

Registration number 4395472

Havas Sports Limited
Directors' report and financial statements
for the year ended 31 December 2008

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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 2008

The directors present their report and the financial statements for the year ended 31 December 2008.

Principal activity and review of the business

The principal activity of the company continued to be the provision of sports marketing services and the activation of sponsorship rights and the company created a new division called Havas Sport Insight during the year to add to its research and measurement capability.

The company invested in additional senior talent during the year despite the downturn in the economy. These two factors caused a reduction in profitability for the year.

Results and dividends

The results for the year are set out on page 5.

The directors have paid an interim dividend amounting to £1,300,000 and there was no final dividend paid or approved in respect of 2008.

Future developments

The company is continuing to invest in its key talent to ensure that it is best placed to offer the best possible service to its clients and is well placed to benefit from increased activity from London 2012.

Principal risks and uncertainties

Risks are reviewed by the board and appropriate processes are put in place to monitor and mitigate them. The key risks are set out below:

- Financial risk

The company manages these risks internally and does not use derivative financial instruments.

- Liquidity risk

Sufficient funds are held by the company to ensure that liabilities can be settled as they fall due.

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

Havas Sports Limited

Directors' report for the year ended 31 December 2008

Charitable contributions

The company made the following charitable contributions during the year:

Nottsborough Football Club	£355
Professional Rugby Players Association	£100
EDF Marathon Sponsorship	£50
Cancer Research	£50

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;
- 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 (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Constantin be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 9/19/2009 and signed on its behalf by



M E McElhatton
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 2008 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 2008 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

25 Hosier Lane
London
EC1A 9LQ

Date 11 September 2009.

Havas Sports Limited

Profit and loss account for the year ended 31 December 2008

	Notes	Continuing operations	
		2008	2007
		£	£
Turnover	2	3,917,236	4,958,302
Cost of sales		(1,773,200)	(2,165,355)
Gross profit		<u>2,144,036</u>	<u>2,792,947</u>
Administrative expenses		(1,696,602)	(866,824)
Other operating income		-	3,233
Operating profit	3	<u>447,434</u>	<u>1,929,356</u>
Other interest receivable and similar income		61,884	47,803
Profit on ordinary activities before taxation		<u>509,318</u>	<u>1,977,159</u>
Tax on profit on ordinary activities	5	(147,938)	(593,586)
Profit on ordinary activities after taxation	15	<u><u>361,380</u></u>	<u><u>1,383,573</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 2008

	Notes	2008		2007	
		£	£	£	£
Fixed assets					
Intangible assets	7		-		-
Tangible assets	8		19,638		24,758
Current assets					
Debtors	9	567,615		1,122,758	
Cash at bank and in hand		757,782		1,528,582	
		1,325,397		2,651,340	
Creditors: amounts falling due within one year	10	(898,476)		(1,290,919)	
Net current assets			426,921		1,360,421
Total assets less current liabilities			446,559		1,385,179
Capital and reserves					
Called up share capital	13		1,053		1,053
Profit and loss account	15		445,506		1,384,126
Shareholders' funds	14		446,559		1,385,179

The financial statements were approved by the Board on 9/9/2009 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 2008**

	Notes	2008 £	2007 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		447,434	1,929,356
Depreciation		14,077	30,917
Decrease in debtors		566,838	354,113
Decrease in creditors		(101,672)	(268,649)
Net cash inflow from operating activities		<u>926,677</u>	<u>2,045,737</u>
Cash flow statement			
Net cash inflow from operating activities		926,677	2,045,737
Returns on investments and servicing of finance	18	61,884	47,803
Taxation	18	(450,404)	(529,296)
Capital expenditure	18	(8,957)	(23,184)
		<u>529,200</u>	<u>1,541,060</u>
Equity dividends paid		(1,300,000)	(699,430)
(Decrease)/increase in cash in the year		<u>(770,800)</u>	<u>841,630</u>
Reconciliation of net cash flow to movement in net funds (Note 19)			
(Decrease)/increase in cash in the year		(770,800)	841,630
Net funds at 1 January 2008		<u>1,528,582</u>	<u>686,952</u>
Net funds at 31 December 2008		<u>757,782</u>	<u>1,528,582</u>

Havas Sports Limited

Notes to the financial statements for the year ended 31 December 2008

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with the applicable Accounting Standards.

