

Registration number 4395472

Havas Sports Limited
Directors' report and financial statements
for the year ended 31 December 2007



Havas Sports Limited

Company information

Directors	G Bailly M E McElhatton M R B Craze K S Impey R M Wight
Secretary	M E McElhatton
Company number	4395472
Registered office	11 Great Newport Street London WC2H 7JA
Auditors	Constantin Aldwych House 81 Aldwych London WC2B 4HN

Havas Sports Limited

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Havas Sports Limited

Directors' report for the year ended 31 December 2007

The directors present their report and the financial statements for the year ended 31 December 2007

Principal activity and review of the business

The principal activity of the company continued to be that of provision of sports marketing services

The company has experienced another successful year with continuing strong growth in both turnover and profits. The company has also continued to invest in staff and has expanded its offering to new and existing clients.

Results and dividends

The results for the year are set out on page 5

During the year, the directors paid a final dividend of £699,430 in respect of 2006 (2006 - Interim £59,450). There was no dividend paid or approved by the board in respect of 2007.

Future developments

The directors are continuing to expand the services on offer to clients and are continuing to hire new talent to resource these requirements. The company is well placed to benefit from the increase in client investment during the 2008 Olympic year and London 2012.

Principal risks

Any economic slowdown in 2008/2009 will affect the company but the 2008 Olympics will help offset any downturn in expenditure.

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	(Appointed 16 March 2007)
M E McElhatton	(Appointed 16 March 2007)
M R B Craze	(Appointed 16 March 2007)
K S Impey	
J A Impey	(Resigned 16 March 2007)
J M Flowers	(Resigned 16 March 2007)
R M Wight	

Havas Sports Limited

Directors' report for the year ended 31 December 2007

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to

- select suitable accounting policies and 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, 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 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 1985. 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 are responsible for the maintenance and integrity of the corporate and financial information included on the company's website

In 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 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

Auditors

Constantin were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting

This report was approved by the Board on 31/03/08 and signed on its behalf by



R M Wight
Director

Havas Sports Limited

Independent auditors' report to the shareholders of Havas Sports Limited

We have audited the financial statements of Havas Sports Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Havas Sports Limited

Independent auditors' report to the shareholders of Havas Sports Limited continued

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



Constantin
Registered Auditors

Date *31 March 2008.*

Aldwych House
81 Aldwych
London
WC2B 4HN

Havas Sports Limited

Profit and loss account for the year ended 31 December 2007

	Notes	Continuing operations	
		2007	2006
		£	£
Turnover	2	4,958,302	2,893,633
Cost of sales		(2,165,355)	(1,371,953)
Gross profit		<u>2,792,947</u>	<u>1,521,680</u>
Administrative expenses		(866,824)	(631,418)
Other operating income		3,233	31,042
Operating profit	3	<u>1,929,356</u>	<u>921,304</u>
Other interest receivable and similar income		47,803	20,577
Profit on ordinary activities before taxation		<u>1,977,159</u>	<u>941,881</u>
Tax on profit on ordinary activities	6	(593,586)	(277,914)
Profit on ordinary activities after taxation		<u><u>1,383,573</u></u>	<u><u>663,967</u></u>

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 2007**

	Notes	2007		2006	
		£	£	£	£
Fixed assets					
Intangible assets	8		-		20,719
Tangible assets	9		24,758		11,772
			<u>24,758</u>		<u>32,491</u>
Current assets					
Debtors	10	1,122,758		1,473,540	
Cash at bank and in hand		1,528,582		686,952	
		<u>2,651,340</u>		<u>2,160,492</u>	
Creditors: amounts falling due within one year	11	<u>(1,290,919)</u>		<u>(1,491,947)</u>	
Net current assets			<u>1,360,421</u>		<u>668,545</u>
Total assets less current liabilities			<u>1,385,179</u>		<u>701,036</u>
Capital and reserves					
Called up share capital	14		1,053		1,053
Profit and loss account			1,384,126		699,983
Equity shareholders' funds	15		<u>1,385,179</u>		<u>701,036</u>

The financial statements were approved by the Board on 31/03/08 and signed on its behalf by

