WRITTLE HOLDINGS LIMITED

ANNUAL REPORT AND ACCOUNTS 2018

WRITTLE

WHO WE ARE

WRITTLE IS A UK-CENTRED MARKETING SERVICES GROUP WITH AN INTERNATIONAL CLIENT BASE.

CONTENTS

KEY FINANCIAL INFORMATION

TURNOVER

£70.92m

(2017: £65.82m)

HEADLINE PROFIT BEFORE TAX*

£7.96m

(2017: £6.25m)

PROFIT BEFORE TAX

£6.73m

(2017: £5.48m)

NET CASH

£12.24m

(2017: £10.87m)

ORDINARY DIVIDEND PER SHARE

17.50p

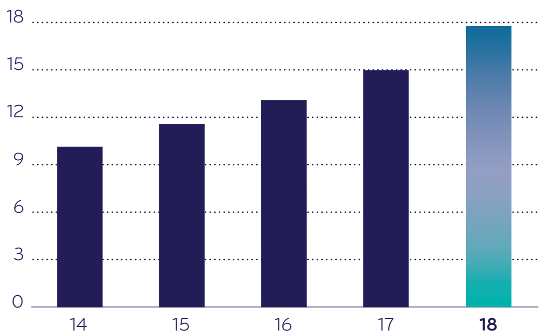
(2017: 15.00p)

FURTHER SPECIAL DIVIDEND PER SHARE

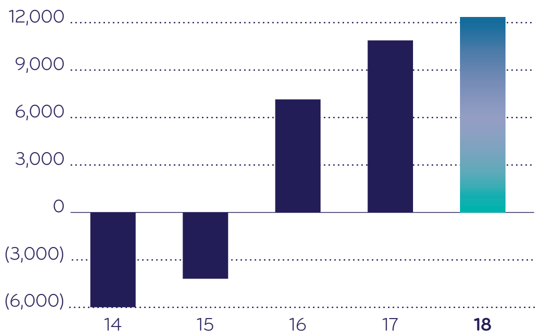
50.00p

(Sept 2018: 25.00p)

ORDINARY DIVIDEND PER SHARE (PENCE)



NET CASH (£000)



* Headline measures are defined as being before profit on sale of investments, exceptional items, amortisation and share-based payments.

CHAIRMAN'S STATEMENT

I am pleased to report another year of excellent growth in turnover and profits.

There were no acquisitions or disposals in the year but after the year-end we were pleased to complete the acquisition of Showcard Print Ltd (Showcard), a retail marketing services business based in Letchworth, UK on 8 April 2019, which will join our Implementation business group.

Our continued profitability meant the year ended with Writtle holding record cash balances and no debt, enabling a further increase in ordinary dividends, and we are particularly pleased to declare our third special dividend for shareholders.

RESULTS AND ORDINARY DIVIDENDS

Turnover was £70.92m (2017: £65.82m) and profit before tax was £6.73m (2017: £5.48m).

Net cash at the year-end was £12.24m (2017: £10.87m).

The directors are recommending a final ordinary dividend of 12p (2017: 10.5p), making total ordinary dividends for the year of 17.5p (2017: 15p). Subject to shareholders' approval, this will be paid on 31 May 2019 to shareholders on the register at 28 March 2019.

SPECIAL DIVIDEND

A special dividend of 25p (2017: nil) was paid on 28 September 2018.

Notwithstanding the acquisition of Showcard completed after the year-end, the company still has significant cash balances. In keeping with the directors' decision to distribute cash balances above £5m for which the company has no immediate investment or acquisition use, a further special dividend of 50p will be paid on 30 April 2019 to shareholders on the register at 28 March 2019, subject to shareholders' approval.

This will be the third special dividend paid to shareholders, the second being 25p per share paid in September 2018 and the first being 50p per share paid in July 2016.

PRINCIPAL ACTIVITIES

Writtle is a UK-centred marketing services group with an international client base.

For reporting purposes we group our businesses into three headings: **Innovation, Implementation** and **Instore**, which describe their principal marketing focus. Writtle also has a property company which owns the freehold properties from which some of its companies operate.

Writtle's model continues to be based on equity involvement and decentralised growth. Whether a group company was a start-up or acquired, Writtle will typically hold a majority shareholding alongside management, which creates a motivational structure. Writtle looks for businesses in the media and marketing communications sector that can demonstrate potential for further growth either organically or by acquisition, and where Writtle can add value through its experience or by funding further expansion. Growth opportunities are typically identified by operating company management rather than by the centre. However, when larger opportunities have been identified, as with the acquisition of Loewy Group, we have integrated the individual companies into Writtle by reducing the central head office and marketing function and instead promoted the individual company brands. Alongside this decentralised approach comes a re-incentivisation package for operational management through the opportunity to purchase equity on favourable terms in their companies, and participation in share option schemes in Writtle. This creates a lean head-office structure as well as considerable incentives for management in their individual companies and the group as a whole.

As well as growing organically or by acquisition, Writtle realises shareholder value through the sale of a business when we believe we have maximised its potential and we receive a compelling offer.

"...another year of excellent growth in turnover and profits"

REVIEW OF BUSINESS

The performance of Writtle's three business groups, all of which increased turnover and margins, is shown in the following table:

	Turnover		Headline operating profit	
	2018 £000	2017 £000	2018 £000	2017 £000
Innovation	26,447	25,765	2,639	2,250
Implementation	20,535	20,022	2,726	2,262
Instore	23,940	20,034	3,728	2,631
	70,922	65,821	9,093	7,143

Prior year figures have been restated to include WMHAdaptive work within the Implementation group.

Our **Innovation** businesses continued the growth shown in the previous year with a 2.6% increase in turnover and 17.3% increase in headline operating profit. Outstanding individual agency performances came from Seymourpowell and Epoch, more than offsetting tougher conditions experienced by agencies operating in the hard-pressed retail sector. New business was secured from JCB, The Spaceship Company, PureGym and TSB.

Our **Implementation** businesses saw turnover increase by 2.6% and headline operating profit by 20.5%. The margin improvement primarily reflects the growing business collaborations and close cooperation between our Implementation businesses, which will now trade under a new group identity: Branded. Expansion in the US is under way with our US operations trading as Branded Inc. New business was secured from Costco, Jack's, Sainsbury's and Southeastern Grocers.

Our **Instore** business achieved a 19.5% increase in turnover and 41.7% increase in headline operating profit and was Writtle's most profitable business group in 2018. A continued focus on the resilient health and beauty market, through increased investment in design and technology, underpinned this growth and more than compensated for reduced spend from other markets. We do not expect this growth in Instore to continue as high-street retailers competing in the health and beauty market have paused their investment in the light of uncertain market conditions after completing multi-year roll-outs in 2018.

Following this report is a short review of each of our individual operating companies, written by its directors. Each operating company has its own style and, apart from overlaying similar financial controls, Writtle encourages individual company autonomy and identity.