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. 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. 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 statements. 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.

1.6. 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.

Havas Sports Limited

Notes to the financial statements for the year ended 31 December 2008

3.	Operating profit	2008	2007
		£	£
	Operating profit is stated after charging/(crediting):		
	Depreciation and other amounts written off intangible assets	-	20,719
	Depreciation and other amounts written off tangible assets	14,077	10,198
	Net foreign exchange gain	(7,674)	(228)
	Auditors' remuneration	12,900	12,900
		<u>12,900</u>	<u>12,900</u>
4.	Employees	2008	2007
	Number of employees		
	The average monthly numbers of employees (including the directors) during the year were:	<u>22</u>	<u>14</u>
	Employment costs	2008	2007
		£	£
	Wages and salaries	1,110,405	592,140
	Social security costs	130,878	67,372
		<u>1,241,283</u>	<u>659,512</u>
4.1.	Directors' emoluments	2008	2007
		£	£
	Remuneration and other emoluments	<u>280,000</u>	<u>275,417</u>
	Highest paid director	£	£
	Amounts included above:		
	Emoluments and other benefits	<u>160,000</u>	<u>155,417</u>

Havas Sports Limited

Notes to the financial statements for the year ended 31 December 2008

5. Tax on profit on ordinary activities

Analysis of charge in period	2008	2007
	£	£
Current tax		
UK corporation tax	159,633	596,917
Total current tax charge	<u>159,633</u>	<u>596,917</u>
Deferred tax		
Timing differences, origination and reversal	(8,948)	(3,331)
Adjustments in respect of prior years	(2,747)	-
Total deferred tax	<u>(11,695)</u>	<u>(3,331)</u>
Tax on profit on ordinary activities	<u>147,938</u>	<u>593,586</u>

Factors affecting tax charge for period

The tax assessed for the period differs from the standard rate of corporation tax in the UK (28.5 per cent). The differences are explained below:

	2008	2007
	£	£
Profit on ordinary activities before taxation	<u>509,318</u>	<u>1,977,159</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (31 December 2007 - 30%)	145,156	593,148
Effects of:		
Expenses not deductible for tax purposes	2,330	301
Capital allowances for period less than depreciation	4,012	3,060
Adjustments to tax charge in respect of previous periods	(2,747)	408
Short-term timing differences	10,882	-
Current tax charge for period	<u>159,633</u>	<u>596,917</u>

6. Dividends

Dividends paid and proposed on equity shares

	2008	2007
	£	£
Paid during the year:		
Equity dividends on Ordinary shares	<u>1,300,000</u>	<u>699,430</u>

Havas Sports Limited

**Notes to the financial statements
for the year ended 31 December 2008**

7. Intangible fixed assets

	Patents £	Goodwill £	Total £
Cost			
At 1 January 2008 and 31 December 2008	100	242,296	242,396
	<u>100</u>	<u>242,296</u>	<u>242,396</u>
Provision for diminution in value			
At 1 January 2008 and 31 December 2008	100	242,296	242,396
	<u>100</u>	<u>242,296</u>	<u>242,396</u>
Net book values			
At 1 January 2008 and 31 December 2008	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

8. Tangible fixed assets

	Fixtures, fittings and equipment £	Computer equipment £	Total £
Cost			
At 1 January 2008	9,922	40,442	50,364
Additions	4,858	4,099	8,957
	<u>14,780</u>	<u>44,541</u>	<u>59,321</u>
At 31 December 2008	14,780	44,541	59,321
	<u>14,780</u>	<u>44,541</u>	<u>59,321</u>
Depreciation			
At 1 January 2008	5,968	19,638	25,606
Charge for the year	2,878	11,199	14,077
	<u>8,846</u>	<u>30,837</u>	<u>39,683</u>
At 31 December 2008	8,846	30,837	39,683
	<u>8,846</u>	<u>30,837</u>	<u>39,683</u>
Net book values			
At 31 December 2008	5,934	13,704	19,638
	<u>5,934</u>	<u>13,704</u>	<u>19,638</u>
At 31 December 2007	3,954	20,804	24,758
	<u>3,954</u>	<u>20,804</u>	<u>24,758</u>

