

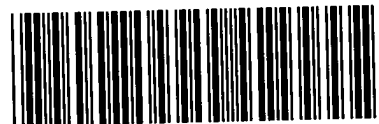
Company Registration No. 02821174

Havas UK Limited

Report and Financial Statements

31 December 2014

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Havas UK Limited

Report and financial statements 2014

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Havas UK Limited

Report and financial statements 2014

Officers and professional advisers

Directors

A G Chapman
E Decerisy
F M J C Laroze
P F Woodhouse

Secretary

A J Ross

Registered office

Havas House
Hermitage Court
Hermitage Lane
Maidstone
Kent ME16 9NT

Bankers

HSBC Bank plc
31 Holborn
London
EC1N 2HR

Auditor

Deloitte LLP
London
United Kingdom

Havas UK Limited

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2014. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Business review and principal activities

The principal activity of the company is to act as a holding company, managing the investments in its advertising agency and its marketing services subsidiary undertakings. The directors expect the general level of activity to continue in the ensuing year. 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.

The financial statements have been prepared on a going concern basis, as disclosed further in note 1.

Result and dividends

The profit for the year, after tax, was £9,695,000 (2013: £19,333,000).

A dividend of £25,000,000 (£10.98 per share) was paid in 2014 (2013: £26,000,000).

Directors

The following persons held office as directors during the year:

A G Chapman
E Decerisy
R M Hatchuel (resigned 27 January 2014)
F M J C Laroze
P F Woodhouse

Auditor

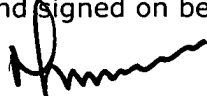
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any 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.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



P F Woodhouse
Director
13 August 2015

Havas UK Limited

Statement of directors' responsibilities

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Havas UK Limited

We have audited the financial statements of Havas UK Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's 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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Havas UK Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report and take the exemption from preparing a Strategic Report.



Anthony Morris FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

13 August 2015

Havas UK Limited

Profit and loss account Year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Turnover	2	1,124	940
Gross profit		1,124	940
Administrative expenses		(1,390)	(1,285)
Dividends received		32,544	19,375
Revaluation of and (provisions)/write back against investments and related company balances		(21,724)	1,119
Operating profit	3	10,554	20,149
Interest receivable and similar income	4	106	137
Interest payable and similar charges	5	(1,213)	(1,280)
Profit on ordinary activities before taxation		9,447	19,006
Tax credit on profit on ordinary activities	7	248	327
Profit on ordinary activities after taxation	13, 14	9,695	19,333

All amounts relate to continuing operations.

There are no recognised gains or losses for the current and preceding financial period other than the profit of £9,695,000 (2013: £19,333,000) shown above. Accordingly no statement of total recognised gains and losses is presented.

The notes on pages 8 to 16 form part of these financial statements.

Havas UK Limited

Balance sheet 31 December 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Investments	8	<u>524,291</u>	<u>539,046</u>
Current assets			
Debtors: amounts falling due within one year	9	706	395
Debtors: amounts falling due after more than one year	9	500	500
Cash at bank and in hand		<u>74</u>	<u>168</u>
		1,280	1,063
Creditors: amounts falling due within one year	10	<u>(86,086)</u>	<u>(85,188)</u>
Net current liabilities		<u>(84,806)</u>	<u>(84,125)</u>
Total assets less current liabilities		439,485	454,921
Provision for liabilities	11	<u>(162)</u>	<u>(293)</u>
Net assets		<u>439,323</u>	<u>454,628</u>
Capital and reserves			
Called up share capital	12	227,698	227,698
Share premium account	13	196,651	196,651
Profit and loss account	13	<u>14,974</u>	<u>30,279</u>
Shareholders' funds	13, 14	<u>439,323</u>	<u>454,628</u>

The financial statements of Havas UK Limited, registered number 02821174, were approved by the Board of Directors on 13 August 2015.

Signed on behalf of the Board of Directors



P F Woodhouse
Director

Havas UK Limited

Notes to the financial statements Year ended 31 December 2014

1. Accounting policies

The following accounting policies have been applied consistently throughout the year and the preceding year.

Accounting convention

These financial statements have been prepared under the historical cost convention and are in compliance with applicable Accounting Standards.