CORPORATE ACTIVITY

We reviewed a number of acquisition opportunities throughout the year and we completed the acquisition of Showcard, a UK-based retail marketing services business after the year end on 8 April 2019. Showcard is a significant business with turnover of £17m in 2018 and it will extend the range of services offered by our Implementation businesses. We have simultaneously recruited an experienced management team to grow the business. Full financial details of the transaction will be disclosed in our 2019 annual report.

We continue to be focused on larger transactions like Showcard that can transform our business's scale without compromising our demanding acquisition criteria. Our equity-based incentivisation structures mean that we continue to avoid earn-outs and focus heavily on the additional value that can be achieved through Writtle investment and support. There is no shortage of acquisition opportunities, but with conventional wisdom suggesting that 70% of mergers and acquisitions fail to deliver an increase in shareholder value, the challenge is to identify the right targets.

There will again be a share trading opportunity this year and shareholders who wish to participate, either buying or selling, should follow the guidelines in the letter accompanying this report. If there are excess shares available for sale once existing shareholder demand has been satisfied, Writtle may choose to use its Employee Share Ownership Trust (ESOT) to buy shares or offer them to new investors.

CURRENT TRADING

Writtle's three business groups operate in substantial but distinct sections of the marketing services sector. The demand for **Innovation** is unrelenting and our agencies in this sector acquit themselves well. There has been a slowdown in early 2019 as our multinational UK-based clients have adopted a 'wait and see' approach to Brexit in the first quarter. We have carved out a niche with our **Implementation** businesses and trading is forecast to be strong under the new Branded identity, with opportunities increasing following our US expansion and Showcard acquisition. Our **Instore** business has made a good start to the year, but we do not see it matching last year's performance as investment in the high street slows even within its resilient health and beauty sector.

Writtle's success has been built on a prudent acquisition policy and a focus on organic growth in our businesses, which has rewarded employees and shareholders alike. We intend to use our strong balance sheet and proven track record as a platform for further growth and take advantage of any opportunities that arise in the fast-changing marketing services sector.

I look forward to another successful year.

Robert Essex
Chairman
8 April 2019

OUR **INNOVATION** COMPANIES

Our Innovation companies are 20.20, Beyond Communications, Epoch, Identica, Seymourpowell, The Team and Williams Murray Hamm.

20.20 is a strategic design consultancy that transforms retail and leisure businesses into emotionally connected brand experiences.

www.20.20.co.uk

Marella Explorer – The Shack, top-deck bar

20.20 continued to work with some great global brands and venues throughout 2018.

We started the year with a project in Toronto, to develop the ten-year master plan of MLSE's Scotiabank Arena, including the design of the VIP journey and sponsor's 'ScotiaClub'.

Back home we have helped Three Mobile with a retail vision for their emerging generation Z customer base. The year also saw the launch of our new name and identity for Buzz Bingo, following its separation from Gala; a concept for low-cost fitness chain PureGym, with a pilot site opening in Southampton; and the launch of Marella Explorer – TUI's latest and largest cruise ship – where we re-imagined the passenger experience.

As the year advanced, we designed Dylan McGrath's high-profile Dublin restaurant, Shelbourne Social, and created a holiday store for Saudi Arabia's leading travel specialist Al Tayyar Group. We continue to develop Arsenal's Emirates Stadium hospitality, capturing the industrial spirit of the club's origins in the design of Dial Square, a 1,100m^2 courtyard dining experience, which opened for the 2018-19 season.

Beyond is a design-led agency creating experiences that enrich lives and make consumers take notice.

www.beyond-communications.co.uk

Vue Cinemas – new foyer and customer experience

2018 was a busy year for Beyond, with a solid commercial performance.

Highlights included branding projects for the Met Police, including Charing Cross, Hendon and Lambeth police stations; an identity and visual guideline for the celebration of the Centenary of Women in the Met Police; and the creation of a marketing strategy and brand development for St Pancras railway station.

Wins for the Retail team included new concepts for GHD, Iconic London, Floral Street and Shiseido, and development work on the Ben & Jerry's offer. 2018 also saw our first work-stream with Vue Cinemas come to fruition with the opening of a new bar and foyer concept at their Finchley Road site.

The Asset Enhancement team completed our biggest-ever shopping centre redevelopment at Cwmbran in Wales, to be followed by a £3m redesign of the main square in 2019. Shopping City Wels, a large mall in Linz Austria, had a total brand and interior redesign with a biophilic (connecting to nature) theme which has now ranked the mall in the top 10 performing centres in Austria.

Epoch is a creative agency specialising in packaging, in-store and online for global FMCG brands.

www.epochdesign.co.uk

Diekirch – visual brand identity, packaging and in-store for Luxembourg's premier lager

Despite economic uncertainty, 2018 was a good year for the agency, with a strong performance across all our key accounts. Global FMCG projects have continued to challenge and excite the teams and the agency has seen a number of significant project wins that maximise our strategic, creative and shopper expertise. For many of our clients, Epoch is now seen as a Tier 1 Agency Partner and this relationship has seen us integrated into their business units on innovation projects and new product development.

The signs for 2019 are encouraging, with a busy start to the year, and we are looking forward to further opportunities that build on our unique agency offer.

IDENTICA

Identica is a branding and design agency that has been inventing and re-inventing iconic brands for more than 25 years.

www.identica.co.uk

Kenwood – sharing their customers' passion for creativity in food and cooking

In 2018 we continued our long-standing partnerships with cornerstone clients including Clive Christian, Butlers Chocolates, and Quintessential Brands; working closely with each to deliver their brand and new product ambitions, together with product launches, brand activation activities, and seasonal gifting.

The year saw the successful launch of our global repositioning of Kenwood, which culminated in new packaging across 1,800 products, brand photography, social media assets, and instore merchandising and displays.

We were pleased to see our Russian business develop further – predominantly in the beauty and luxury sector – and we were thrilled to welcome a number of new clients to Identica during the year; in particular Sainsbury's/Argos, Shepherd Neame, Aromatherapy Associates and Nicky Clarke.

seymourpowell

Seymourpowell helps companies plan and create integrated product and brand experiences.

www.seymourpowell.com

The Future of Beauty – bespoke intelligent cosmetics

Seymourpowell enjoyed a highly successful year, building on our transformational year in 2017. The shape and size of the business and our greater agility reflects current market needs.

With product and brand innovation at the heart of the company, our outstanding creative output spans the globe across a wide range of categories. Leading clients include: Nestlé Purina, Gatorade, JCB, Hitachi Rail, The Spaceship Company, Molson Coors and Beiersdorf.

The diversity of projects reflects our ability to lead future visions and solve 'uncrackable' problems for businesses and brand owners. 2018 saw some outstanding examples of achieving 'the impossible'.

theTeam.

The Team is a branding agency which creates outstanding customer and employee communications.

www.theteam.co.uk

A new brand-led customer promise and presence for **Wolseley UK**

The Team had a busy and successful year in 2018.

We renewed our office lease and took the opportunity to create a collaborative and versatile workspace within our existing building close to Borough Market, and refreshed our brand presence – all of which had a positive impact on the business.

