

MERCHANTCANTOS LLP

**Financial statements
for the year ended 28th February 2022**

Registered number: OC305693

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MERCHANTCANTOS LLP

Financial statements for the year ended 28th February 2022

Registered number: OC305693

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MERCHANTCANTOS LLP

Registered number: OC305693

Balance sheet

	Note	As at 28 Feb 2022 £	As at 28 Feb 2021 £
Current assets			
Tangible assets	4	-	90,230
Work in progress		-	6,786
Debtors	5	-	3,506,567
Cash at bank and in hand		-	436,293
			<hr/>
		-	4,039,876
Creditors: Amounts falling due within one year	6	-	(3,183,864)
			<hr/>
Net current assets		-	856,012
Total assets less current liabilities		-	856,012
Net assets attributable to members		-	856,012
			<hr/>
Represented by:			
Members' interest		-	856,012
			<hr/>
Total members' interests		-	856,012
Members' interest		-	856,012
			<hr/>
		-	856,012
			<hr/>

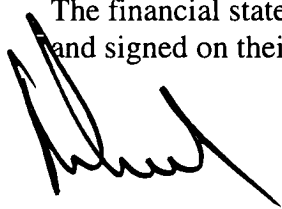
For the financial year ended 28th February 2022, the Limited Liability Partnership was entitled to exemption under section 477 of the Companies Act 2006 (as applied by Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) relating to small LLPs.

The members acknowledge their responsibility for complying with the requirements of the Companies Act 2006 (as applied to limited liability partnerships) with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

As permitted by s444(5A) of the Companies Act 2006 the members have not delivered to the Register a copy of the partnership's Profit and Loss account.

The financial statements were approved by the members and authorised for issue on 17th November 2022 and signed on their behalf by:



J A Fenwick
Designated member

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Notes to the financial statements for the year ended 28th February 2022

1. General information

For the period to 31st August 2021, MerchantCantos LLP ("the partnership") was a corporate communications consultancy specialising in the printed and online media. The partnership did not trade following the sale of its trade and assets to Brunswick Group Advisory Limited on 31st August 2021.

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

2. Statement of compliance

The financial statements of the partnership have been prepared in compliance with United Kingdom Accounting Standards, including Section 1A of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006, as applied to Limited Liability Partnerships.

The financial statements have also been prepared in accordance with the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' (SORP).

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.

3.1 Going concern

During the year, the members of the partnership voted unanimously to approve the sale of its trade and assets to Brunswick Group Advisory Limited. The transfer of trade and assets took place on 31st August 2021, at cost, and as such no gain or loss was recognised. However, the partnership remains in a net asset position and has the ability to meet all liabilities as they fall due. It is the intention of the members that the partnership will remain open until documentation has been prepared to enable its wind up. The financial statements have been prepared on a basis other than going concern, but as the balance sheet is nil at year end, no adjustments are required.

3.2 Exemptions for qualifying entities under FRS102

FRS102 allows a qualifying entity certain disclosure exemptions. The partnership has taken advantage of the exemptions available to it as a small entity with regards to the requirement to prepare a cash flow statement in accordance with Part 15 of the Companies Act 2006.

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Notes to the financial statements for the year ended 28th February 2022 (cont'd)

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

3.3 Tangible assets and depreciation

Tangible assets are stated at original purchase cost of the asset less accumulated depreciation and, where appropriate, provision for impairment. 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:

Computer equipment	33.3%
Camera equipment	33.3%
Fixtures & Fittings	15.0%

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 profit or loss.

3.4 Work in progress

Work in progress represents the cost of time and materials incurred on incomplete projects in progress over the year end.

3.5 Members' capital and drawings

The capital requirements of the partnership are determined by the members who may require contributions from time to time. No interest is payable on capital. A member may not reduce his or her share without the unanimous agreement of the members.

Profits and losses are allocated to members throughout the year in such sums as agreed by the members.

To the extent that profit allocations exceed drawings then the excess profit is included in the balance sheet under loans and other debts due to members. Where drawings exceed the allocated profits the excess is included in debtors.

No members' remuneration is charged as an expense in the profit and loss account.

3.6 Turnover

Turnover represents amounts receivable from corporate design, film production, digital build and advertising services fees earned and expenses recharged to clients during the financial year, net of value added tax, and 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.

3.7 Cost of sales

Cost of sales represents direct labour and other direct costs associated with design, film production and digital build.

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Notes to the financial statements for the year ended 28th February 2022 (cont'd)

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

3.8 Administrative costs

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

3.9 Pension costs

The partnership makes contributions to various defined contribution pension schemes. The assets of the schemes are held separately from those of the partnership in independently administered funds. The pension costs charge represents the contributions payable by the partnership to the funds.

3.10 Interest

Interest allocated to connected entities is interest incurred on cash advances from Brunswick Group LLP, a connected entity, which acts as an agent in relation to interest payable and allocates interest to connected entities when amounts become payable.

