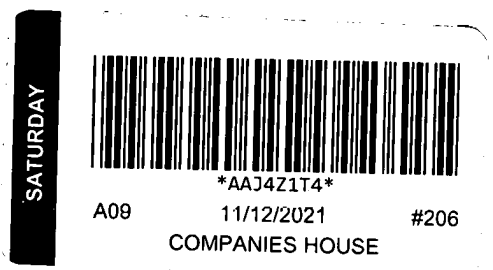


Company Registration No. 02535107 (England and Wales)

ARENA MEDIA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



ARENA MEDIA LIMITED

COMPANY INFORMATION

Directors	C Hirst D Todhunter P Affleck	(Appointed 14 April 2021)
Secretary	A McArthur	
Company number	02535107	
Registered office	Havas House Hermitage Court Hermitage Lane Maidstone Kent UK ME16 9NT	
Auditor	Constantin 25 Hosier Lane London UK EC1A 9LQ	

ARENA MEDIA LIMITED

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ARENA MEDIA LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020. The directors, in preparing this strategic report, have complied with S414C of the Companies Act 2006.

Fair review of business

The company provides communications planning and media buying and co-ordination services across all media in the United Kingdom, and globally; including traditional media and increasingly all areas of digital media. In addition, the company provides bespoke production services including web design and branded content development. The company continues to deliver meaningful media on behalf of its clients; this is a result of strong relationships, collaborative partnerships and innovative and forward-thinking strategies.

There have not been any significant changes in this activity in the year under review.

The results for the period are set out in the profit and loss account and the position of the company at the end of the period is detailed in the balance sheet.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

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

COVID-19 risk: The COVID-19 global pandemic has affected the company's operations and performance during the year due the government measures introduced to limit the impact of the virus. Whilst the longer term impact is uncertain the company continues to manage its operational and financial risk. The company has the support of Havas SA.

Brexit: Whilst the result of the referendum on membership of the European Union and the withdrawal of the United Kingdom in 2020 has led to global economic uncertainty, the company has not suffered any adversity in operations or performance nor does it expect to in the short term.

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 £78,132,000 in 2020, a decrease of £4,371,000 or 5% on the turnover in the previous year.

Gross profit was £7,231,000 in 2020, a decrease of £1,122,000 or 13% on the gross profit in the previous year.

Operating loss was £846,000 in 2020, a decrease of £252,000 or 42% on the operating loss in the previous year.

Duty to promote the success of the company

Vivendi

Havas is a member of the Vivendi group. The company is bound by and applies Vivendi group policies.

Vivendi is an integrated content, media and communications group.

More details of Vivendi's Corporate Social Responsibility ethos, policies, activities and results may be found at <https://www.vivendi.com/en/social-responsibility/>.

ARENA MEDIA LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Anti-corruption Code

At Vivendi, all employees are required to comply with the laws and regulations in the countries in which they operate. The Group's commitment in this regard is reflected in the implementation of a Compliance Program that covers personal data protection and anti-corruption measures, as well as obligations for monitoring the Group's business activities.

An Anti-corruption policy has been drawn up to prevent and identify any potential risks situation. These rules apply to all Vivendi employees and all Group business partners (suppliers, subcontractors, intermediaries, etc.).

Vivendi Anti-corruption Code may be found at <https://www.vivendi.com/wp-content/uploads/2018/10/Code-anticorruption-SIGNATURE-VA-021018.pdf>.

Vigilance Program

Vivendi has implemented a Compliance Program which sets out general ethics rules which are applicable to each and every group employee.

These guidelines cover the rights of employees, the quality of information and its protection, the prevention of conflicts of interest, commercial ethics and the respect of competition rules, the use of group property and resources, financial ethics and respect for the environment. The objective of the Compliance Program is to make employees aware of their professional responsibilities, to provide them with a reference tool that helps them determine appropriate conduct.

More details may be found at <https://www.vivendi.com/en/social-responsibility/specific-issues/ethics-and-business-practices/>.

Havas

The company is a member of the global Havas group. The company is bound by and applies global Havas group policies.

Havas is a leading global advertising and communications services group. Havas has special responsibilities due to its influence on society and how the latter evolves over time.

Corporate Social Responsibility and Code of Ethics

Havas Corporate Social Responsibility policy is coordinated at group level. More details may be found at <https://www.havasgroup.com/csr/>. In addition, Havas 2019 CSR Report may be found at <https://www.havasgroup.com/havas-content/uploads/2020/04/havasgroup-csr-report-2019.pdf>.