Notable client work achieved in 2018 was the development of a 'Hospitality Heroes' programme for Southwest Airlines, a new brand purpose and identity for Crimestoppers, the development of a positioning and customer promise for BAM Nuttall's rail division, and a complete re-engineering of the Wolseley value proposition, culminating in a national roll-out and activation of the new brand. Regular clients NS&I, Southeastern, Govia, Gas Safe Register plus Caravan and Motorhome Club provided steady income.

Williams Murray Hamm

Williams Murray Hamm is a brand innovation, design and strategy agency based in London and Chicago.

www.wmhagency.com

WMH began working with **Waitrose & Partners**, creating a completely new brand with **freefrom**, which launched successfully in October

2018 has been a year of growth and expansion for Williams Murray Hamm (WMH).

We began working with Waitrose & Partners, creating a completely new brand with freefrom, which launched successfully in October, positioning the brand as a positive, progressive eating choice, regardless of shoppers' allergies.

The year also saw us successfully refocus on the US, working with several new clients, including innovation projects for Hershey's and exciting branding projects for Southeastern Grocers, one of the largest supermarket chains in the southeast of the US.

In addition to several important new relationships, we continued to build on trusted existing ones.

Our relationship with Lamb Weston has continued to grow strongly, with a multitude of communication and design projects across the US and Europe.

2018 was also the year WMH was touched by royalty. We designed the plaque commemorating the re-opening of London Bridge station, where the Duke of Cambridge cut the ribbon and unveiled the plaque.

OUR **IMPLEMENTATION** COMPANIES

Branded is the new identity of our Implementation companies, formerly Magnet Harlequin Group, comprising Branded Inc, Maglabs, Magnet Harlequin, Magnet Harlequin Asia, Technik and WMHAdaptive.

BRANDED

SHAPED TO WORK AROUND YOU

Over the past two years, the agencies within the Magnet Harlequin Group have found better and closer ways of working together, providing our clients with benefits in quality, speed and cost effectiveness. This partnership has now been formalised in a new group: **Branded**. Clients can choose the services they need from any given mix of our strategic, creative and production specialists, providing a team that is shaped to their requirements.

www.branded-agency.com

BRANDED INC

Branded Inc is a US-based strategic and creative packaging business.

www.branded-agency.com

Southeastern Grocers' Jacksonville, Florida, headquarters, where we have placed an in-house team dedicated to client requirements

2018 saw the expansion of Branded in the United States. Our most recent win was Florida-headquartered Southeastern Grocers (SEG), one of the largest supermarket chains in the region. SEG operates four supermarket brands, each of which has a growing range of own-branded products.

Our work for SEG includes the strategic repositioning of one of SEG's store brands, creation of new food brands, plus the design, project/process management, photography, artwork and print compliance of all SEG's own-brand packaging.

[magnet harlequin]

Magnet Harlequin provides cross-media creative production, photography, packaging management, print and compliance services to retailers and brand owners.

www.magharl.co.uk

Tesco's new Jack's brand launch and some of the 2,000-plus stock-keeping units delivered

It was a particularly strong performance from Magnet Harlequin, which saw growth on all fronts. Our 'Concept to Consumer – One Team' strategy was embraced by retail customers and brand owners from both packaging and marketing and communications client sectors.

There were a number of strong performers in marketing and communications during the year, including LG, Asprey, Network Rail, World Duty Free Group, Nido, John Lewis & Partners, Costa, Kraft Heinz and recent new win, Camelot. Packaging provided even more positive performers from key accounts, including Kingfisher, John Lewis & Partners, Havi, Sainsbury's/Argos, Brakes and Tetley. Our highest-profile project was with Tesco, which entrusted us as the sole packaging artwork and project/process management supplier to deliver its new Jack's brand.

[magnetharlequinasia]

Magnet Harlequin Asia, based in Hong Kong, provides cross-media creative production, photography, packaging management, print and compliance services to retailers and brand owners.

www.magharl.co.uk

Sainsbury's/Argos – Your Personal Best (YPB) Opti Range

The first half of 2018 was somewhat frustrating, with a number of scheduled projects either cancelled or scaled back. However, things improved considerably during the second half of the period aided by some good wins, including Carrefour and Groupe SEB, as well as ongoing work from key clients including Tesco, Marks & Spencer, Kingfisher and Sainsbury's/Argos, all of which have sourcing offices close by and all of which benefit from our packaging artwork, project/process management, photography and print quality management.

2018 also saw confirmation of our commitment to growth and support to our clients in Asia with the renewal of our lease at the Camel Paint Building in Hong Kong and a renewed arrangement with our partner in Gurgaon, India.

magLabs

Maglabs is a global digital asset management, marketing resource and workflow technology provider, supporting market-leading businesses and brands worldwide.

www.maglabs.net

Maglabs' digital team continued its work with **Kraft Heinz** supporting its NFL partnership for a second year

2018 saw continued growth of the new digital asset management product, Sargasso, with LG using this as part of its suite of tools to interact with partners and retailers.

Maglabs continues to offer leading cloud-based platform development, underpinned by the platform Stratum – a Maglabs wholly owned toolkit – used to implement a global scheduling and events management module for NBCUniversal's publicity division.

We supply digital and marketing resource management solutions to some of the world's best-known organisations, with more than 40 solutions delivering content and services to 90,000 users across 50 countries. The economic challenges faced by our retail clients placed further importance on our ability to deliver measurable ROI for them.

We have continued our pattern of growth, with additional project wins for Kew Media and Kraft Heinz in Europe.

TECHNIK

Technik is a creative production agency with particular specialisms in food packaging and packaging management.

www.technik.com

Morrisons – 2018 new Kids, Vegan & Vegetarian and Free From ranges

Technik continues to perform well and 2018 produced strong client performances from our specialist food packaging division. In particular, leading retailers Morrisons and Waitrose & Partners once again chose to commit significant projects throughout the year. Clients took advantage of our expertise and highly flexible project/process management and production teams.

The marketing and communications division also produced some good figures, with key wins in the year for The Folio Society and Panasonic. Digital print, with its new hardware and software investment, enjoyed a steady year, producing important projects for John Lewis & Partners, Prostate Cancer UK and Travelcorp.

WMHAdaptive

WMHAdaptive.
Activation experts that combine creative brilliance with state-of-the-art production knowhow.

www.wmhagency.com

Seamless partnership – The **Thameslink** campaign supporting the re-opening of London Bridge Station

Following its successful launch in 2017, WMHAdaptive's second year showed impressive growth.

Significant projects included the delivery of more than 2,800 pack designs for Tesco's core range rebrand, resulting in the retailer calling WMHAdaptive 'the benchmark in adaptive design'.

The Adaptive team continued working with WMH clients, such as Castrol and Lamb Weston. The collaboration between WMH and WMHAdaptive has provided positive results for these clients, which have reaped rewards from the efficiency that this seamless partnership brings. This was also demonstrated in the smooth and speedy delivery of the Waitrose & Partners freefrom range, and the Thameslink campaign supporting the re-opening of London Bridge Station.

