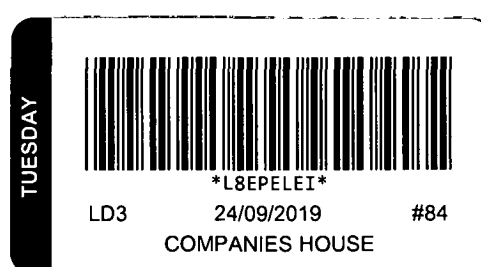


Company Registration No. 02535107 (England and Wales)

ARENA BLM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



ARENA BLM LIMITED

COMPANY INFORMATION

Directors	A R Adamson	(Appointed 9 January 2018)
	C Hirst	(Appointed 17 July 2018)
	M E Adams	(Appointed 5 June 2019)
	D Todhunter	(Appointed 5 June 2019)
Secretary	A J Ross	
Company number	02535107	
Registered office	The HKX Building Three Pancras Square London UK N1C 4AG	
Auditor	Constantin 25 Hosier Lane London UK EC1A 9LQ	

ARENA BLM LIMITED

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ARENA BLM LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report for the year ended 31 December 2018. The directors, in preparing this strategic report, have complied with S414C of the Companies Act 2006.

Business review and principal activities

The company provides media planning, buying and co-ordination services across all media channels. There have not been any significant changes in this activity in the year under review, nor are any likely changes anticipated in the forthcoming year.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of financial risks, including credit risk, currency risk, cash flow and liquidity risk, and market risk.

Credit risk : The company's credit risk is primarily attributable to its trade debtors. The amount presented in the balance sheet is net of allowances for doubtful receivables. The company manages this risk by continually monitoring the status of its debtors and client list. Credit checks are made and appropriate credit insurance is taken out in respect of specific customers, or payment terms are altered where no insurance can be obtained.

Currency risk : The company's reporting currency is GBP but it transacts in other currencies including the US Dollar and Euro. The company's revenues, costs and operating profits may be affected by fluctuations in value between GBP and the other foreign currencies. The company maintains bank accounts denominated in its major trading currencies and wherever possible matches foreign currency income and expenses in order to minimise its foreign currency exposures.

Cash flow & liquidity risk : The company monitors its working capital and available cash carefully. The company ensures that it has sufficient funds available to settle its liabilities as they fall due.

Market risk : The company operates in a highly competitive market which is a continuing risk to the company as existing clients could be lost to competitors. The company manages this risk by providing bespoke value-added services to its clients, and by building and maintaining strong relationships.

Key performance indicators

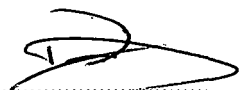
To provide value for our shareholders, the directors consider that turnover, gross profit and operating profit are the key performance indicators (KPIs) that show a good measure of the company's performance and financial strength.

Turnover was £94,363,000 in 2018, a decrease of £5,794,000 or 6% on the turnover in the previous year.

Gross profit was £8,115,000 in 2018, an increase of £572,000 or 8% on the gross profit in the previous year.

Operating loss was £2,071,000 in 2018, an improvement of £2,442,000 or 54% on the operating loss in the previous year.

On behalf of the board



D Todhunter
Director

Date: 17/09/19

ARENA BLM LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and the audited financial statements for the year ended 31 December 2018.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Delport	(Resigned 30 April 2018)
A R Adamson	(Appointed 9 January 2018)
C Hirst	(Appointed 17 July 2018)
M E Adams	(Appointed 5 June 2019)
D Todhunter	(Appointed 5 June 2019)

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

The auditor, Constantin, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic Report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to include in the company's strategic report certain information in respect of the company's principal activities, a review of the business and the company's principal risks and uncertainties which would otherwise be contained in the directors' report in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



.....
D Todhunter
Director

Date: 17/09/19

ARENA BLM LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors are responsible for preparing the annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting 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 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.

