

Registration number 4395472

**Havas Sports Limited**  
**Directors' report and financial statements**  
**for the year ended 31 December 2009**

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**Havas Sports Limited**

**Company information**

Directors	G Bailly M R B Craze K S Impey M E McElhatton R M Wight
Secretary	M E McElhatton
Company number	4395472
Registered office	11 Great Newport Street London WC2H 7JA
Auditors	Constantin 25 Hosier Lane London EC1A 9LQ

## **Havas Sports Limited**

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## **Havas Sports Limited**

### **Directors' report for the year ended 31 December 2009**

The directors present their report and the financial statements for the year ended 31 December 2009

#### **Principal activity**

The principal activity of the company continued to be the provision of sports marketing services and the activation of sponsorship rights and the company has a division called Havas Sport Insight which adds to its research and measurement capability

#### **Results**

The results for the year are set out on page 5

#### **Payments of creditors**

The company does not adopt a specific code or standard payment policy. However, it is the company's policy to pay its suppliers in accordance with the terms agreed with them, provided that the supplier has met its contractual obligations

#### **Directors**

The directors who served during the year are as stated below

G Bailly  
M R B Craze  
K S Impey  
M E McElhatton  
R M Wight

#### **Directors' responsibilities**

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP)

Company law requires the directors to prepare financial statements for each financial year which 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 year. In preparing these financial statements the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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

**Havas Sports Limited**

**Directors' report  
for the year ended 31 December 2009**

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

**Auditors**

In accordance with Section 487(1) of the Companies Act 2006, a resolution proposing that Constantin be reappointed as auditors of the company will be put to the Annual General Meeting.

The report is prepared in accordance with special provisions of Part XV of the Companies Act 2006 relating to small companies.

This report was approved by the Board on *23 April 2010* and signed on its behalf by



**M E McElhatton  
Director**

## **Havas Sports Limited**

### **Independent auditor's report to the shareholders of Havas Sports Limited**

We have audited the financial statements of Havas Sports Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements.

#### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006.**

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

**Havas Sports Limited**

**Independent auditor's report to the shareholders of Havas Sports Limited**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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



**Peter Smith FCA (Senior Statutory Auditor)**  
**For and on behalf of Constantin, Statutory Auditor**

**25 Hosier Lane**  
**London**  
**EC1A 9LQ**

Date *26 April 2010.*

**Havas Sports Limited**

**Profit and loss account  
for the year ended 31 December 2009**

		<b>Continuing operations</b>	
		<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	<b>Notes</b>		
<b>Turnover</b>	<b>2</b>	4,793,830	3,763,844
Cost of sales		(2,519,377)	(1,619,808)
<b>Gross profit</b>		2,274,453	2,144,036
Administrative expenses		(1,234,486)	(1,696,602)
<b>Operating profit</b>	<b>3</b>	1,039,967	447,434
Other interest receivable and similar income		9,970	61,884
<b>Profit on ordinary activities before taxation</b>		1,049,937	509,318
Tax on profit on ordinary activities	<b>5</b>	(297,468)	(147,938)
<b>Profit on ordinary activities after taxation</b>	<b>13</b>	752,469	361,380

There are no recognised gains or losses other than the profit for the above two financial years

**The notes on pages 8 to 15 form an integral part of these financial statements.**



**Havas Sports Limited**

**Balance sheet  
as at 31 December 2009**

		2009		2008	
Notes	£	£	£	£	
<b>Fixed assets</b>					
Tangible assets	7		22,916	19,638	
<b>Current assets</b>					
Debtors	8	1,361,439		567,615	
Cash at bank and in hand		498,681		757,782	
		<u>1,860,120</u>		<u>1,325,397</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,046,008)</u>		<u>(898,476)</u>	
<b>Net current assets</b>			<u>814,112</u>	<u>426,921</u>	
<b>Total assets less current liabilities</b>			<u><u>837,028</u></u>	<u><u>446,559</u></u>	
<b>Capital and reserves</b>					
Called up share capital	11		1,053	1,053	
Profit and loss account	13		<u>835,975</u>	<u>445,506</u>	
<b>Shareholders' funds</b>	12		<u><u>837,028</u></u>	<u><u>446,559</u></u>	

The financial statements were approved by the Board on *23 April 2010* and signed on its behalf by

  
**M E McElhatton**  
**Director**

The notes on pages 8 to 15 form an integral part of these financial statements.