OUR **INSTORE** COMPANY

Our Instore company is Arken POP International.

arken
creators of award winning p-o-p

Arken is a multi-award-winning, creative-led designer and manufacturer of retail display and signage, shop-in-shop theatre and point-of-purchase products.

www.arken-pop.com

2018 saw Arken continue its growth within the health and beauty sector. Key to this growth was further implementation of the Beauty Studio Make-Up fixtures for more than 20 brands across the remaining estate of Superdrug stores, along with relaunches for Revolution.

We also deployed more than 3,000 laptop displays for Intel, the world's largest manufacturer of PC microprocessors, further cementing our position within the consumer electronics market. Many of these displays featured digital technology to support shopper education at the point of purchase. These displays were shipped to 19 countries across Europe, the Middle East and Africa.

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

CONTENTS

INTRODUCTION AND BUSINESS REVIEW

The directors present their group strategic report for Writtle Holdings Limited for the year ended 31 December 2018. See the 'Principal activities' and 'Review of business' sections in the Chairman's statement on pages 2 to 3.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider that the principal risks and uncertainties facing the group are:

People – The success of the group's operations depends on recruiting and retaining key management. The group addresses the risk by creating for employees a rewarding work environment and remuneration and incentive structures which reward performance and loyalty. The hiring and retention of skilled employees is not considered to be a material risk due to the nature and location of our businesses.

Client retention – The loss or significant reduction in revenue from a key client relationship could impact the group's operating profit and financial performance. The group maintains a broad spread of clients and values long-term client relationships as well as new business, ensuring that experienced account management is in place to manage these relationships.

General economic and business conditions – Economic uncertainty tends to make clients more cautious, especially with the timing of projects, however the demand for innovation and creativity remains high.

Financial – At 31 December 2018, the group had no bank or finance lease borrowings and manages its liquidity through cash and working capital. The group imposes credit limits on customers and insures debtor balances where practical to mitigate credit risk. Exchange rate volatility has been more evident during the year but where possible we will transact in pounds sterling.

FINANCIAL KEY PERFORMANCE INDICATORS

The company considers turnover, profit before tax and net cash to be the key performance indicators; these are set out in the 'Results and dividends' section of the Chairman's statement on pages 2 to 3.

This report was approved by the board and signed on its behalf.

Graeme Harris
Director
8 April 2019

DIRECTORS' REPORT

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

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 the group, and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgments 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in directors' reports may differ from legislation in other jurisdictions.

RESULTS AND DIVIDENDS

The profit for the year, after taxation and minority interests, amounted to £4,230,000 (2017: £4,010,000).

The directors are recommending a final dividend for 2018 of 12p per share (2017: 10.50p per share), making a total of 17.5p per share for the year (2017: 15.00p). Subject to shareholders' approval, the final dividend will be paid on 31 May 2019 to shareholders on the register on 28 March 2019. The dividends paid, as disclosed in the financial statements, are not inclusive of the final dividend for 2018.

In keeping with the directors' decision to distribute cash balances above £5m for which the company has no immediate investment or acquisition use, a special dividend of 25.00p per share was paid in the year and a further special dividend of 50.00p per share will be paid on 30 April 2019 to shareholders on the register at 28 March 2019, subject to shareholders' approval.

DIRECTORS

The directors who served during the year were:

R T T Essex
M J Gilmore
G R Harris
A W Lucas
K MacKenzie
D H Powell
T E Scutt (appointed 29 March 2018)
N D Stern
A Sutcliffe
R C J Williams (resigned 31 December 2018)
A Wright

POLITICAL CONTRIBUTIONS

The company made no political contributions during the financial year (2017: £nil).

FUTURE DEVELOPMENTS

See the 'Corporate activity' section in the Chairman's statement on pages 2 to 3.

EMPLOYEE INVOLVEMENT

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units.

DISABLED EMPLOYEES

Disabled employees receive appropriate training to promote their career development within the group. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

DIRECTORS INDEMNITY INSURANCE

As permitted by Section 234 of the Companies Act 2006, the company has purchased insurance cover on behalf of the directors, indemnifying them against certain liabilities which may be incurred by them in relation to the company.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

POST BALANCE SHEET EVENTS

On 8 April 2019, Magnet Harlequin Holdings Limited, a subsidiary company, acquired 60% of the share capital of Ingleby (1884) Limited and its subsidiaries Showcard Print Limited and Showcard Print Services Limited.

AUDITOR

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Graeme Harris
Director

8 April 2019

OPINION

We have audited the financial statements of Writtle Holdings Limited ("the parent company") and its subsidiaries ("the group") for the year ended 31 December 2018 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2018 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.

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

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 chairman's statement, review of our Innovation companies on pages 4-7, our Implementation companies on pages 8-11, our Instore company on page 12, the group strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and directors' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the chairman's statement, review of our Innovation companies on pages 4-7, our Implementation companies on pages 8-11, our Instore company on page 12, the group strategic report and directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

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 group and the parent 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 group or the parent 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 at the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Andrew Viner
(Senior Statutory Auditor)
For and on behalf of BDO LLP,
Statutory Auditor
London
United Kingdom

8 April 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Turnover	4	70,922	65,821
Cost of sales		(26,290)	(23,959)
Gross profit		44,632	41,862
Administrative expenses		(37,924)	(36,401)
Operating profit	5	6,708	5,461
Operating profit before the items listed below		7,935	6,236
Exceptional items		(508)	(245)
Amortisation		(719)	(719)
Share-based payments		–	189
Operating profit	5	6,708	5,461
Interest receivable	11	21	14
Profit before taxation		6,729	5,475
Tax on profit	12	(1,524)	(1,066)
Profit after taxation		5,205	4,409
Non-controlling interests		(975)	(399)
Profit for the financial year		4,230	4,010

There were no recognised gains and losses for 2018 or 2017 other than those included in the consolidated statement of comprehensive income.

The notes on pages 24 to 39 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note		2018 £000		2017 £000
Fixed assets					
Intangible assets	14		8,930		9,649
Tangible assets	15		3,937		4,119
Investments	16		220		551
			13,087		14,319
Current assets					
Stocks	17	2,532		1,696	
Debtors	18	18,780		18,998	
Cash at bank and in hand		12,236		10,872	
		33,548		31,566	
Creditors: Amounts falling due within one year	19	(14,719)		(15,464)	
Net current assets			18,829		16,102
Total assets less current liabilities			31,916		30,421
Provisions for liabilities					
Deferred tax	21		(67)		(71)
Other provisions	22		(85)		(85)
Net assets			31,764		30,265

	Note	2018 £000	2017 £000
Capital and reserves			
Share capital	23	7,347	7,326
Share premium account	25	7,037	6,984
Other reserves	25	(1,102)	(747)
Retained earnings	25	15,970	14,625
Equity attributable to owners of the parent company		29,252	28,188
Non-controlling interests		2,512	2,077
		31,764	30,265

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Robert Essex
Director

Graeme Harris
Director

8 April 2019

The notes on pages 24 to 39 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note		2018 £000		2017 £000
Fixed assets					
Tangible assets	15		3		1
Investments	16		14,279		14,311
			14,282		14,312
Current assets					
Debtors	18	4,190		4,495	
Cash at bank and in hand		4,954		4,272	
		9,144		8,767	
Creditors: Amounts falling due within one year	19	(4,601)		(2,303)	
Net current assets			4,543		6,464
Total assets less current liabilities			18,825		20,776
Net assets			18,825		20,776
Capital and reserves					
Share capital	23		7,347		7,326
Share premium account	25		7,037		6,984
Other reserves	25		1,657		1,657
Retained earnings	25		2,784		4,809
			18,825		20,776

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent company for the year was £873,000 (2017: £1,040,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Robert Essex
Director

Graeme Harris
Director

8 April 2019

The notes on pages 24 to 39 form part of these financial statements.