Ethics is the foundation of this Corporate Social Responsibility approach and the basis on which the group conducts its business. Havas Code of Ethics is aligned with expectations on the part of its stakeholders. Havas Code of Ethics is detailed at https://www.havasgroup.com/havas-content/uploads/2020/01/havas_codeofethics_2017.pdf.

Havas signed the Global Compact back in 2003 and continues to assert its commitment to the 10 main principles defined by the United Nations with regard to human rights, labour law, the environment and the fight against corruption.

Havas has made corporate social responsibility an integral part of everything it does. Havas encourages its agencies to harness the power of creative ideas to bring about positive change and minimize any negative impact on society.

The Group has established six commitments to progress which guide all aspects of the business regardless of the nature of the work.

ARENA MEDIA LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Havas is committed to:

- promoting a harmonious and healthy working environment that supports collaborators' growth and development;
- reinforcing socially responsible procurement policies in our supply chain;
- promoting transparency and ethics in our business;
- taking the lead in the creation and diffusion of responsible communications throughout our agencies and in collaborations with clients and partners;
- reducing the environmental footprint of our operations; and
- maintaining our commitment to collaborative efforts in reducing climate change.

Havas Group UK

In the UK, the directors of the company have taken all necessary steps to ensure that the company has implemented and complied with all Havas and Vivendi group policies and procedures.

Furthermore, the board constantly assesses the implications of decisions made, in terms of the both the potential long-term consequences for the company, together with the impact on our stakeholders, including shareholders, employees, clients, suppliers and customers, the wider community and the environment.

Shareholders

The board communicates directly with Vivendi regarding strategy and performance of the company through a number of different channels:

- regular and timely management accounts;
- detailed and accurate financial budgets and forecasts;
- collaboration as part of the Vivendi cash management policy; and
- consultation and approval of any significant investment and acquisition decisions.

Havas Media Division and HKX

The company is part of the Havas Media Group trading division and is primarily located within Havas's London Village at Havas King's Cross ("HKX") in Pancras Square, London.

Employee engagement

The board understands that Havas UK's staff are at the heart of everything we do as a business, and the importance of an engaged and dynamic workforce to ensure we can respond to the challenging media market. We have 3 key strategic pillars that deliver against this commitment.

Learning and Development

Our People team provide high quality development opportunities for all employees:

- HKX Campus, a comprehensive prospectus of learning and development offerings servicing 1,700 employees across the UK;
- regular keynote talks and inspiration sessions delivered in our onsite auditorium and virtually;
- bespoke individual development plans and manager training;
- in 2020, in response to Covid, we developed a new training programme specifically for upskilling managers for a new world of hybrid working, we put 90 employees through the 'Managing Remote Teams for High Performance' programme; and
- in 2020, we developed our HKX Campus programme to include a new pillar for 'Hybrid Work Tools', inspired by lockdown but built to last as we develop our new ways of hybrid work for the future. It provided all our employees with the opportunity to upskill in communication, productivity, effectiveness and collaboration.

ARENA MEDIA LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Health and Wellbeing

Our business also recognises the crucial importance of promoting positive health and wellbeing:

- Havas Equalise is our industry-leading award winning health and wellbeing programme, awarded the best mental health strategy from the Not a Red Card Awards 2020;
- in 2020, we repurposed the programme to work in a completely virtual format, the programme delivered over 630 hours of wellbeing activity for our employees, comprised of: 136 mental wellness sessions, 84 hours of 1:1 personal development coaching surgeries, 132 physical wellness sessions, and 135 of Covid response sessions; and
- in response to the Covid pandemic during lockdown 3.0 we developed content for the programme to deliver over 100 hours of sessions specifically for our parents, including activities for their children.

Diversity and Inclusion

We have a concerted strategic focus on diversity and inclusion and strive to create a workplace that is free of bias and fully representative of the diversity community of the UK.

