



WHO WE ARE

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

KEY FINANCIAL INFORMATION

TURNOVER

£34.36m

(2018: £35.36m)

HEADLINE PROFIT BEFORE TAX*

£2.37m

(2018: £4.16m)

PROFIT BEFORE TAX

£1.41m

(2018: £3.22m)

NET CASH

£4.72m

(2018: £9.72m)

INTERIM DIVIDEND PER SHARE

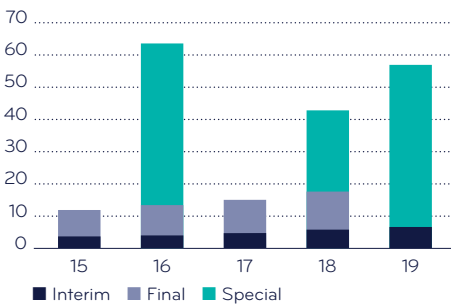
6.25p

(2018: 5.50p)

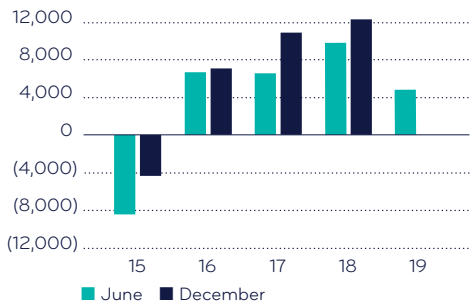
* Headline measures are defined as being before profit on sale of investments, exceptional items, amortisation and share-based payments.

Comparatives are with 30 June 2018.

DIVIDEND PER SHARE (PENCE)



NET CASH (£000)



CHAIRMAN'S STATEMENT

The first half of the year saw a slowdown due to client caution in the face of economic and political uncertainty, but performance was satisfactory nonetheless.

The highlights of the period were the acquisition of Showcard Print Limited (Showcard) on 8 April 2019 and the establishment of our US business, Branded Inc, both of which are expected to accelerate the growth of our Implementation business, Branded.

RESULTS AND DIVIDENDS

Turnover was £34.36m (2018: £35.36m) and headline profit before tax was £2.37m (2018: £4.16m). Profit before tax was £1.41m (2018: £3.22m).

Exceptional costs of £0.49m (2018: £0.58m) largely relate to the substantial restructuring and reorganisation of Showcard which had been lossmaking prior to acquisition.

Net cash balances at 30 June 2019 were £4.72m (2018: £9.72m), after payment of £4.38m in special and ordinary dividends to shareholders and costs of completing the acquisition of Showcard in the period.

An interim dividend of 6.25p (2018: 5.5p) will be paid on 31 October 2019 to shareholders on the register on 11 September 2019.

REVIEW OF TRADING

The performance of our three trading groups is shown on page 9 of this report.

Our **Innovation** businesses felt the effects of clients holding back projects most, especially in the first quarter, and profits were reduced accordingly. Countering this overall trend, Epoch and Seymourpowell have again performed well. Elsewhere, we have realigned overhead costs to revenue expectations in agencies where we see a more permanent revenue decline, such as those dependent on high street retailers, and we expect a significant improvement in profitability for the Innovation businesses over the second half.

Turnover in our **Implementation** businesses, trading as **Branded**, increased by £2.4m having benefitted from twelve weeks of contribution from Showcard and the first revenues from our new US operations.

This offset a decline in turnover from our existing businesses, more as a result of lower revenues from two of the larger clients than a general downturn and we are pleased to see revenue from one of these already recovering to prior year levels.

Overall, profit declined slightly over prior year as Showcard is not expected to return to consistent profitability until the final quarter of the year when its newly won clients' work will absorb spare capacity.

“Trading continues to improve as the year progresses, despite the continuing uncertainty in the UK's economic and political landscape.”

Our **Instore** business, Arken POP International, has performed strongly, although it was not expected to match the exceptional performance of 2018 when it completed a multi-year cosmetics roll-out for a high street retailer. Arken has retained its excellent reputation for creativity and flexibility in the resilient and fast-moving health and beauty market and is the supplier of choice for some of the fastest growing brands in that market.