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

	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Equity attributable to owners of parent company £000	Non-controlling interests £000	Total equity £000
At 1 January 2018	7,326	6,984	(747)	14,625	28,188	2,077	30,265
Comprehensive income for the year							
Profit for the year	–	–	–	4,230	4,230	975	5,205
Total comprehensive income for the year	–	–	–	4,230	4,230	975	5,205
Contributions by and distributions to owners							
Dividends	–	–	–	(2,898)	(2,898)	(445)	(3,343)
Shares issued during the year	21	53	–	–	74	–	74
Other movements	–	–	(355)	13	(342)	(95)	(437)
Total contributions by and distributions to owners	21	53	(355)	(2,885)	(3,166)	(540)	(3,706)
At 31 December 2018	7,347	7,037	(1,102)	15,970	29,252	2,512	31,764

The notes on pages 24 to 39 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Equity attributable to owners of parent company £000	Non-controlling interests £000	Total equity £000
At 1 January 2017	7,185	6,720	(747)	11,769	24,927	1,762	26,689
Comprehensive income for the year							
Profit for the year	–	–	–	4,010	4,010	399	4,409
Total comprehensive income for the year	–	–	–	4,010	4,010	399	4,409
Contributions by and distributions to owners							
Dividends	–	–	–	(966)	(966)	(151)	(1,117)
Shares issued during the year	141	264	–	–	405	–	405
Other movements	–	–	–	(188)	(188)	67	(121)
Total contributions by and distributions to owners	141	264	–	(1,154)	(749)	(84)	(833)
At 31 December 2017	7,326	6,984	(747)	14,625	28,188	2,077	30,265

The notes on pages 24 to 39 form part of these financial statements.

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

	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total equity £000
At 1 January 2018	7,326	6,984	1,657	4,809	20,776
Comprehensive income for the year					
Profit for the year	–	–	–	873	873
Total comprehensive income for the year	–	–	–	873	873
Contributions by and distributions to owners					
Dividends	–	–	–	(2,898)	(2,898)
Shares issued during the year	21	53	–	–	74
Total contributions by and distributions to owners	21	53	–	(2,898)	(2,824)
At 31 December 2018	7,347	7,037	1,657	2,784	18,825

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital £000	Share premium £000	Other reserves £000	Retained earnings £000	Total equity £000
At 1 January 2017	7,185	6,720	1,657	4,735	20,297
Comprehensive income for the year					
Profit for the year	–	–	–	1,040	1,040
Total comprehensive income for the year	–	–	–	1,040	1,040
Contributions by and distributions to owners					
Dividends	–	–	–	(966)	(966)
Shares issued during the year	141	264	–	–	405
Total contributions by and distributions to owners	141	264	–	(966)	(561)
At 31 December 2017	7,326	6,984	1,657	4,809	20,776

The notes on pages 24 to 39 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £000	2017 £000
Cash flows from operating activities		
Profit for the financial year	5,205	4,409
Adjustments for:		
Amortisation of intangible fixed assets	719	719
Depreciation of tangible fixed assets	1,093	1,128
Impairment of unlisted investments	331	–
(Profit)/loss on disposal of tangible fixed assets	(3)	78
Increase in stocks	(836)	(252)
Interest received	(21)	(14)
Corporation tax charge	1,524	1,066
Decrease/(increase) in debtors	201	(390)
(Decrease)/increase in creditors	(944)	814
Corporation tax paid	(1,298)	(933)
Share-based payment credit	–	(189)
Net cash generated from operating activities	5,971	6,436
Cash flows from investing activities		
Purchase of tangible fixed assets	(932)	(1,280)
Sale of tangible fixed assets	24	55
Purchase of subsidiaries	–	(827)
Purchase of fixed asset investments	–	(53)
Cash acquired with subsidiaries	–	316
(Purchase)/sale of equity in subsidiaries	(95)	23
Net cash used in investing activities	(1,003)	(1,766)
Cash flows from financing activities		
Issue of ordinary shares	73	405
Equity dividends paid	(2,898)	(966)
Interest received	21	14
Dividends paid to non-controlling interests	(445)	(275)
Purchase of shares by ESOT	(355)	–
Net cash used in financing activities	(3,604)	(822)
Net increase in cash and cash equivalents	1,364	3,848
Foreign exchange losses on cash and cash equivalents'	–	(17)
Cash and cash equivalents at beginning of year	10,872	7,041
Cash and cash equivalents at the end of year	12,236	10,872
Cash at bank and in hand	12,236	10,872

	31 Dec 2018 £000	31 Dec 2017 £000
Analysis of net cash		
Cash at bank and in hand	12,236	10,872
Debt:		
Finance leases	–	–
Debts due within one year	–	–
Debts falling due after more than one year	–	–
Net cash	12,236	10,872

The notes on pages 24 to 39 form part of these financial statements.

1. General information

Writtle Holdings Limited is a private limited company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the Chairman's Statement.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgment in applying the group's accounting policies (see note 3).

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No statement of cash flows has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Turnover

Turnover comprises revenue recognised by the group in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Any income received relating to incomplete projects is deferred to the extent that the proportion of that project is incomplete at the year end.

Any turnover relating to 'bill and hold' arrangements is recognised when the goods are available for call by the customer.

In respect of contracts for ongoing services, turnover represents the value of work done in the year and is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover in respect of such contracts is recognised by reference to the stage of completion.

Where it is not considered probable that economic benefit will flow to the company and the turnover cannot be reliably measured, the costs incurred to date are recognised in work in progress and a credit taken to Cost of Sales.

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill is amortised on a straight-line basis to the consolidated statement of comprehensive income over its useful economic life, which is considered to be 20 years (10 years on acquisitions after conversion to FRS 102) due to the fact that the investments in which goodwill was created are all well established, have traded profitably for a number of years and have long-term client relationships which include well-known brands.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the consolidated statement of comprehensive income during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis:

Freehold buildings	1% – 2% straight-line
Leasehold improvements	over the period of the lease
Plant and machinery	10% – 33% straight-line
Fixtures, fittings and equipment	10% – 33% straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the consolidated statement of comprehensive income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted shares, whose market value can be reliably determined, are remeasured to market value at each year end. Gains and losses on remeasurement are recognised in the consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.7 Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the consolidated statement of comprehensive income over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the consolidated statement of comprehensive income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the consolidated statement of comprehensive income on a straight-line basis over the term of the lease.

The group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 January 2014) to continue to be charged over the shorter period to the first market rent review rather than the term of lease.

For leases entered into on or after 1 January 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to the consolidated statement of comprehensive income over the term of the lease.