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors' Report on page 2.

The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the group's centralised treasury arrangements and so participates in joint banking arrangements in the United Kingdom with its subsidiaries.

As at 31 December 2014 the company has net current liabilities of £84,806,000 (2013: £84,125,000) including a bank overdraft of £51,898,000 (2013: £51,606,000). The directors of Havas S.A, the ultimate parent company, have confirmed that they will continue to support the company to enable it to meet its third party liabilities, as they fall due, for a period of at least 12 months from the date of the approval of these financial statements.

On the basis of the above and their assessment of the company's financial position the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Group financial statements

The company has taken advantage of the exemption granted by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group accounts in the current period. The results of the company are included in the consolidated financial statements of Havas S.A., a company registered in France (note 16).

Cash flow

In accordance with the Financial Reporting Standard 1 (revised), no cash flow statement has been presented on the basis that the company is a wholly-owned subsidiary of Havas S.A., in whose accounts a consolidated cash flow is presented (see note 16).

Investments

Investments in subsidiary undertakings are shown at cost less provision for impairment. Only dividends received and receivable are credited to the company's profit and loss account.

Havas UK Limited

Notes to the financial statements Year ended 31 December 2014

1. Accounting policies (continued)

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold; and
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Foreign currency

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 not to disclose details of transactions with other wholly-owned subsidiaries within the Havas group of companies.

Operating lease rentals

Rentals under operating leases are charged against profit on a straight-line basis over the lease term, even if payments are not made on such a basis.

2. Turnover

Turnover which is stated net of value added tax represents amounts invoiced to third parties. Turnover and profit before taxation are attributable to the principal activity of the company, which is carried out wholly within the United Kingdom.

Havas UK Limited

Notes to the financial statements Year ended 31 December 2014

3. Operating profit

Operating profit is stated after charging:

	2014 £'000	2013 £'000
Operating lease payments - land and buildings	<u>706</u>	<u>567</u>

The fees payable to the Company's auditor of £4,226 (2013: £4,000) for the audit of the Company's annual accounts for the current and prior period has been borne and not recharged by another member of the group.

4. Interest receivable and similar income

	2014 £'000	2013 £'000
Interest receivable from third parties	19	20
Interest receivable from other group undertakings	75	117
Realised foreign exchange gains	<u>12</u>	<u>-</u>
	<u>106</u>	<u>137</u>

5. Interest payable and similar charges

	2014 £'000	2013 £'000
On bank loans repayable within five years	137	173
On amounts due to group undertakings	1,060	1,078
On property provision	16	25
Other interest payable and similar charges	<u>-</u>	<u>4</u>
	<u>1,213</u>	<u>1,280</u>

Other interest payable and similar charges in 2013 included net exchange losses on foreign currency transactions of £4,000.

6. Directors and employees

No staff costs were incurred in the year. The monthly average number of employees during the year was nil (2013: nil).

Directors' remuneration is borne by another company in the group. The company does not operate a pension scheme. The directors participate in share option and long term incentive plans operated by the ultimate parent undertaking.

Havas UK Limited

Notes to the financial statements Year ended 31 December 2014

7. Tax on profit on ordinary activities

(a) Analysis of tax credit

	2014 £'000	2013 £'000
<i>Current tax:</i>		
UK corporation tax on profit at 21.5% (2013: 23.25%)	(250)	(326)
Adjustments in respect of prior years	2	(1)
	<u>(248)</u>	<u>(327)</u>
Total current tax (note 7(b))	<u>(248)</u>	<u>(327)</u>
Tax credit on profit on ordinary activities	<u>(248)</u>	<u>(327)</u>

(b) Factors affecting tax credit for the year

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	<u>9,447</u>	<u>19,006</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	2,031	4,418
<i>Effects of:</i>		
Non-taxable investment income	(7,086)	(4,504)
Non-deductible/(non-taxable) provisions/(reversal of provisions) against investments and related company balances	4,805	(240)
Adjustments in respect of prior years	2	(1)
	<u>(248)</u>	<u>(327)</u>
Current tax credit for the year (note 7(a))	<u>(248)</u>	<u>(327)</u>

(c) Deferred tax

At the year end there were unrecognised deferred tax assets of £2,717,000 (2013: £2,717,000) in respect of unutilised tax losses and £11,516,000 (2013: £11,932,000) arising from unutilised capital losses. These assets have not been recognised as there is insufficient certainty over the ability of the company to utilise these losses in the foreseeable future.

