

The background of the page is composed of several large triangles in various shades of blue. A dark blue triangle occupies the top-left and bottom-left portions. A medium blue triangle is in the top-right. A light blue triangle is in the bottom-right. A very light blue triangle is in the middle-right. These triangles meet at a central point, creating a dynamic geometric pattern.

# Writtle

Writtle Holdings Ltd is an investment and management services company that owns majority shareholdings in a portfolio of media and marketing services companies. We create value for our shareholders by using our experience in the media sector and capital to support these specialist businesses to achieve their full potential.

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### Chairman's statement

I am pleased to present Writtle's results for the six months to 30 June 2015 which saw growth in both turnover and profit from continuing operations.

### New FRS102 accounting standards

The financial information is prepared under the FRS102 accounting standards which were introduced for UK companies from 1 January 2015. Comparative period financial information has been restated in accordance with the new standards.

### Result and dividends

Turnover from continuing operations was £39.25m (2014: £35.50m) and operating profit from continuing operations was £0.94m (2014: £0.85m). The new accounting standards make little difference to full year reported profits but the changes (primarily the revised treatment for the recognition of employee holiday pay) further weight Writtle's profits towards our traditionally stronger second half of the year.

The company will be paying an interim dividend of 3.3p per share (2014 3.0p) on 30 October 2015 to shareholders on the register on 22 September 2015.

### Review

Writtle invests in media and marketing communications businesses with the aim of creating a substantial international marketing group.

The progress in Writtle's overall turnover and profit masks a number of trading highs and lows in our portfolio of operating companies.

Those group companies exposed to major UK retailers endured a torrid time in the first half as that sector went through its challenges and changes. Magnet Harlequin and Technik suffered from lower retailer spend and contract renegotiations, while Arken saw a major high street roll out delayed from the first half into the second half of the year. These companies are now back on track but it does provide a reminder that Writtle is well served by having a wide range of businesses and market sectors.

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On the plus side, Creo continued to grow apace as new contract wins came on stream. The Creo performance is all the more creditable as it has been achieved despite the distraction and upheaval of a major building programme (approaching completion) to double capacity at its Aylesford factory.

Other performances of note were achieved by Seymour Powell, Maglabs and 20.20, the first two for the positive impact made by new CEOs and the latter for its success in further diversifying from its traditional retailer base into sport and leisure. 20.20 holds a leading position in the strategic design and commercial enhancement of sports stadia with projects ranging from Premier League football clubs to Grade 1 racecourses in the UK and US.

### **Corporate activity**

We stepped up our search for an acquisition of scale in the first six months of the year, assisted by an external corporate finance house, to search for opportunities that we may hitherto have missed. With a good track record and funding readily available, it is not difficult for Writtle to find companies for sale but it is difficult to find ones which fit our criteria of our being able to add value and adding significant scale to the group – at the right price of course. A number of discussions have taken place but to date we have not found the right business to give us transformative scale. What the process has highlighted is the quality of some of our own businesses in comparison to those we are

looking at and it is not surprising that we do occasionally receive approaches and enquiries for parts of our group. We give careful consideration to serious approaches but unless there is a compelling logic and a compelling price, our preferred course is to create further value by organic growth and acquisition.

The share trading opportunity we created in May this year was a success with £0.84m changing hands in matched bargains for Writtle shares. This share trading avoided the significant costs associated with formal markets, albeit without the premium valuation that a formal market can deliver. We will announce with the full year results whether we will be repeating the process next May, having gauged shareholder interest.

### **Current trading**

Current trading is good and I look forward to reporting on another successful year.

### **Robert Essex**

Chairman

22 September 2015

## Consolidated profit and loss account for the six months ended 30 June 2015

	6 months to 30 June 2015 Unaudited £000	As restated 6 months to 30 June 2014 Unaudited £000	As restated Year ended 31 December 2014 Audited £000
<b>Turnover</b>			
Continuing operations	39,248	35,501	79,034
Discontinued operations	–	2,360	4,081
	39,248	37,861	83,115
Cost of sales	(15,511)	(14,070)	(32,595)
<b>Gross profit</b>	23,737	23,791	50,520
Administrative expenses	(22,796)	(22,694)	(46,472)
<b>Operating profit</b>			
Continuing operations	941	852	3,631
Discontinued operations	–	245	417
	941	1,097	4,048
Operating profit before amortisation and share-based payments	1,435	1,615	5,241
Amortisation	(364)	(388)	(733)
Share-based payments	(130)	(130)	(460)
<b>Operating profit</b>	941	1,097	4,048
<b>Exceptional items</b>			
Profit/(loss) on sale of investments	–	(35)	905
<b>Profit on ordinary activities before interest</b>	941	1,062	4,953
Interest payable and similar charges	(158)	(157)	(327)
<b>Profit on ordinary activities before taxation</b>	783	905	4,626
Tax on profit on ordinary activities	(259)	(315)	(908)
<b>Profit on ordinary activities after taxation</b>	524	590	3,718
Minority interests – equity	(319)	(331)	(992)
<b>Profit for the period</b>	205	259	2,726