R. Mansfield

**R M Wight
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 2007**

	Notes	2007 £	2006 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		1,929,356	921,304
Depreciation		30,917	53,077
Decrease/(increase) in debtors		354,113	(1,300,869)
(Decrease)/increase in creditors		(268,649)	710,623
Net cash inflow from operating activities		<u>2,045,737</u>	<u>384,135</u>
 Cash flow statement			
Net cash inflow from operating activities		2,045,737	384,135
Returns on investments and servicing of finance	18	47,803	20,577
Taxation	18	(529,296)	(16,279)
Capital expenditure	18	(23,184)	(12,257)
		<u>1,541,060</u>	<u>376,176</u>
Equity dividends paid		(699,430)	(59,450)
Increase in cash in the year		<u>841,630</u>	<u>316,726</u>
 Reconciliation of net cash flow to movement in net funds (Note 19)			
Increase in cash in the year		841,630	316,726
Net funds at 1 January 2007		<u>686,952</u>	<u>370,226</u>
Net funds at 31 December 2007		<u>1,528,582</u>	<u>686,952</u>

Havas Sports Limited

Notes to the financial statements for the year ended 31 December 2007

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

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 5 years

1.4. 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

1.5. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting 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. Retainers are recognised in the month to which they relate and all other income is recognised on delivery of services to the customer

3. Operating profit

	2007	2006
	£	£
Operating profit is stated after charging/(crediting)		
Depreciation and other amounts written off intangible assets	20,719	48,459
Depreciation and other amounts written off tangible assets	10,198	4,618
Auditors' remuneration	6,300	6,000
Net foreign exchange gain	(228)	(347)
	<u> </u>	<u> </u>

Havas Sports Limited

Notes to the financial statements for the year ended 31 December 2007

4. Employees

Number of employees	2007	2006
The average monthly numbers of employees (including the directors) during the year were	14	10

Employment costs	2007	2006
	£	£
Wages and salaries	592,140	344,755
Social security costs	67,372	39,923
Pension costs-other operating charge	-	12,000
	659,512	396,678

4.1. Directors' emoluments	2007	2006
	£	£
Remuneration and other emoluments	275,417	143,716
Pension contributions	-	12,000
	275,417	155,716

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	-	1

Highest paid director	£	£
Amounts included above		
Emoluments and other benefits	155,417	74,924
Pension contributions	-	12,000
	155,417	86,924

5. Pension costs

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £nil (2006 - £12,000).

There were no prepaid/outstanding contributions as at the balance sheet date (2006 - £nil)

Havas Sports Limited

**Notes to the financial statements
for the year ended 31 December 2007**

6. Tax on profit on ordinary activities

Analysis of charge in period	2007	2006
	£	£
Current tax		
UK corporation tax	596,917	277,914
Total current tax charge	<u>596,917</u>	<u>277,914</u>
Deferred tax		
Timing differences, origination and reversal	(3,331)	-
Total deferred tax	<u>(3,331)</u>	<u>-</u>
Tax on profit on ordinary activities	<u>593,586</u>	<u>277,914</u>

Factors affecting tax charge for period

The tax assessed for the period differs from the standard rate of corporation tax in the UK (30 per cent)
The differences are explained below

	2007	2006
	£	£
Profit on ordinary activities before taxation	<u>1,977,159</u>	<u>941,881</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 December 2006 - 30%)	593,148	282,564
Effects of:		
Expenses not deductible for tax purposes	301	10,497
Capital allowances for period less than / (in excess of) depreciation	3,060	(697)
Adjustments to tax charge in respect of previous periods	408	-
Marginal rate adjustment	-	(14,450)
Current tax charge for period	<u>596,917</u>	<u>277,914</u>

7. Dividends

Dividends paid and proposed on equity shares

	2007	2006
	£	£
Paid during the year		
Equity dividends on Ordinary shares	<u>699,430</u>	<u>59,450</u>

Havas Sports Limited

**Notes to the financial statements
for the year ended 31 December 2007**

8. Intangible fixed assets

	Patents	Goodwill	Total
	£	£	£
Cost			
At 1 January 2007 and 31 December 2007	100	242,296	242,396
Provision for diminution in value			
At 1 January 2007	100	221,577	221,677
Charge for year	-	20,719	20,719
At 31 December 2007	100	242,296	242,396
Net book values			
At 31 December 2007	-	-	-
At 31 December 2006	-	20,719	20,719