In 2020, we delivered against this commitment in the following ways:

- we reaffirmed our commitment to diversity, equity and inclusion with the launch of our Executive DE&I Committee and Charter, setting out our commitments over the next five years;
- we began a concerted communications campaign to encourage all our employees to share information about their ethnicity with us to ensure we have a clear picture;
- we partnered with Creative Equals to open source our anti-discrimination initiative Press Pause; a formal framework through which employees are empowered to positively challenge and talk about anything that has concerned them in the moment;
- we became a founding member of Unstereotype Alliance; a UN Women's initiative to tackle harmful stereotypes in advertising;
- we produced the All In Alphabet; a series of short-form videos as a learning tool to equip us all to have more inclusive, courageous conversations;
- we delivered four Havas Doorway events with some of our partner schools and community groups). We had over 80 young people attend across the year, driving awareness and accessibility of our industry;
- Havas Pride, in partnership with Durex and Havas London, hosted a roundtable to discuss the importance of positive LGBTQ+ representation in advertising;
- we released our first All In Podcast episodes; a platform giving visibility to the diverse voices and causes that matter to the people in our business. Hosted by our All In Ambassadors, we had courageous conversations about LGBT History, celebrating 50 years since Stonewall, the importance of internships and apprenticeships for accessing diverse talent, as well as the importance of allyship and the role men play in supporting women and taking part in the work to drive equality;
- we delivered over 80 hours of our bespoke All In Workshop covering bias, privilege, equity, intersectionality and anti-racism practice;
- to celebrate Black History Month, we partnered with Blanguage to co-create a content series called 'Black is' and developed the 'Way Back When' history short series to remind ourselves of Black British History; and
- in May, the world was shaken by the murder of George Floyd and the present reality of racism was made clear on a global scale. In response, we shut down all operations and had a day of reflection to contemplate our roles in improving racial justice and diversity, and, for those that needed it, time to grieve and to find comfort and support through their own lived experiences of racism.

For the second year running, we won Campaign's Best Place to Work award in recognition of our focus on creating a great place to work for our employees.

ARENA MEDIA LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The community

We recognise that we have a responsibility to enact positive social change and can be both a mirror and an engine in society.

Some of our achievements to date within our community:

- partnered with small UK-based charity to deliver meals and essential items to homeless people in London and Manchester;
- developed a homework club for local students who have nowhere to work after school;
- set up clothes recycling stations in our offices;
- partnered with Redemption Roasters to give young offenders the chance to skill up; and
- donated £50,000 worth of time to a charity combating loneliness and isolation.

The environment

Our unique employee-led HKX Roots committee is focused on progressing green policies in the UK to make our business as environmentally friendly as possible.

Some examples of achievements the group has garnered to date:

- our King's Cross premises has eliminated all single use plastics;
- reduced carbon emissions by 6% per employee;
- achieved zero waste to landfill;
- all employee notebooks, pens and pencils are made from old pallets; and
- achieved Gold CSR rating with EcoVadis, a trusted provider of sustainability ratings.

Suppliers, customers and clients

We are committed to reinforcing socially responsible procurement policies in our supply chain and with our clients.

Some examples include:

- for local corporate travel, we use a taxi company that only uses low and zero emission cars;
- sourced over 80% of suppliers within 50 miles of our office; and
- Havas Media Group became the first agency group in the industry to become DTSG (Digital Trading Standards Group) certified and as part of the accreditation Havas Media take a zero tolerance approach to the misplacement of ads; and
- Havas Media are also certified with IAB Gold Standard. This certification consolidates all industry best practice initiatives across Brand Safety, Fraud and Coalition for Better Ads. As part of this certification our pledge is that we operate within the strict boundaries of the Gold Standard to ensure we offer our clients the very highest standards in digital buying.

On behalf of the board



D Todhunter
Director

30 September 2021

ARENA MEDIA LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and the audited financial statements for the year ended 31 December 2020.

Results and dividends

The results for the year are set out on page 13.

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

Directors

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

A R Adamson	(Resigned 6 November 2020)
C Hirst	
M E Adams	(Resigned 31 March 2020)
D Todhunter	
P Affleck	(Appointed 14 April 2021)

Financial instruments

Financial risks

The management of the business is subject to a number of financial risks, including credit risk, currency risk, cash flow and liquidity 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.

Post reporting date events

In 2021 all clients have been novated to Havas Media Limited or Havas Entertainment Limited as part of a wider Havas Media Group rebrand.

Future developments

The restrictions as a result of the Coronavirus pandemic have impacted the way the company operates. Specifically, many employees have transitioned to working from home. The nature of the company's business is such that this transition has been achieved without significant adverse impact on the company's ability to deliver services to its clients. As the restrictions are eased, employees are expected to gradually return to office working in a controlled manner. The directors have ensured that the return to office working will meet all government guidelines.

On 31 January 2020, the UK left the European Union and is in the process of negotiating the future relationship. The directors continue to monitor the possible impact that this may have on the business but do not consider this to be a significant risk to the company.