**Havas Sports Limited**

**Cash flow statement  
for the year ended 31 December 2009**

	Notes	2009 £	2008 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		1,039,967	447,434
Depreciation		13,304	14,077
(Increase)/decrease in debtors		(800,052)	566,838
Increase/(decrease) in creditors		48,945	(101,672)
<b>Net cash inflow from operating activities</b>		<u>302,164</u>	<u>926,677</u>
 <b>Cash flow statement</b>			
Net cash inflow from operating activities		302,164	926,677
Returns on investments and servicing of finance		9,970	61,884
Taxation		(192,653)	(450,404)
Capital expenditure		(16,582)	(8,957)
		<u>102,899</u>	<u>529,200</u>
Equity dividends paid		(362,000)	(1,300,000)
<b>Decrease in cash in the year</b>		<u>(259,101)</u>	<u>(770,800)</u>
 <b>Reconciliation of net cash flow to movement in net funds (Note 16)</b>			
<b>Decrease in cash in the year</b>		(259,101)	(770,800)
<b>Net funds at 1 January 2009</b>		<u>757,782</u>	<u>1,528,582</u>
<b>Net funds at 31 December 2009</b>		<u>498,681</u>	<u>757,782</u>

## Havas Sports Limited

### Notes to the financial statements for the year ended 31 December 2009

#### 1. Accounting policies

##### 1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

##### 1.2. Turnover

Turnover represents the total invoice value, excluding value added tax and trade discounts, of sales made during the year. Retainers are recognised in the month to which they relate and all other income is recognised on delivery of services to the customer

##### 1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Fixtures, fittings and equipment	-	33 33% straight line
Computer equipment	-	33 33% straight line

##### 1.4. Deferred taxation

Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statement. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted

##### 1.5. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the Balance Sheet date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss Account

#### 2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

#### 3. Operating profit

	2009	2008
	£	£
Operating profit is stated after charging/(crediting)		
Depreciation and other amounts written off tangible assets	13,304	14,077
Auditors' remuneration	16,999	12,900
Net foreign exchange gain	(6,135)	7,674

**Havas Sports Limited**

**Notes to the financial statements  
for the year ended 31 December 2009**

**4. Employees**

<b>Number of employees</b>	<b>2009</b>	<b>2008</b>
The average monthly numbers of employees (including the directors) during the year were	<u>22</u>	<u>22</u>

<b>Employment costs</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,123,088	1,110,405
Social security costs	<u>130,241</u>	<u>130,878</u>
	<u>1,253,329</u>	<u>1,241,283</u>

<b>4.1. Directors' remuneration</b>	<b>2009</b>	<b>2008</b>
Remuneration and other emoluments	<u>252,120</u>	<u>280,000</u>

<b>Highest paid director</b>	<b>£</b>	<b>£</b>
Amounts included above		
Emoluments and other benefits	<u>141,060</u>	<u>160,000</u>

**Havas Sports Limited**

**Notes to the financial statements  
for the year ended 31 December 2009**

**5. Tax on profit on ordinary activities**

<b>(a) Analysis of charge in year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Current tax		
UK corporation tax on profit for the year at 28.0% (2008 - 28.5%)	301,354	159,633
Adjustments in respect of prior years	(10,114)	-
Total current tax (note (b))	<u>291,240</u>	<u>159,633</u>
Deferred tax		
Origination and reversal of timing differences	(3,726)	(8,948)
Adjustments in respect of prior years	9,954	(2,747)
Total deferred tax (note (c))	<u>6,228</u>	<u>(11,695)</u>
Tax charge on profit on ordinary activities	<u>297,468</u>	<u>147,938</u>

**(b) Factors affecting current tax charge**

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>1,049,937</u>	<u>509,318</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 28.00% (31 December 2008 - 28.50%)	293,983	145,156
Effects of		
Expenses not deductible for tax purposes	3,646	2,330
Depreciation for year in excess of capital allowances	3,725	4,012
Short-term timing differences	-	10,882
Adjustments in respect of prior years	(10,114)	(2,747)
Current tax charge for the year (note (a))	<u>291,240</u>	<u>159,633</u>

**Havas Sports Limited**

**Notes to the financial statements  
for the year ended 31 December 2009**

**5. Tax on profit on ordinary activities (continued)**

**(c) Deferred tax asset**

The deferred tax included in the balance sheet is as follows

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Included in debtors	<u>8,798</u>	<u>15,026</u>
Capital allowances in excess of depreciation	8,798	4,707
Short-term timing differences	-	<u>10,319</u>
Deferred tax asset	<u>8,798</u>	<u>15,026</u>
Asset at 1st January	15,026	3,331
Deferred tax charge in profit and loss account	<u>(6,228)</u>	<u>(11,695)</u>
Asset at 31 December	<u>8,798</u>	<u>15,026</u>