Interest allocated from connected entities is interest incurred on cash advances to Brunswick Group LLP, a connected entity, which acts as an agent in relation to interest receivable and allocates interest to connected entities when amounts are receivable.

3.11 Taxation

Tax payable on the partnership's results is solely the personal liability of the members, and consequently is not dealt with in these financial statements.

3.12 Foreign currencies

Trading transactions are translated at rates of exchange ruling during the year. All monetary assets and liabilities expressed in foreign currencies are retranslated into sterling at the rate of exchange ruling at the balance sheet date. All foreign exchange differences are taken to the profit and loss account in the year in which they arise.

3.13 Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any incentive to enter into operating leases are recognised as a reduction of rental expense over the lease term on a straight line basis.

3.14 Cash at bank and in hand

Cash at bank and in hand represents all instruments, cash in hand, deposits held at call or with banks and other short term investments repayable on demand. Where appropriate the company operates a cash pooling arrangement with its main bankers and therefore reduces its exposure to overdraft charges.

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Notes to the financial statements for the year ended 28th February 2022 (cont'd)

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

3.15 Debtors

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.

3.16 Other debtors and creditors (within one year)

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

3.17 Creditors and other creditors

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 members of the partnership also have an interest. The connected undertakings with which the partnership had any business dealings during the year are disclosed in Note 7 – Related party disclosures.

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Notes to the financial statements for the year ended 28th February 2022 (cont'd)

4. Tangible assets

	Computer Equipment £	Camera Equipment £	Fixtures & Fittings £	Total £
Cost				
At 1st March 2021	1,319,799	232,235	109,114	1,661,148
Additions	27,269	-	-	27,269
Amount transferred on sale of trade and assets	(1,347,068)	(232,235)	(109,114)	(1,688,417)
At 28th February 2022	-	-	-	-
Accumulated depreciation				
At 1st March 2021	1,269,284	215,397	86,237	1,570,918
Charge for the year	18,891	8,419	2,207	29,517
Amount transferred on sale of trade and assets	(1,288,175)	(223,816)	(88,444)	(1,600,435)
At 28th February 2022	-	-	-	-
Net book value				
At 28th February 2022	-	-	-	-
At 28th February 2021	50,515	16,838	22,877	90,230

As a result of the approved sale of its trade and assets to Brunswick Group Advisory Limited, the tangible asset balance for the prior year was reclassified from fixed assets to current assets.

5. Debtors

	As at 28 Feb 2022 £	As at 28 Feb 2021 £
Amounts falling due within one year		
Trade debtors	-	1,236,031
Amounts owed by connected undertakings	-	2,154,634
Other debtors	-	1,985
Taxation and social security	-	25,765
Prepayments and accrued income	-	88,152
	-	3,506,567

Amounts owed by connected undertakings represented balances arising from trading transactions and were unsecured, repayable on demand and interest free.

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Notes to the financial statements for the year ended 28th February 2022 (cont'd)

6. Creditors: amounts falling due within one year

	As at 28 Feb 2022 £	As at 28 Feb 2021 £
Trade creditors	-	125,979
Amounts owed to connected undertakings	-	2,019,892
Other creditors	-	30,440
Accruals and deferred income	-	1,007,553
	<hr/>	<hr/>
	-	3,183,864
	<hr/>	<hr/>

Amounts owed to connected undertakings represented balances arising from trading transactions and loan balances. All balances were unsecured, repayable on demand and interest free.

7. Related party disclosures

MerchantCantos LLP had business dealings with certain entities in which the members of the LLP had interests as follows:

A Parker and J A Fenwick are directors of and A Parker, J A Fenwick and L E Charlton had beneficial interests in the shares of Brunswick Group Services Limited.

A Parker and J A Fenwick are directors of and A Parker had beneficial interests in the shares of The Lincoln Centre Limited and MerchantCantos Services Limited.

All members except MerchantCantos Services Limited and Merchant Group Limited were members of Brunswick Group LLP (registered in England), Brunswick Financial Advisory LLP, Brunswick Consulting LLP and Brunswick Public Relations LLP.

A Parker, L E Charlton and J A Fenwick are directors of and had beneficial interests in Brunswick Group Partnership Limited. Brunswick Group Partnership Limited owns 100% of the share capital of Brunswick Wynnstay Limited and was a member in Brunswick Group LLC. Brunswick Group LLC is a member of MerchantCantos LLC.

Brunswick Wynnstay Limited owns 100% of the share capital of Brunswick Gulf Limited, Brunswick Group Limited (registered in Hong Kong), Brunswick Comunicações Corporativas LTDA, Brunswick Group Kabushiki Kaisha and Brunswick Europe Limited.

Brunswick Group Limited owns 100% of the share capital of Brunswick Group Pte Limited and MerchantCantos Limited (registered in Hong Kong). Brunswick Europe Limited owns 100% of the share capital of Brunswick SARL, Brunswick Europe Advisory Limited, Brunswick Group GmbH, MerchantCantos SARL and BRNSWK Nordic AB.