ARENA MEDIA LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Changes in presentation of the financial statements

Details of how the company fosters relationships with suppliers, customers and others are set out in the strategic report.

Auditor

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

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

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 auditor is 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the board



D Todhunter
Director

30 September 2021

ARENA MEDIA LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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;
- make judgements and accounting 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;
- 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 MEDIA LIMITED

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 21 which include the statement of accounting policies.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

ARENA MEDIA LIMITED

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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.

ARENA MEDIA LIMITED

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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.

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.

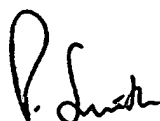
We have nothing to report in respect of these matters.

ARENA MEDIA LIMITED

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

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

EC1A 9LQ

30 September 2021

ARENA MEDIA LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Turnover	3	78,132	82,503
Cost of sales		(70,901)	(74,150)
Gross profit		7,231	8,353
Administrative expenses		(8,081)	(8,947)
Other operating income		4	-
Operating loss	4	(846)	(594)
Interest receivable and similar income	7	6	25
Interest payable and similar expenses	8	(13)	(8)
Loss before taxation		(853)	(577)
Tax on loss	9	161	106
Loss for the financial year		(692)	(471)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The accompanying accounting policies and notes on pages 17 to 27 are an integral part of these financial statements.

ARENA MEDIA LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £'000	2019 £'000
Loss for the year	(692)	(471)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(692)</u>	<u>(471)</u>

The accompanying accounting policies and notes on pages 17 to 27 are an integral part of these financial statements.

ARENA MEDIA LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £'000	£'000	2019 £'000	£'000
Fixed assets					
Tangible assets	10		7		8
Current assets					
Work in progress		5		-	
Debtors	11	20,473		20,694	
Cash at bank and in hand		2,128		6,407	
		<u>22,606</u>		<u>27,101</u>	
Creditors: amounts falling due within one year	12	<u>(22,814)</u>		<u>(26,618)</u>	
Net current (liabilities)/assets			(208)		483
Total assets less current liabilities			<u>(201)</u>		<u>491</u>
Capital and reserves					
Called up share capital	15		3,278		3,278
Capital redemption reserve	16		40		40
Profit and loss reserves	17		(3,519)		(2,827)
Total equity			<u>(201)</u>		<u>491</u>

The accompanying accounting policies and notes on pages 17 to 27 are an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 30 September 2021 and are signed on its behalf by:



D Todhunter
Director

Company Registration No. 02535107

ARENA MEDIA LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £'000	Capital redemption reserve £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2019		778	40	(2,356)	(1,538)
Year ended 31 December 2019:					
Loss and total comprehensive income for the year		-	-	(471)	(471)
Issue of share capital	15	2,500	-	-	2,500
Balance at 31 December 2019		3,278	40	(2,827)	491
Year ended 31 December 2020:					
Loss and total comprehensive income for the year		-	-	(692)	(692)
Balance at 31 December 2020		3,278	40	(3,519)	(201)

The accompanying accounting policies and notes on pages 17 to 27 are an integral part of these financial statements.

ARENA MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Arena Media Limited is a private company limited by shares incorporated in England and Wales. The registered office is Havas House, Hermitage Court, Hermitage Lane, Maidstone, Kent, UK, ME16 9NT.

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 SE. 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. The directors took into account the impact of the covid-19 crisis and the impact of the Brexit in making their assessment of the going concern

ARENA MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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, net of depreciation and any impairment losses.

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

Computer equipment	20% - 33.3%
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1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Work in progress

Work in progress consists of direct charges, which are recoverable from clients. It excludes overheads and salaries. It is valued at the lower of cost and net realisable value.

1.7 Cash and cash equivalents

Cash and cash equivalents 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.

1.8 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.

ARENA MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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.

ARENA MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

1.9 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.

1.10 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.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

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.

ARENA MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

1.12 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.

1.13 Retirement benefits

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

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

Government grants relating to employees, such as the Coronavirus Job Retention Scheme, are recognised as income over the qualifying period of employment.

1.15 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 in the period are included in profit or loss.

ARENA MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

In the directors' view there are no key judgements or sources of estimation uncertainty that are required to be disclosed in these financial statements.