Havas UK Limited

Notes to the financial statements Year ended 31 December 2014

7. Tax on profit on ordinary activities (continued)

(c) Deferred tax (continued)

Under UK GAAP, deferred tax is calculated at the tax rate that has been enacted or substantively enacted at the balance sheet date. Legislation was passed in July 2013 to reduce the main rate of UK corporation tax from 23% to 21% from 1 April 2014 and from 21% to 20% from 1 April 2015. As a result of these changes, a tax rate of 20% has been applied in the calculation of deferred tax.

8. Investments

The movement in the investment in subsidiary undertakings during the year was as follows:

	Shares in subsidiary undertakings £'000	Shares in listed undertakings £'000	Total subsidiary undertakings £'000
Cost			
At 1 January 2014	566,889	3,546	570,435
Revaluation	-	-	-
Additions	10,131	-	10,131
Disposals	-	(3,546)	(3,546)
At 31 December 2014	577,020	-	577,020
Amounts provided			
At 1 January 2014	31,389	-	31,389
Provided/(written back) during the year	21,340	-	21,340
Disposals	-	-	-
At 31 December 2014	52,729	-	52,729
Net book value			
At 31 December 2014	524,291	-	524,291
At 31 December 2013	535,500	3,546	539,046

In August 2014 the company disposed of its entire interest in its listed investment Creston plc for a profit on disposal of £416,000.

In May 2014, the company completed its 2nd earnout payment on its acquisition of Marcomms Group Limited for £619,000.

In November 2014, the company completed its 1st earnout payment on its acquisition of Creative Lynx Limited for £5,512,000.

In December 2014, the company subscribed for the entire increase (£4,000,000) in the share capital of its subsidiary undertaking Havas EHS Discovery Limited.

Affiperf Limited was incorporated on 4 June 2014 and the company subscribed £1 for the sole share issued to subscribers.

Forward 1 UK Limited was incorporated on the 17 November 2014 with the company being the sole subscriber for the £1 share and on 4 December 2014 the company sold its share to Media Forward Communications S.A. a fellow group undertaking registered in France for £1.

Havas UK Limited

Notes to the financial statements Year ended 31 December 2014

8. Investments (continued)

On 2 February 2015, the company acquired 100% of the issued share capital (100 £1 Shares) in Chandos Communications Limited at cost of £100 from its subsidiary undertaking Havas People Limited.

On 12 March 2015, the company subscribed £1 for the entire share capital of a newly incorporated entity Adcity UK Limited.

On 29 May 2015, the company subscribed £5,100 for 51% of the issued share capital of a further newly incorporated entity, One Green Bean London Limited. The company also provided a loan of £179,520 to support working capital.

On 23 June 2015, the company acquired 60% of the issued share capital of Just Health Communications Limited for an initial consideration of £2,600,000.

Principal subsidiary and associated undertakings

	Country of incorporation and operation	Class of shares	Principal activity	Effective interest in issued share capital
Affiperf Limited	Great Britain	Ordinary	Media Buying Agency	100%
Arnold London Limited	Great Britain	Ordinary	Dormant	100%
Creative Lynx Group Limited	Great Britain	Ordinary	Holding company	100%
EWDB Limited	Great Britain	Ordinary	Holding company	100%
Havas EHS Discovery Limited	Great Britain	Ordinary	Data management	100%
Havas Holdings Limited	Great Britain	Ordinary	Holding company	76.6%
Havas People Limited	Great Britain	Ordinary	Advertising agency	100%
Havas Shared Services Limited	Great Britain	Ordinary	Holding company	100%
Health 4 Brands MSC limited	Great Britain	Ordinary	Dormant	100%
Marcomms Group Limited	Great Britain	Ordinary	Holding company	60%
Moon Street Limited	Great Britain	Ordinary	Property transactions	100%
Skybridge Group Limited	Great Britain	Ordinary	Dormant	100%
Snyder Direct	Great Britain	Ordinary	Holding company	100%

9. Debtors

	2014 £'000	2013 £'000
Amounts due within one year		
Other debtors	380	62
Prepayments and accrued income	326	333
	<u>706</u>	<u>395</u>
Amounts due greater than one year		
Amounts owed by group undertakings	<u>500</u>	<u>500</u>

Included within amounts owed by group undertakings are loans repayable with not less one year's notice year's notice of £500,000, before any provisions, (2013: £500,000) which bear interest rates between 2% and 2½% above UK base rates.