Where the group has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from wear and tear, the provision is accrued as the wear and tear occurs.

2.8 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are seperately identifiable cash flows (CGU's). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.9 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each year end, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the consolidated statement of comprehensive income.

Work in progress includes third-party billable costs incurred on client work that have not been recharged to clients at the year end or deferred costs relating to projects where the work is recognised in future periods in line with the group's revenue recognition policy.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than one business day. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.11 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to and from related parties and accrued expenses.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the year end.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

2.12 Employee share ownership trust (ESOT)

The cost of the group's shares held by the ESOT is deducted from equity in the consolidated statement of financial position. Any cash received on disposal of the shares it holds is also recognised directly in equity. Other assets and liabilities of the ESOT (including borrowings) are recognised as assets and liabilities of the group.

2.13 Foreign currency translation

Functional and presentational currency

The group's functional and presentational currency is pounds sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within administrative expenses.

On consolidation, the results of overseas operations are translated into the functional currency at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.14 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

2.16 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in other creditors as a liability in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the year end, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the year end.

2.18 Share-based payments

Some subsidiaries within the group operate Phantom Share Incentive Plans. Under the plans, certain employees are entitled to a capital entitlement on the sale or listing of the group's parent entity, Writtle Holdings Limited, or the group company in which the incentive plan was issued. The capital entitlement payment will be cash settled based on the increase in market value of the group company over the initial valuation in each employee's agreement. The fair value of the capital entitlement has been valued using the binomial valuation model, with any changes in fair value recognised in the consolidated statement of comprehensive income for the period.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgments:

- Determining whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determining whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determining the most appropriate valuation method in ascertaining the fair value of the share options.
- Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Determining the stage of completion in respect of ongoing services. Factors considered include milestone achievements and level of staff time incurred per project as a proportion of the total expected time.

4. Turnover

Analysis of turnover by country of destination:

	2018 £000	2017 £000
United Kingdom	58,782	53,483
Rest of the world	12,140	12,338
	70,922	65,821

£23,940,000 (2017: £20,038,000) of turnover during the year related to the provision of goods and £46,982,000 (2017: £45,783,000) of turnover during the year related to the provision of services.

5. Operating profit

The operating profit is stated after charging/(crediting):

	2018 £000	2017 £000
Depreciation of tangible fixed assets	1,093	1,128
Amortisation of intangible assets	719	719
Exchange differences	(13)	21
Operating lease rentals	2,099	2,069
(Profit)/loss on sale of tangible fixed assets	(3)	78
Share-based payments credit	–	(189)

6. Business group analysis

	Innovation £000	Implementation £000	Instore £000	Group £000
For the year ended 31 December 2018				
Turnover	26,447	20,535	23,940	70,922
Headline operating profit	2,639	2,726	3,728	9,093
Central costs				(1,158)
Headline operating profit				7,935
Interest receivable and similar income				21
Headline profit before tax				7,956

	Innovation £000	Implementation £000	Instore £000	Group £000
For the year ended 31 December 2017				
Turnover	25,765	20,022	20,034	65,821
Headline operating profit	2,250	2,262	2,631	7,143
Central costs				(907)
Headline operating profit				6,236
Interest receivable and similar income				14
Headline profit before tax				6,250

Headline measures are defined as being before profit on sale of investments, exceptional items, amortisation and share-based payments.

Prior year figures have been restated to include WMHAdaptive work within the Implementation group.

7. Exceptional items

	2018 £000	2017 £000
Impairment of fixed asset investments	331	–
Warranty claim	177	–
Restructuring costs	–	245
	508	245

Exceptional items comprise the impairment of an unlisted investment and the cost of a warranty claim in relation to a historic business disposal. The prior year charge relates to the restructuring of certain operations in order to improve flexibility through a lower cost base.

8. Auditor's remuneration

	2018 £000	2017 £000
Fees payable to the group's auditor for the audit of the company's annual accounts	17	17
Fees payable to the group's auditor in respect of:		
– the auditing of group company's subsidiaries annual accounts	156	148
– taxation compliance services	45	43
– all other services	25	39
	226	230

9. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Wages and salaries	25,689	25,059	1,069	949
Social security costs	2,953	2,706	132	128
Defined contribution pension scheme	746	668	24	23
	29,388	28,433	1,225	1,100

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Directors of trading entities	44	46
Office and management	192	188
Production	351	349
	587	583

The average number of company employees, including the directors, during the year was nine (2017: nine), comprised of four directors (2017: four) and five senior management (2017: five).

10. Directors' remuneration

During the year retirement benefits were accruing to nine directors (2017: eight) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £356,000 (2017: £297,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,000 (2017: £12,000).

The highest paid director had options over 22,910 (2017: 21,000) shares.

During the year two (2017: five) directors exercised share options over 14,617 (2017: 54,575) shares with an exercise price of between £2.81 and £4.00 (2017: between £2 and £4) per share.

11. Interest receivable and similar income

	2018 £000	2017 £000
Bank interest receivable	21	14

12. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on profits for the year	1,486	1,146
Adjustments in respect of prior periods	13	(83)
Double taxation relief	–	(1)
Foreign tax on income for the year	–	3
Foreign tax in respect of prior perids	11	–
Total current tax	1,510	1,065
Deferred tax		
Origination and reversal of timing differences	14	3
Adjustment in respect of prior periods	–	(2)
Total deferred tax	14	1
Taxation on profit on ordinary activities	1,524	1,066

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.50%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	6,729	5,475
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.50%)	1,279	1,068
Effects of:		
Expenses not deductible for tax purposes	230	177
Fixed asset differences	30	32
Adjustments to tax charge in respect of prior periods	(15)	(83)
Non-taxable income	(15)	(38)
Other differences leading to an increase/(decrease) in the tax charge	15	(90)
Total tax charge for the year	1,524	1,066

Factors that may affect future tax charges

Deferred tax rate:

Deferred tax has been calculated at 17% which is the rate which has been enacted to apply from 1 April 2020.

13. Dividends

	2018 £000	2017 £000
Dividends paid on equity capital	1,135	966
Special dividends paid on equity capital	1,763	–
Dividends paid on equity capital	2,898	966

The directors are recommending a final dividend for 2018 of 12.00p per share (2017: 10.50p per share), making a total of 17.50p per share for the year (2017: 15.00p). Subject to shareholders' approval, the final dividend will be paid on 31 May 2019 to shareholders on the register on 28 March 2019. The dividends paid, as disclosed in the financial statements, are not inclusive of the final dividend for 2018.

In keeping with the directors' decision to distribute cash balances above £5m for which the company has no immediate investment or acquisition use, a special dividend of 25.00p per share was paid in the year and a further special dividend of 50.00p per share will be paid on 30 April 2019 to shareholders on the register at 28 March 2019, subject to shareholders' approval.