ARENA BLM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARENA BLM LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Arena BLM Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

ARENA BLM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ARENA BLM LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

ARENA BLM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ARENA BLM LIMITED

Matters on which we are required to report by exception

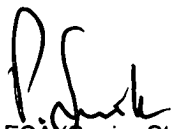
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Smith FCA (Senior Statutory Auditor)

For and on behalf of Constantin

Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
UK
EC1A 9LQ

Date

17 September 2019.

ARENA BLM LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £'000	2017 £'000
Turnover	3	94,363	100,157
Cost of sales		(86,248)	(92,614)
Gross profit		8,115	7,543
Administrative expenses		(10,186)	(12,056)
Operating loss	4	(2,071)	(4,513)
Interest receivable and similar income	7	8	-
Interest payable and similar expenses	8	(31)	(5)
Loss before taxation		(2,094)	(4,518)
Tax on loss	9	390	880
Loss for the financial year		(1,704)	(3,638)

All items related to continuing operations.

The accompanying accounting policies and notes on pages 11 to 21 are an integral part of these financial statements.

ARENA BLM LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	£'000	£'000
Loss for the year	(1,704)	(3,638)
Other comprehensive income	-	-
Total comprehensive income for the year	(1,704)	(3,638)

The accompanying accounting policies and notes on pages 11 to 21 are an integral part of these financial statements.

ARENA BLM LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £'000	£'000	2017 £'000	£'000
Fixed assets					
Tangible assets	11		3		-
Current assets					
Debtors	12	18,167		23,644	
Cash at bank and in hand		2,050		5,331	
		<u>20,217</u>		<u>28,975</u>	
Creditors: amounts falling due within one year	13	<u>(21,758)</u>		<u>(28,809)</u>	
Net current (liabilities)/assets			(1,541)		166
Total assets less current liabilities			<u>(1,538)</u>		<u>166</u>
Capital and reserves					
Called up share capital	15		778		778
Capital redemption reserve	16		40		40
Profit and loss reserves	17		(2,356)		(652)
Total equity			<u>(1,538)</u>		<u>166</u>

The accompanying accounting policies and notes on pages 11 to 21 are an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 19/09/19 and are signed on its behalf by:



D Todhunter
Director

Company Registration No. 02535107

ARENA BLM LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £'000	Capital redemption reserve £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2017		778	40	5,186	6,004
Year ended 31 December 2017:					
Loss and total comprehensive income for the year		-	-	(3,638)	(3,638)
Dividends	10	-	-	(2,200)	(2,200)
Balance at 31 December 2017		778	40	(652)	166
Year ended 31 December 2018:					
Loss and total comprehensive income for the year		-	-	(1,704)	(1,704)
Balance at 31 December 2018		778	40	(2,356)	(1,538)

The accompanying accounting policies and notes on pages 11 to 21 are an integral part of these financial statements.

ARENA BLM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Arena BLM Limited is a private company limited by shares incorporated in England and Wales. The registered office is The HKX Building, Three Pancras Square, London, UK, N1C 4AG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Vivendi SA. These consolidated financial statements are available from its registered office, 42 avenue de Friedland, 75380 Paris Cedex 08, France and the website - www.vivendi.com/en/investment-analysts/regulatory-information/annual-reports/.

1.2 Going concern

The directors of Havas S.A., the intermediate parent company, have confirmed that they will support the company to enable it to meet its third party liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

ARENA BLM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses incurred that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	20% - 33.3%
--------------------	-------------

1.5 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

ARENA BLM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

ARENA BLM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.9 Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

ARENA BLM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018 £'000	2017 £'000
Turnover analysed by class of business		
Media buying	93,023	98,722
Fees	1,340	1,435
	<u>94,363</u>	<u>100,157</u>
	2018 £'000	2017 £'000
Turnover analysed by geographical market		
United Kingdom	77,193	89,414
Europe	7,094	5,365
North America	-	4,314
Rest of the World	10,076	1,064
	<u>94,363</u>	<u>100,157</u>

ARENA BLM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

4 Operating loss

	2018 £'000	2017 £'000
Operating loss for the year is stated after charging/(crediting):		
Exchange gains	(19)	(81)
Depreciation of owned tangible fixed assets	1	-
Operating lease charges	-	3
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2018 £'000	2017 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	34	49
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Media agents	-	32
Administration	-	13
Staff	37	-
Management	2	-
	<u> </u>	<u> </u>
	39	45
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2018 £'000	2017 £'000
Wages and salaries	2,179	2,267
Social security costs	294	339
Pension costs	16	31
	<u> </u>	<u> </u>
	2,489	2,637
	<u> </u>	<u> </u>
Redundancy payments made or committed	-	232
	<u> </u>	<u> </u>