These amounts are therefore considered long term debtors. All other amounts owed by group undertakings do not bear interest and payable on demand.

Havas UK Limited

Notes to the financial statements Year ended 31 December 2014

10. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Bank overdrafts	51,898	51,606
Trade creditors	1	-
Amounts owed to group undertakings	1,556	1,847
Other creditors	289	333
Accruals and deferred income	247	201
Amounts owed to group undertakings relating to the surrender of group relief and tax payments on account received from the other group undertakings	1,000	698
Amounts owed to group undertaking relating to investment transfers	31,095	30,503
	<u>86,086</u>	<u>85,188</u>

Amounts included under overdrafts bear interest at between 0.8% and 1% above base rate.

11. Provisions for liabilities

	Future property loss rentals £'000
At 1 January 2014	293
Additions	-
Unwinding of the discount	16
Utilised in the year	(147)
At 31 December 2014	<u>162</u>

Future property loss rentals:

Provision is made on a discounted basis for all expected costs less expected revenues in respect of leased properties surplus to the group's requirements.

12. Called up share capital

	2014 £'000	2013 £'000
Authorised:		
2,519,513 ordinary shares of £100 each	<u>251,951</u>	<u>251,951</u>
Allotted, called up and fully paid:		
2,276,986 ordinary shares of £100 each	<u>227,698</u>	<u>227,698</u>

Havas UK Limited

Notes to the financial statements Year ended 31 December 2014

13. Reconciliation of shareholders' funds and movement on reserves

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholder's funds £'000
Balance at 1 January 2014	227,698	196,651	30,279	454,628
Profit for the year	-	-	9,695	9,695
Dividend paid	-	-	(25,000)	(25,000)
Balance at 31 December 2014	<u>227,698</u>	<u>196,651</u>	<u>14,974</u>	<u>439,323</u>

14. Reconciliation of movement in shareholders' funds

	2014 £'000	2013 £'000
Profit for the year	9,695	19,333
Dividend paid	(25,000)	(26,000)
Net movement in shareholders' funds	(15,305)	(6,667)
Opening shareholders' funds	454,628	461,295
Closing shareholders' funds	<u>439,323</u>	<u>454,628</u>

15. Guarantees and other financial commitments

(a) Banking cross-guarantees

The company and certain group undertakings participate in Havas UK Limited group banking facilities. 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.

(b) Capital commitments

At the end of the year, the company had no capital commitments (2013: £nil).

(c) Lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings	
	2014 £'000	2013 £'000
Expiry date		
- less than one year	435	-
- between two and five years	-	435
- after five years	279	279
	<u>714</u>	<u>714</u>

Havas UK Limited

Notes to the financial statements Year ended 31 December 2014

16. Ultimate parent company

The company's immediate and ultimate parent company and controlling party is Havas 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 Havas S.A., whose financial statements are available, in English and in French, from Havas S.A., 29 / 30 quai de Dion Bouton, F92817 Puteaux Cedex, France.

17. Post balance sheet events

On 2 February 2015, the company acquired 100% of the issued share capital (100 £1 Shares) in Chandos Communications Limited at cost of £100 from its subsidiary undertaking Havas People Limited.

On 12 March 2015, the company subscribed £1 for the entire share capital of a newly incorporated entity Adcity UK Limited.

On 29 May 2015, the company subscribed £5,100 for 51% of the issued share capital of a further newly incorporated entity, One Green Bean London Limited. The company also provided a loan of £179,520 to support working capital.

On 23 June 2015, the company acquired 60% of the issued share capital of Just Health Communications Limited for an initial consideration of £2,600,000.