14. Intangible assets

	Goodwill £000
Group	
Cost	
At 1 January 2018	13,895
At 31 December 2018	13,895
Amortisation	
At 1 January 2018	4,246
Charge for the year	719
At 31 December 2018	4,965
Net book value	
At 31 December 2018	8,930
At 31 December 2017	9,649

15. Tangible fixed assets

	Land and buildings £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
Group				
Cost or valuation				
At 1 January 2018	3,905	2,966	4,557	11,428
Additions	311	313	308	932
Disposals	(444)	(49)	(925)	(1,418)
At 31 December 2018	3,772	3,230	3,940	10,942
Depreciation				
At 1 January 2018	1,755	1,676	3,878	7,309
Charge for the year	291	408	394	1,093
Disposals	(442)	(37)	(918)	(1,397)
At 31 December 2018	1,604	2,047	3,354	7,005
Net book value				
At 31 December 2018	2,168	1,183	586	3,937
At 31 December 2017	2,150	1,290	679	4,119

The net book value of land and buildings may be further analysed as follows:

	2018 £000	2017 £000
Freehold land and buildings	1,221	1,249
Leasehold improvements	947	901
	2,168	2,150

15. Tangible fixed assets continued

	Fixtures, fittings and equipment £000
Company	
Cost or valuation	
At 1 January 2018	15
Additions	3
At 31 December 2018	18
Depreciation	
At 1 January 2018	14
Charge for the year	1
At 31 December 2018	15
Net book value	
At 31 December 2018	3
At 31 December 2017	1

16. Fixed asset investments

	Unlisted investments £000
Group	
Cost or valuation	
At 1 January 2018	551
Impairment	(331)
At 31 December 2018	220
Net book value	
At 31 December 2018	220
At 31 December 2017	551

	Investments in subsidiary companies £000	Unlisted investments £000	Total £000
Company			
Cost or valuation			
At 1 January 2018	16,213	53	16,266
At 31 December 2018	16,213	53	16,266
Impairment			
At 1 January 2018	1,955	–	1,955
Impairment	–	32	32
At 31 December 2018	1,955	32	1,987
Net book value			
At 31 December 2018	14,258	21	14,279
At 31 December 2017	14,258	53	14,311

17. Stocks

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Raw materials	1,097	862	–	–
Work in progress	1,086	659	–	–
Finished goods and goods for resale	349	175	–	–
	2,532	1,696	–	–

18. Debtors

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Due after more than one year				
Other debtors	4	4	–	–
Due within one year				
Trade debtors	15,349	15,072	–	4
Amounts owed by group undertakings	–	–	3,949	4,383
Other debtors	497	601	80	87
Prepayments and accrued income	2,512	2,886	161	21
Deferred taxation	418	435	–	–
	18,780	18,998	4,190	4,495

Included within trade debtors is a provision for bad debts of £50,000 (2017: £70,000).
See note 21 for further details on deferred tax.

19. Creditors: Amounts falling due within one year

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Trade creditors	4,361	4,682	127	16
Amounts owed to group undertakings	–	–	3,710	1,506
Corporation tax	905	693	–	35
Other taxation and social security	2,838	3,015	286	276
Other creditors	288	647	47	33
Accruals and deferred income	6,327	6,427	431	437
	14,719	15,464	4,601	2,303

20. Financial instruments

	Group 2018 £000	Group 2017 £000
Financial assets		
Financial assets measured at fair value through profit or loss	220	551
Financial assets that are debt instruments measured at amortised cost	29,216	26,549
	29,436	27,100
Financial liabilities		
Financial liabilities measured at amortised cost	10,976	11,756

Financial assets measured at fair value through profit or loss comprise unlisted investments.

Financial assets that are debt instruments measured at amortised cost comprise cash and cash equivalents, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals and deferred income.

21. Deferred taxation

	2018 £000	2017 £000
Group		
At beginning of year	364	365
Charged to the consolidated statement of comprehensive income	(13)	(1)
At end of year	351	364

The deferred tax balance is made up as follows:

	Group 2018 £000	Group 2017 £000
Accelerated capital allowances	232	238
Tax losses carried forward	100	108
Short-term timing differences	19	18
	351	364
Comprising:		
Asset – due within one year (note 18)	418	435
Liability	(67)	(71)
	351	364

22. Provisions

	Provision for dilapidations £000
At 1 January 2018	85
At 31 December 2018	85

23. Share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
7,346,614 (2017: 7,326,247) Ordinary shares of £1 each	7,347	7,326

During the year 20,367 Ordinary shares of £1 each were allotted, called up and fully paid in cash at between £2.81 and £4.00 per share. These share issues resulted in an increase to share capital of £20,367 and an increase to the share premium reserve of £52,632.

The company introduced a share option plan (CSOP) in 2010. Grant dates and exercise prices are listed in the table below. All options are for Ordinary shares and may be exercised after three years from date of grant, at a specified exit event or earlier at the discretion of the board. Options lapse on the tenth anniversary of the date of grant, on the option holder ceasing to be a director or employee, or at another specified event. Options are valued using the binomial option pricing model. At 31 December 2018, the company had options outstanding for subscription of 644,021 (2017: 587,240) Ordinary shares.

Details of outstanding options are as follows:

	Exercise price	Options outstanding at 31 Dec 2017	Awarded during the year	Exercised during the year	Lapsed during the year	Options outstanding at 31 Dec 2018
Grant Date						
October 2011	£2.00	15,000	–	–	–	15,000
October 2012	£2.81	47,114	–	7,117	–	39,997
December 2013	£4.00	99,250	–	5,750	5,000	88,500
January 2015	£4.00	10,000	–	–	–	10,000
November 2015	£4.00	135,000	–	7,500	5,000	122,500
November 2016	£4.00	137,500	–	–	5,000	132,500
December 2017	£4.25	143,376	–	–	2,352	141,024
November 2018	£4.50	–	94,500	–	–	94,500
		587,240	94,500	20,367	17,352	644,021

24. Employee share ownership trust

The Writtle Holdings Limited Employee Share Ownership Trust (ESOT) provides benefits to employees, primarily by acquiring shares that are made available to employees in satisfaction of share option schemes. Writtle Holdings Limited provides interest free funding to the ESOT for share purchases and pays all administrative costs of the ESOT. At 31 December 2018 the ESOT owned 286,572 (2017: 208,159) Ordinary shares in Writtle Holdings Limited, all of which the ESOT has agreed to make available in satisfaction of share options granted to employees.

The value of the ESOT reserve at the year end was £1,191,500 (2017: £836,866).

25. Reserves

Share premium account

The share premium account comprises the amount subscribed for share capital in excess of nominal value.

Other reserves

Other reserves consist of an Employee Share Ownership Trust (ESOT) which provides for the issue of shares to group employees under share option schemes, and a merger reserve, being the difference between the nominal value of new shares issued by the parent company for the acquisition of the shares of a subsidiary and the subsidiary's own share capital and share premium account.

Profit and loss account

The profit and loss account comprises all other net gains and losses and transactions with owners not recognised elsewhere.

26. Contingent liabilities

A joint overdraft facility with a right of offset exists between certain companies within the group and this is reported net of credit balances.

27. Share-based payments

The income recognised in the financial statements in the year is £nil (2017: £189,000) and the liability at the end of the year, as determined by the binomial model, is £nil (2017: £nil).