3 Turnover and other revenue

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

	2020 £'000	2019 £'000
Turnover analysed by geographical market		
United Kingdom	70,147	70,949
Europe	4,213	4,982
North America	-	91
Rest of the World	3,772	6,481
	<u>78,132</u>	<u>82,503</u>

4 Operating loss

	2020 £'000	2019 £'000
Operating loss for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(12)	96
Government grants	(4)	-
Depreciation of owned tangible fixed assets	7	3
	<u></u>	<u></u>

5 Auditor's remuneration

	2020 £'000	2019 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	<u>46</u>	<u>44</u>

ARENA MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Employees

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

	2020 Number	2019 Number
Staff	8	41

Their aggregate remuneration comprised:

	2020 £'000	2019 £'000
Wages and salaries	493	2,039
Social security costs	61	248
Pension costs	7	29
	561	2,316

Redundancy payments made or committed	83	55
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7 Interest receivable and similar income

	2020 £'000	2019 £'000
Interest income		
Interest on bank deposits	6	25

8 Interest payable and similar expenses

	2020 £'000	2019 £'000
Interest on bank overdrafts and loans	13	8

9 Taxation

	2020 £'000	2019 £'000
Current tax		
UK corporation tax on profits for the current period	(160)	(103)
Adjustments in respect of prior periods	-	(3)
Total current tax	(160)	(106)

ARENA MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Taxation

(Continued)

	2020 £'000	2019 £'000
Deferred tax		
Origination and reversal of timing differences	(1)	-
	<u> </u>	<u> </u>
Total tax credit	(161)	(106)
	<u> </u>	<u> </u>

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:

	2020 £'000	2019 £'000
Loss before taxation	(853)	(577)
	<u> </u>	<u> </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(162)	(110)
Tax effect of expenses that are not deductible in determining taxable profit	1	7
Adjustments in respect of prior years	-	(3)
	<u> </u>	<u> </u>
Taxation credit for the year	(161)	(106)
	<u> </u>	<u> </u>

10 Tangible fixed assets

	Computer equipment £'000
Cost	
At 1 January 2020	12
Additions	6
	<u> </u>
At 31 December 2020	18
	<u> </u>
Depreciation and impairment	
At 1 January 2020	4
Depreciation charged in the year	7
	<u> </u>
At 31 December 2020	11
	<u> </u>
Carrying amount	
At 31 December 2020	7
	<u> </u>
At 31 December 2019	8
	<u> </u>

ARENA MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Debtors

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Trade debtors	10,176	10,258
Corporation tax recoverable	-	47
Amounts owed by group undertakings	5,464	3,530
Other debtors	-	35
Prepayments and accrued income	4,832	6,824
	<u>20,472</u>	<u>20,694</u>
Deferred tax asset (note 13)	1	-
	<u>20,473</u>	<u>20,694</u>

12 Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	15,052	17,852
Amounts owed to group undertakings	2,023	1,953
Corporation tax	147	-
Other taxation and social security	506	1,193
Other creditors	27	14
Accruals and deferred income	5,059	5,606
	<u>22,814</u>	<u>26,618</u>

13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2020 £'000	Assets 2019 £'000
Balances:		
ACAs	<u>1</u>	<u>-</u>
Movements in the year:		2020 £'000
Liability at 1 January 2020		-
Credit to profit or loss		(1)
Asset at 31 December 2020		<u>(1)</u>

ARENA MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

14 Retirement benefit schemes

	2020 £'000	2019 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	7	29

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

	2020 £'000	2019 £'000
Issued and fully paid		
3,277,668 ordinary shares of £1 each	3,278	3,278
	<u>3,278</u>	<u>3,278</u>

All shares rank pari passu in all respects.

16 Capital redemption reserve

	2020 £'000	2019 £'000
At the beginning and end of the year	40	40

17 Profit and loss reserves

	2020 £'000	2019 £'000
At the beginning of the year	(2,827)	(2,356)
Loss for the year	(692)	(471)
At the end of the year	<u>(3,519)</u>	<u>(2,827)</u>

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 Events after the reporting date

In 2021 all clients have been novated to Havas Media Limited or Havas Entertainment Limited as part of a wider Havas Media Group rebrand.

ARENA MEDIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

20 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	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Other related parties	9,218	372	8,538	9,330
Amounts due to related parties			2020 £'000	2019 £'000
Other related parties			2,023	1,982
Amounts due from related parties			2020 £'000	2019 £'000
Other related parties			5,464	3,530

21 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 SE, which is incorporated in France.

The smallest and largest group in which the results of the company are consolidated is that headed by Vivendi SE. 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/.