A Parker and J A Fenwick are directors of and A Parker had a beneficial interest in the shares of Brunswick India Limited, which is a member of Brunswick Corporate Communications LLP (India).

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Notes to the financial statements for the year ended 28th February 2022 (cont'd)

During the financial year the partnership sold administration services and corporate communication and consultancy services on cross border assignments to the above entities. The value of the transactions were as follows:

	Year ended 28 Feb 2022	Year ended 28 Feb 2021
	£	£
Brunswick Corporate Communications LLP (India)	-	14,995
Brunswick Comunicações Corporativas LTDA	-	387
Brunswick Financial Advisory LLP	463,718	1,214,519
Brunswick Group GmbH	-	48,275
Brunswick Group Kabushiki Kaisha	3,145	15,465
Brunswick Group Limited (registered in Hong Kong)	138,800	-
Brunswick Group LLC	796,902	551,466
Brunswick Group LLP (registered in England)	634,600	522,422
Brunswick Group Pte Limited	30,062	-
Brunswick Gulf Limited	1,141,155	4,436,193
BRNSWK Nordic AB	-	20,000
Brunswick Public Relations LLP	-	26,921
Brunswick SARL	946	46,564
Brunswick Europe Advisory Limited	2,578	-
Brunswick South Africa Limited	2,345	-
MerchantCantos Limited (registered in Hong Kong)	588,734	482,655
MerchantCantos LLC	79,482	399,471
MerchantCantos SARL	275,649	785,279

During the financial year the partnership purchased support and administration services and corporate communication and consultancy services on cross border assignments to the above entities. The value of the transactions which were carried out in the ordinary course of business and on normal commercial terms were as follows:

	Year ended 28 Feb 2022	Year ended 28 Feb 2021
	£	£
Brunswick Financial Advisory LLP	64,575	272,673
Brunswick Group Limited (registered in Hong Kong)	-	45,000
Brunswick Group LLC	-	22,086
Brunswick Group LLP (registered in England)	224,369	1,079,268
Brunswick Group Services Limited	502,326	1,064,844
Brunswick Gulf Limited	945,193	1,044,775
MerchantCantos LLC	33,944	199,507
MerchantCantos Limited (registered in Hong Kong)	7,356	157,893
MerchantCantos SARL	11,020	32,111
MerchantCantos Services Limited	3,672,970	7,079,911
Brunswick South Africa Limited	689	-
The Lincoln Centre Limited	3,029	-

During the financial year, interest receivable of £nil (2021: £964) was allocated to MerchantCantos LLP from Brunswick Group LLP.

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Notes to the financial statements for the year ended 28th February 2022 (cont'd)

7. Related party disclosures (cont'd)

At 28th February 2022 the following balances were owed from/(to) related parties were as follows:

	As at 28 Feb 2022	As at 28 Feb 2021
	£	£
Brunswick Financial Advisory LLP	-	110,586
Brunswick Corporate Communications LLP (India)	-	38,355
Brunswick Comunicações Corporativas LTDA	-	39,914
Brunswick Consulting LLP	-	2,013
Brunswick Group GmbH	-	19,203
Brunswick Group LLC	-	51,423
Brunswick Group LLP (registered in England)	-	57,996
Brunswick Group Services Limited	-	(123,462)
Brunswick Gulf Limited	-	28,304
BRNSWK Nordic AB	-	20,000
Brunswick SARL	-	46,564
MerchantCantos Limited (registered in Hong Kong)	-	878,281
MerchantCantos LLC	-	651,277
MerchantCantos SARL	-	41,315
MerchantCantos Services Limited	-	(1,727,028)

8. Contingent liabilities

The partnership, under a group VAT registration, was jointly and severably liable for Value Added Tax due by MerchantCantos Services Limited. As a result of the transfer of the partnership's trade and assets to Brunswick Group Advisory Limited on 31st August 2021, this arrangement ceased to exist. In the prior year, as at 28th February 2021 the outstanding group VAT debtor was £25,765 of which £nil was recognised in the financial statements of MerchantCantos Services Limited as an asset and hence represented a contingent asset.

The partnership was a participant in a guarantee and set off agreement with Lloyds Bank Plc under which all entities undertook to guarantee the liabilities of any other associated entity included in the agreement. The arrangement ended on 31st August 2021.

On 30th May 2012, the partnership along with other related entities ("Group") entered into an umbrella agreement with a bank, whereby individual partners of the Group could obtain loans from the bank to fund capital contributions to the Group. The umbrella agreement required the Group to guarantee the loans and maintain a minimum specified ratio of total loans outstanding to net worth. The umbrella agreement was renewed on 25th June 2021 and was ended on 31st August 2021.

9. Ultimate controlling party

The ultimate controlling party is A Parker.