**6. Dividends**

**Dividends paid and proposed on equity shares**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Paid during the year		
Equity dividends on Ordinary shares	<u>362,000</u>	<u>1,300,000</u>

**Havas Sports Limited**

**Notes to the financial statements  
for the year ended 31 December 2009**

<b>7. Tangible fixed assets</b>	<b>Fixtures, fittings and equipment £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2009	14,780	44,541	59,321
Additions	382	16,200	16,582
At 31 December 2009	15,162	60,741	75,903
<b>Depreciation</b>			
At 1 January 2009	8,846	30,837	39,683
Charge for the year	3,230	10,074	13,304
At 31 December 2009	12,076	40,911	52,987
<b>Net book values</b>			
At 31 December 2009	3,086	19,830	22,916
At 31 December 2008	5,934	13,704	19,638

<b>8. Debtors</b>	<b>2009 £</b>	<b>2008 £</b>
Trade debtors	968,434	357,083
Amounts owed by group undertakings	234,688	176,923
Other debtors	5,328	6,025
Prepayments and accrued income	144,191	12,558
Deferred tax (Note 5(c))	8,798	15,026
	1,361,439	567,615

**Havas Sports Limited**

**Notes to the financial statements  
for the year ended 31 December 2009**

<b>9.</b>	<b>Creditors: amounts falling due within one year</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Trade creditors	243,203	237,569
	Amounts owed to group undertaking	228,960	96,978
	Corporation tax	153,351	54,764
	Other taxes and social security costs	57,034	61,018
	Other creditors	26,168	9,511
	Accruals and deferred income	337,292	438,636
		<u>1,046,008</u>	<u>898,476</u>

**10. Related party transactions**

<u>Related party</u>	<u>Relationship</u>	<u>Nature of transaction</u>	<u>Amount</u>	<u>Year-end</u>
			Dr/(Cr)	Dr/(Cr)
			£	£
Havas Sports France	Group undertaking	Fee income	48,214	52,639
		Recharged costs	4,508	
Media Planning Group	Group undertaking	Fee income	38,736	11,787
		Management costs	60,000	
		Recharged costs	43,912	
Havas Sports Spain	Group undertaking	Fee income	12,087	12,087
Havas Sports South Africa	Group undertaking	Fee income	905	905
Cake Media Limited	Group undertaking	Recharged costs	13,590	(101,390)
Havas Sports Barcelona	Group undertaking	Fee income	26,911	26,911
Biss Lancaster	Group undertaking	Fee income	3,666	4,216

<b>11.</b>	<b>Share capital</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	<b>Authorised</b>		
	10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
	<b>Alloted, called up and fully paid</b>		
	1,053 Ordinary shares of £1 each	<u>1,053</u>	<u>1,053</u>



**Havas Sports Limited**

**Notes to the financial statements  
for the year ended 31 December 2009**

<b>12. Reconciliation of movements in shareholders' funds</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Profit for the year	752,469	361,380
Dividends	(362,000)	(1,300,000)
	<u>390,469</u>	<u>(938,620)</u>
Opening shareholders' funds	446,559	1,385,179
Closing shareholders' funds	<u>837,028</u>	<u>446,559</u>

<b>13. Equity reserves</b>	<b>Profit and loss account £</b>
<b>At 1 January 2009</b>	445,506
Profit for the year	390,469
<b>At 31 December 2009</b>	<u>835,975</u>

<b>14. Transactions with directors</b>	<b>Amount owing</b>	<b>Maximum in year</b>
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
K S Impey	-	-
R M Wight	(268)	-
		517
		1,675

**15. Ultimate parent undertaking and controlling party**

The company's ultimate parent undertaking and controlling party is Havas S A , a company incorporated in France

The smallest and largest group which produces consolidated financial statements that include the results of the company is that headed by Havas S A , whose financial statements are available from Allee de Longchamp, 92281 Suresnes Cedex, France

**Havas Sports Limited**

**Notes to the financial statements  
for the year ended 31 December 2009**

**16. Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	757,782	(259,101)	498,681
<b>Net funds</b>	<u>757,782</u>	<u>(259,101)</u>	<u>498,681</u>

**17. Contingent asset**

The company has issued proceedings in respect of a claim for breach of contract. It is believed that the company has good prospects of success on the issue of liability, however, it is not yet in a position properly to assess the position regarding quantum. As such, no amounts have currently been recognised in respect of this matter.