# Consolidated balance sheet as at 30 June 2015

	As at 30 June 2015 Unaudited £000	As restated As at 30 June 2014 Unaudited £000	As restated As at 31 December 2014 Audited £000
<b>Fixed assets</b>			
Intangible assets	11,441	13,041	11,807
Tangible assets	9,263	8,140	8,660
Investments	155	100	155
	<b>20,859</b>	<b>21,281</b>	<b>20,622</b>
<b>Current assets</b>			
Stocks	2,036	2,603	1,844
Debtors	24,960	23,080	24,639
Investments	180	–	180
Cash at bank and in hand	3,479	986	3,614
	<b>30,655</b>	<b>26,669</b>	<b>30,277</b>
<b>Creditors: amounts falling due within one year</b>	<b>(25,980)</b>	<b>(24,306)</b>	<b>(22,612)</b>
<b>Net current assets</b>	<b>4,675</b>	<b>2,363</b>	<b>7,665</b>
<b>Total assets less current liabilities</b>	<b>25,534</b>	<b>23,644</b>	<b>28,287</b>
<b>Creditors: amounts falling due after more than one year</b>	<b>(2,648)</b>	<b>(2,332)</b>	<b>(4,818)</b>
<b>Provisions for liabilities</b>			
Deferred tax	(197)	(141)	(197)
<b>Net assets</b>	<b>22,689</b>	<b>21,171</b>	<b>23,272</b>
<b>Capital and reserves</b>			
Called up share capital	6,980	6,779	6,830
Share premium account	6,494	6,376	6,395
Revaluation reserve	1	1	1
Other reserves	89	89	89
ESOT reserve	(493)	–	–
Profit and loss account	6,557	5,257	7,066
<b>Shareholders' funds – equity</b>	<b>19,628</b>	<b>18,502</b>	<b>20,381</b>
<b>Minority interests – equity</b>	<b>3,061</b>	<b>2,669</b>	<b>2,891</b>
	<b>22,689</b>	<b>21,171</b>	<b>23,272</b>

## Consolidated cash flow statement for the six months ended 30 June 2015

	6 months to 30 June 2015 Unaudited £000	6 months to 30 June 2014 Unaudited £000	Year ended 31 December 2014 Audited £000
Net cash flow from operating activities	1,009	(510)	5,561
Returns on investments and servicing of finance	(263)	(471)	(696)
Taxation	(717)	(828)	(1,163)
Capital expenditure and financial investment	(629)	(511)	(1,842)
Acquisitions and disposals	(280)	(112)	316
Equity dividends paid	(478)	(405)	(609)
<b>Cash (outflow)/inflow before financing</b>	<b>(1,358)</b>	<b>(2,837)</b>	<b>1,567</b>
Financing	1,223	(1,155)	1,590
<b>(Decrease)/increase in cash in the period</b>	<b>(135)</b>	<b>(3,992)</b>	<b>3,157</b>

## Reconciliation of net consolidated cash flow to movement in net debt for the six months ended 30 June 2015

	6 months to 30 June 2015 Unaudited £000	6 months to 30 June 2014 Unaudited £000	Year ended 31 December 2014 Audited £000
(Decrease)/increase in cash in the period	(135)	(3,992)	3,157
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(1,467)	1,291	(1,356)
<b>Change in net debt resulting from cash flows</b>	<b>(1,602)</b>	<b>(2,701)</b>	<b>1,801</b>
New finance leases	(888)	–	(291)
<b>Movement in net debt in the year</b>	<b>(2,490)</b>	<b>(2,701)</b>	<b>1,510</b>
Net debt at 1 January	(6,070)	(7,580)	(7,580)
<b>Net debt at end of period</b>	<b>(8,560)</b>	<b>(10,281)</b>	<b>(6,070)</b>

## Net cash flow from operating activities for the six months ended 30 June 2015

	6 months to 30 June 2015 Unaudited £000	As restated 6 months to 30 June 2014 Unaudited £000	As restated Year ended 31 December 2014 Audited £000
Operating profit	941	1,097	4,048
Amortisation of intangible fixed assets	364	388	722
Depreciation of tangible fixed assets	915	843	1,800
Profit on disposal of tangible fixed assets	–	–	(18)
(Increase)/decrease in stock	(192)	(603)	144
(Increase)/decrease in debtors	(361)	904	(1,528)
(Decrease)/increase in creditors	(658)	(3,139)	393
<b>Net cash inflow/(outflow) from operating activities</b>	<b>1,009</b>	<b>(510)</b>	<b>5,561</b>



## Our companies



**creo**

[magnet harlequin]

**theTeam.**

**arken**  
creators of award winning p-o-p

**EPOCH  
DESIGN**

**seymourpowell**

**WILLIAMS MURRAY HAMM**  
THE DESIGNVERTISING AGENCY

**Beyond**

**maglabs**  
making work flow

T E < h v i k

**Writtle**  
PROPERTY

# Writtle

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Registered Number: 5226380