9. Tangible fixed assets

	Fixtures, fittings and equipment	Computer equipment	Total
	£	£	£
Cost			
At 1 January 2007	5,120	22,060	27,180
Additions	4,802	18,382	23,184
At 31 December 2007	9,922	40,442	50,364
Depreciation			
At 1 January 2007	4,173	11,235	15,408
Charge for the year	1,795	8,403	10,198
At 31 December 2007	5,968	19,638	25,606
Net book values			
At 31 December 2007	3,954	20,804	24,758
At 31 December 2006	947	10,825	11,772

Havas Sports Limited

Notes to the financial statements for the year ended 31 December 2007

10. Debtors	2007	2006
	£	£
Trade debtors	692,662	1,290,216
Amounts owed by group undertakings	139,023	-
Other debtors	45,523	27,311
Prepayments and accrued income	242,219	156,013
Deferred tax (Note 13)	3,331	-
	<u>1,122,758</u>	<u>1,473,540</u>
11. Creditors: amounts falling due within one year	2007	2006
	£	£
Trade creditors	291,695	222,069
Amounts owed to group undertaking	53,874	-
Corporation tax	345,535	277,914
Other taxes and social security costs	111,512	183,610
Directors' accounts	-	36,797
Other creditors	25,401	14,530
Accruals and deferred income	462,902	757,027
	<u>1,290,919</u>	<u>1,491,947</u>

Havas Sports Limited

**Notes to the financial statements
for the year ended 31 December 2007**

12. Related party transactions

<u>Related party</u>	<u>Relationship</u>	<u>Nature of transaction</u>	<u>Amount</u> <u>Dr/(Cr)</u> <u>£</u>	<u>Year-end</u> <u>Dr/(Cr)</u> <u>£</u>
Havas Sports France	Related Party	Management Fee	54,757	(1,102)
		Contribution to global sports network	(30,000)	30,000
		Trade Balance	(1,600)	1,600
		Trade Balance	36,130	(36,130)
		Consultancy Fees	35,621	(35,621)
Havas Partnership	Related Party	Trade Balance	(27,126)	27,126
Media Planning Group	Related Party	Sports Marketing	(9,281)	9,281
Sports Media Pvt Ltd	Related Party	Rights holder income	(130,000)	130,000
Havas Shared Services Limited	Related Party	Payroll Services	2,000	-
BLM Sports Marketing Limited	Related Party	Media Sponsorship Fees	(616,872)	83,272
13. Deferred tax asset			2007 £	2006 £
Accelerated capital allowances			3,331	-
14. Share capital			2007 £	2006 £
Authorised equity				
10,000 Ordinary shares of £1 each			10,000	10,000
Allotted, called up and fully paid equity				
1,053 Ordinary shares of £1 each			1,053	1,053

Havas Sports Limited

**Notes to the financial statements
for the year ended 31 December 2007**

15. Reconciliation of movements in shareholders' funds		2007	2006
		£	£
Profit for the year		1,383,573	663,967
Dividends		(699,430)	(59,450)
		<u>684,143</u>	<u>604,517</u>
Opening shareholders' funds		701,036	96,519
Closing shareholders' funds		<u><u>1,385,179</u></u>	<u><u>701,036</u></u>

16. Transactions with directors

	Amount owing		Maximum in year £ Dr/(Cr)
	2007 £ Dr/(Cr)	2006 £ Dr/(Cr)	
K S Impey	3,600	(21,095)	10,000
R M Wight	4,976	(10,726)	4,976

17. 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 2 Allée de Longchamp, 92281 Suresnes Cedex, France

18. Gross cash flows		2007	2006
		£	£
Returns on investments and servicing of finance			
Interest received		<u>47,803</u>	<u>20,577</u>
Taxation			
Corporation tax paid		<u>(529,296)</u>	<u>(16,279)</u>
Capital expenditure			
Payments to acquire tangible assets		<u>(23,184)</u>	<u>(12,257)</u>

Havas Sports Limited

**Notes to the financial statements
for the year ended 31 December 2007**

19. Analysis of changes in net funds

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	686,952	841,630	1,528,582
Net funds	<u>686,952</u>	<u>841,630</u>	<u>1,528,582</u>