during the year (2017: nil). The remuneration of the directors and key management for the year ended 31 December 2018 was borne by fellow Group undertakings.

### 6 Tax on Loss on ordinary activities

#### Factors affecting the tax charge for the year

The tax assessed for the year is higher (2017 = higher) than the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The difference is explained below:

	2018 £000's	2017 £000's
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>(2,334)</b>	<b>(472)</b>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017: 19.25%)	(444)	(91)
Effects of:		
Income exempt from corporation tax	-	(674)
Investment disposal/Impairment losses that are not deductible for tax purposes	442	761
Group relief for nil consideration	2	4
<b>Total tax for the year</b>	<b>-</b>	<b>-</b>

A reduction in the rate of UK corporation tax from 20% to 19% took effect from 1 April 2017. Further reductions in the main rate of UK corporation tax to 17% from 1 April 2020 has been substantively enacted.

## 7 Investments

<b>Investment in subsidiaries:</b>	<b>£'000</b>
At 31 December 2017	
Cost	853
Accumulated provision for impairment	(853)
<b>Net book value</b>	<b>-</b>
<b>Cost</b>	
At 1 January 2018	853
Additions	2,325
Disposals	(3,178)
	-
<b>Provision for impairment:</b>	
At 1 January 2018	
Disposals	(853)
	-
<b>Net book value at 31 December 2018</b>	<b>-</b>

### Additions

On 29 May 2018 the company made a capital contribution to its subsidiary FCB Zurich GmbH of £2,324,950

### Disposals

On 31 May 2018 the company disposed of its investment in FCB Zurich GmbH.

The Company had the following investments as at 31 December 2018.

Name	Co. No. / Country	Registered Office	Share Class(es)	Share Class % Held
R/GA Media Group Limited	2366324	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100
Hustle Digital Limited	9301204	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100

**Notes to the financial statements for the year ended 31 December 2018 (continued)**

**8 Creditors: amounts falling due within one year**

	<b>2018 £000's</b>	<b>2017 £000's</b>
Bank loans and overdraft	(1,965)	-
	<b>(1,965)</b>	<b>-</b>

The Group participates in The Interpublic Group of Companies, Inc. pooling arrangement with Lloyds Banking Group plc. The overdraft interest rate is linked to bank base rate and bank borrowing is secured by an ultimate parent undertaking guarantee. The remaining creditors are unsecured.

**9 Called up share capital**

	<b>2018 Number (000's)</b>	<b>2017 Number (000's)</b>	<b>2018 £000's</b>	<b>2017 £000's</b>
<b>Allotted and fully paid:</b>				
Ordinary shares of £1 each	1	1	1	1

**10 Company information**

The Company is registered in England and Wales and its registered office is at 3 Grosvenor Gardens, London, SW1W 0BD.

**11 Ultimate parent undertaking and controlling party**

The immediate parent undertaking is IPG Holdings (UK) Limited, a company registered in England and Wales. Copies of its financial statements are available at 3 Grosvenor Gardens, London, SW1W 0BD.

The ultimate parent undertaking and controlling party is The Interpublic Group of Companies, Inc., a company incorporated in the United States of America.

The Interpublic Group of Companies, Inc. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2018, and the smallest group of undertakings to consolidate these financial statements at 31 December 2018 is IPG Holdings (UK) Limited.

The consolidated financial statements for the Interpublic Group of Companies, Inc. can be obtained from 909 Third Avenue, New York, NY 10022, United States, and the consolidated financial statements for IPG Holdings (UK) Limited can be obtained from 3 Grosvenor Gardens, London, United Kingdom, SW1W 0BD.