ARENA BLM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Interest receivable and similar income

	2018 £'000	2017 £'000
Interest income		
Interest on bank deposits	8	-

8 Interest payable and similar expenses

	2018 £'000	2017 £'000
Interest on bank overdrafts and loans	31	5

9 Taxation

	2018 £'000	2017 £'000
Current tax		
UK corporation tax on profits for the current period	(389)	(283)
Adjustments in respect of prior periods	(1)	(597)
Total current tax	(390)	(880)
Deferred tax		
Origination and reversal of timing differences	-	12
Adjustment in respect of prior periods	-	(12)
Total deferred tax	-	-
Total tax credit	(390)	(880)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £'000	2017 £'000
Loss before taxation	(2,094)	(4,518)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(398)	(870)
Tax effect of expenses that are not deductible in determining taxable profit	8	21
Tax effect of utilisation of tax losses not previously recognised	-	578
Adjustments in respect of prior years	-	(609)
Taxation credit for the year	(390)	(880)

ARENA BLM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

10 Dividends

	2018 £'000	2017 £'000
Final paid	-	2,200

11 Tangible fixed assets

	Computer equipment £'000
Cost	
At 1 January 2018	-
Additions	4
At 31 December 2018	4
Depreciation and impairment	
At 1 January 2018	-
Depreciation charged in the year	1
At 31 December 2018	1
Carrying amount	
At 31 December 2018	3
At 31 December 2017	-

12 Debtors

	2018 £'000	2017 £'000
Amounts falling due within one year:		
Trade debtors	14,329	17,632
Corporation tax recoverable	527	459
Amounts owed by group undertakings	878	2,862
Other debtors	24	14
Prepayments and accrued income	2,409	2,677
	18,167	23,644

ARENA BLM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

13 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	14,962	20,783
Amounts owed to group undertakings	2,881	1,920
Taxation and social security	1,026	1,948
Other creditors	9	1,138
Accruals and deferred income	2,880	3,020
	<u>21,758</u>	<u>28,809</u>

14 Retirement benefit schemes

	2018 £'000	2017 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>16</u>	<u>31</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

15 Share capital

	2018 £'000	2017 £'000
Issued and fully paid		
777,668 ordinary shares of £1 each	<u>778</u>	<u>778</u>
	<u>778</u>	<u>778</u>

All shares rank pari passu in all respects.

16 Capital redemption reserve

	2018 £'000	2017 £'000
At the beginning and end of the year	<u>40</u>	<u>40</u>

17 Profit and loss reserves

	2018 £'000	2017 £'000
At the beginning of the year	(652)	5,186
Loss for the year	(1,704)	(3,638)
Dividends declared and paid in the year	-	(2,200)
At the end of the year	<u>(2,356)</u>	<u>(652)</u>

ARENA BLM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

18 Financial commitments, guarantees and contingent liabilities

The company and certain group undertakings participate in the Havas UK Limited group banking facility. In connection therewith, each of the members of the group have given unlimited cross guarantees. The directors do not expect any loss to the company to arise in respect of the foregoing guarantees.

19 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales of services		Purchases of services	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Entities with control, joint control or significant influence over the company	-	9	-	-
Other related parties	642	5,144	11,342	13,891
	<u>642</u>	<u>5,153</u>	<u>11,342</u>	<u>13,891</u>

The following amounts were outstanding at the reporting end date:

	2018	2017
	£'000	£'000
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	-	764
Other related parties	2,881	1,156
	<u>2,881</u>	<u>1,920</u>

The following amounts were outstanding at the reporting end date:

	2018	2017
	£'000	£'000
Amounts due from related parties		
Entities with control, joint control or significant influence over the company	-	9
Other related parties	878	1,968
	<u>878</u>	<u>1,977</u>

ARENA BLM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

20 Ultimate controlling party

The company's immediate parent company and controlling party is Arena BLM Holdings Limited, which is incorporated in the United Kingdom and registered in England & Wales.

The company's ultimate parent company and controlling party is Vivendi S.A., which is incorporated in France.

The smallest and largest group in which the results of the company are consolidated is that headed by Vivendi S.A. These consolidated financial statements are available from its registered office, 42 avenue de Friedland, 75380 Paris Cedex 08, France and the website - www.vivendi.com/en/investment-analysts/regulatory-information/annual-reports/.