No share-based payment credit arose from the waiving of certain phantom shares as part of the restructuring of management incentives (2017: £189,000).

At 31 December 2018, the following Phantom Share Incentive Plan award was in operation:

	Phantom share %	Initial valuation £000
Beyond Communications Limited	2.00%	1,639

28. Pension commitments

The group operates defined contributions pension schemes and contributes to certain employees' SIPPs. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £746,000 (2017: £668,000). Contributions totalling £103,000 (2017: £85,000) were payable to the funds at the year end and are included in creditors.

29. Commitments under operating leases

At 31 December 2018 the group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £000	Group 2017 £000
Within one year	1,762	2,051
Between two and five years	3,534	3,494
After more than five years	1,873	1,422
Total	7,169	6,967

30. Post balance sheet events

On 8 April 2019, Magnet Harlequin Holdings Limited, a subsidiary company, acquired 60% of the share capital of Ingleby (1884) Limited and its subsidiaries Showcard Print Limited and Showcard Print Services Limited.

31. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

Directors R T T Essex, A Lucas, N Stern, A Sutcliffe and R Williams are beneficiaries of SIPP arrangements that jointly own property rented to companies in the group. Rent of £431,000 (2017: £431,000) was paid by the group to these SIPPs.

The total remuneration paid to key management personnel during the year was £1,988,000 (2017: £1,532,000).

The directors received dividends in aggregate on the same terms as other shareholders of £771,000 (2017: £271,000).

At the year end, the company had balances outstanding from/(to) fellow members of the Writtle Holdings Limited group as follows:

	2018 £000	2017 £000
20/20 Limited	8	26
Beyond Communications Limited	5	4
Epoch Design Limited	65	38
Identica Limited	3	1
Maglabs Limited	4	4
Magnet Harlequin Limited	34	52
Seymour Powell Limited	14	461
Technik Limited	8	26
The Team Brand Communication Consultants Limited	26	212
Williams Murray Hamm Limited	745	862

During the year, the company had the following purchase/(sale) transactions with fellow members of the Writtle Holdings Limited group:

	2018 £000	2017 £000
20/20 Limited	(102)	(96)
20/20 Limited	18	17
Beyond Communications Limited	(78)	(72)
Beyond Communications Limited	6	9
Epoch Design Limited	(232)	(170)
Identica Limited	(62)	(23)
Identica Limited	–	1
Maglabs Limited	(95)	(101)
Magnet Harlequin Limited	(255)	(225)
Magnet Harlequin Limited	5	4
Seymour Powell Limited	(250)	(261)
Technik Limited	(84)	(79)
Technik Limited	–	–
The Team Brand Communication Consultants Limited	(291)	(293)
The Team Brand Communication Consultants Limited	101	84
Williams Murray Hamm Limited	(138)	(132)
Williams Murray Hamm Limited	11	–

32. Controlling party

Writtle Holdings Limited is the largest and smallest group for which group accounts are prepared. The company is registered at 30 Park Street, London, SE1 9EQ.

The directors consider that the company has no individual controlling party.

33. Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Holding	Principal activity
20/20 Limited (W)	United Kingdom	74.24%	Design and strategy consultants
Arken POP International Limited (W)	United Kingdom	100.00%	Manufacturing of point-of-sale and graphic display stands
Beyond Communications Limited (W)	United Kingdom	76.58%	Branding and design agency
Bosham Holdings Limited (A)	United Kingdom	100.00%	Holding company
Branded Inc (G)	USA	100.00%	Design, creative services and digital pre-press
Epoch Design Limited (B)	United Kingdom	87.50%	Point of sale experts and brand designers
Identica Limited (F)	United Kingdom	100.00%	Strategic brand and design consultancy
Loewy Group Limited (W)	United Kingdom	100.00%	Holding company
Maglabs (Holdings) Limited (D)	United Kingdom	77.78%	Holding company
Maglabs Limited (E)	United Kingdom	100.00%	Consultancy, technology and managed services throughout the marketing process
Magnet Harlequin Asia Limited (A)	Hong Kong	100.00%	Creative services and digital pre-press
Magnet Harlequin Holdings Limited (W)	United Kingdom	90.53%	Holding company
Magnet Harlequin Limited (D)	United Kingdom	100.00%	Creative services and digital pre-press
Seymour Powell Limited (B)	United Kingdom	84.38%	Design and innovation consultancy
Technik Limited (C)	United Kingdom	100.00%	Creative and packaging management services
The Team Brand Communication Consultants Limited (B)	United Kingdom	75.50%	Through-the-line communications consultancy
Williams Murray Hamm Limited (D)	United Kingdom	81.97%	Design and new product development consultants
Williams Murray Hamm Inc (F)	USA	100.00%	Design and new product development consultants
Writtle Ltd (W)	United Kingdom	100.00%	Holding company
Writtle Property Limited (W)	United Kingdom	100.00%	Property investment

The above percentage is the shareholding being held through:

(A) Magnet Harlequin Limited
(B) Loewy Group Limited
(C) Bosham Holdings Limited
(D) Magnet Harlequin Holdings Limited
(E) Maglabs (Holdings) Limited
(F) Williams Murray Hamm Limited
(G) Williams Murray Hamm Limited and Magnet Harlequin Limited jointly
(W) Writtle Holdings Limited

33. Subsidiary undertakings continued

All subsidiary undertakings have the same year end as Writtle Holdings Limited, are included in the consolidation and are holdings of ordinary shares. The companies listed above include all those which materially affect the amount of profit and the assets of the group.

The following subsidiaries are registered in the United Kingdom, 100% owned dormant companies: Branded Limited, Connect Print Limited; Loewy Limited; Radius London Limited; Raymond Loewy Limited.

The following subsidiaries share the same registered office as Writtle Holdings Limited which is shown on the company information page: Arken POP International Limited; Beyond Communications Limited; Epoch Design Limited; Identica Limited; Loewy Group Limited; Maglabs (Holdings) Limited; Maglabs Limited; Seymour Powell Limited; The Team Brand Communication Consultants Limited; Williams Murray Hamm Limited; Writtle Limited; Writtle Property Limited; Connect Print Ltd; Radius London Limited; Loewy Limited; Branded Limited; Raymond Loewy Limited.

The registed office of Bosham Holdings Limited, Technik Limited, Magnet Harlequin (Holdings) Limited and Magnet Harlequin Limited is Unit F Tomo Estate, Packet Boat Lane, Uxbridge, Middlesex, UB8 2JP.

The registered office of 20.20 Limited is 20-23 Mandela Street, London, NW1 0DU.

The registered office of Magnet Harlequin Asia Limited is Units C & D, 11F, Block 1, Camelpaint Building, 62 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong.

The registered office of Williams Murray Hamm Inc is 70 West Madison Street, Suite 5750, Chicago, IL 60602.

The registered office of Branded Inc is 251 Little Falls Drive, Wilmington, DE 19808.

COMPANY INFORMATION

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R T T Essex

M J Gilmore

G R Harris

A W Lucas

K MacKenzie

D H Powell

T E Scutt

N D Stern

A Sutcliffe

A Wright

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M J Gilmore

Company number

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