9. Debtors

	2008 £	2007 £
Trade debtors	357,083	692,662
Amounts owed by group undertakings	176,923	139,023
Other debtors	6,025	45,523
Prepayments and accrued income	12,558	242,219
Deferred tax (Note 12)	15,026	3,331
	<u>567,615</u>	<u>1,122,758</u>

Havas Sports Limited

Notes to the financial statements for the year ended 31 December 2008

10. Creditors: amounts falling due within one year	2008 £	2007 £
Trade creditors	237,569	291,695
Amounts owed to group undertaking	96,978	53,874
Corporation tax	54,764	345,535
Other taxes and social security costs	61,018	111,512
Other creditors	9,511	25,401
Accruals and deferred income	438,636	462,902
	<u>898,476</u>	<u>1,290,919</u>

11. Related party transactions

<u>Related party</u>	<u>Relationship</u>	<u>Nature of transaction</u>	<u>Amount</u> Dr/(Cr) £	<u>Year-end</u> Dr/(Cr) £
Havas Sports France	Group undertaking	Consultancy fees	(41,813)	16,879
		Management charges	23,735	
		Cost recharges	1,757	
Euro RSCG Worldwide Events	Group undertaking	Consultancy fees	(20,000)	24,222
		Cost recharges	(422)	
Media Planning Group	Group undertaking	Consultancy fees	(104,773)	47,578
		Cost recharges	57,925	
Havas Sports Spain	Group undertaking	Cost recharges	2,607	(2,607)
Havas Shared Services Limited	Group undertaking		-	167
Cake Media Limited	Group undertaking	Consultancy fees	2,300	(1,679)
		Cost recharges	(621)	
Euro RSCG ABC	Group undertaking	Cost recharges	2,512	(2,512)
Euro RSCG Bikke	Group undertaking	Cost recharges	2,303	(2,303)

Havas Sports Limited

**Notes to the financial statements
for the year ended 31 December 2008**

12. Deferred tax asset	2008	2007
	£	£
Accelerated capital allowances	4,707	3,331
Short-term timing differences	10,319	-
	<u>15,026</u>	<u>3,331</u>
Asset at 1 January 2008	3,331	
Deferred tax credit in profit and loss account	11,695	
Asset at 31 December 2008	<u>15,026</u>	
13. Share capital	2008	2007
	£	£
Authorised equity		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid equity		
1,053 Ordinary shares of £1 each	<u>1,053</u>	<u>1,053</u>
14. Reconciliation of movements in shareholders' funds	2008	2007
	£	£
Profit for the year	361,380	1,383,573
Dividends	(1,300,000)	(699,430)
	<u>(938,620)</u>	<u>684,143</u>
Opening shareholders' funds	1,385,179	701,036
Closing shareholders' funds	<u>446,559</u>	<u>1,385,179</u>
15. Equity Reserves		Profit and loss account
		£
At 1 January 2008		1,384,126
Loss for the year		(938,620)
At 31 December 2008		<u>445,506</u>

Havas Sports Limited

Notes to the financial statements for the year ended 31 December 2008

16. Transactions with directors

	Amount owing		Maximum in year £ Dr/(Cr)
	2008 £ Dr/(Cr)	2007 £ Dr/(Cr)	
K S Impey	-	3,600	3,600
R M Wight	-	4,976	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

	2008 £	2007 £
Returns on investments and servicing of finance		
Interest received	<u>61,884</u>	<u>47,803</u>
Taxation		
Corporation tax paid	<u>(450,404)</u>	<u>(529,296)</u>
Capital expenditure		
Payments to acquire tangible assets	<u>(8,957)</u>	<u>(23,184)</u>

19. Analysis of changes in net funds

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	<u>1,528,582</u>	<u>(770,800)</u>	<u>757,782</u>
Net funds	<u>1,528,582</u>	<u>(770,800)</u>	<u>757,782</u>

Havas Sports Limited

**Notes to the financial statements
for the year ended 31 December 2008**

20. Contingent asset

The company has issued proceedings against a client 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.