CORPORATE ACTIVITY

The acquisition of Showcard was completed on 8 April 2019 and full financial details of the transaction will be disclosed in this year's annual report. With an annual turnover of £17m in 2018, Showcard was already a significant business pre-acquisition, but our new management team has plans to increase this substantially. The business had been lossmaking prior to acquisition and we have acted quickly to make necessary changes, resulting in the high level of exceptional charges expensed in this period. We are expecting the business to contribute to the group's profitability from the fourth quarter onwards. Showcard is typical of the size of business we are targeting for acquisition, but as ever, our exacting acquisition criteria must be met.

We launched a further share trading opportunity for shareholders in May 2019

but such was the demand for shares that buyers outweighed sellers by around ten to one. Rather than scale back applications we accommodated those shareholders wishing to sell by purchasing their shares into Writtle's Employee Share Ownership Trust, to the ultimate benefit of all employees and shareholders. We have explored ways to increase the shares available for buyers, but it is unlikely there will be a further opportunity before the next share trading window in May 2020.

CURRENT TRADING

Trading continues to improve as the year progresses, despite the continuing uncertainty in the UK's economic and political landscape.

The entrepreneurial culture within Writtle, derived not least from agency managements' shareholdings in their own businesses, means that management teams are quick to react to changing markets and adopt new technologies. This culture, allied to our latest acquisition and growing US presence, underpin our confidence for the rest of this year and the future.

Robert Essex

Chairman
11 September 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2019

	6 months to 30 June 2019 Unaudited £000	6 months to 30 June 2018 Unaudited £000	Year ended 31 December 2018 Audited £000
Turnover	34,365	35,358	70,922
Cost of sales	(12,265)	(12,650)	(26,290)
Gross profit	22,100	22,708	44,632
Administrative expenses	(20,652)	(19,497)	(37,924)
Operating profit	1,448	3,211	6,708
Operating profit before the items listed below	2,408	4,150	7,935
Exceptional items	(490)	(580)	(508)
Amortisation	(470)	(359)	(719)
Operating profit	1,448	3,211	6,708
Interest (payable)/receivable	(40)	9	21
Profit before tax	1,408	3,220	6,729
Tax on profit	(276)	(755)	(1,524)
Profit after tax	1,132	2,465	5,205
Non-controlling interests	(165)	(472)	(975)
Profit for the period	967	1,993	4,230

There were no recognised gains and losses other than those included in the Consolidated statement of comprehensive income.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	As at 30 June 2019 Unaudited £000	As at 30 June 2018 Unaudited £000	As at 31 December 2018 Audited £000
Fixed assets			
Intangible assets	9,319	9,289	8,930
Tangible assets	6,652	4,019	3,937
Investments	220	221	220
	16,191	13,529	13,087
Current assets			
Stocks	2,747	2,955	2,532
Debtors	21,205	22,281	18,780
Cash at bank and in hand	7,738	9,719	12,236
	31,690	34,955	33,548
Creditors: Amounts falling due within one year	(18,508)	(17,004)	(14,719)
Net current assets	13,182	17,951	18,829
Total assets less current liabilities	29,373	31,480	31,916
Creditors: Amounts falling due after more than one year	(806)	-	-
Provisions for liabilities			
Deferred taxation	(67)	(71)	(67)
Other provisions	(85)	(85)	(85)
Net assets	28,415	31,324	31,764
Capital and reserves			
Called-up share capital	7,380	7,339	7,347
Share premium account	7,135	7,014	7,037
Other reserves	(1,259)	(1,101)	(1,102)
Retained earnings	12,552	15,871	15,970
Equity attributable to owners of the parent company	25,808	29,123	29,252
Non-controlling interests	2,607	2,201	2,512
	28,415	31,324	31,764

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2019

	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
Profit for the period	-	-	-	1,993	1,993	472	2,465
Total comprehensive income for the period	-	-	-	1,993	1,993	472	2,465
Contributions by and distributions to owners							
Dividends	-	-	-	(747)	(747)	(227)	(974)
Shares issued during the period	13	30	-	-	43	-	43
Other movements	-	-	(354)	-	(354)	(121)	(475)
Total contributions by and distributions to owners	13	30	(354)	(747)	(1,058)	(348)	(1,406)
At 30 June 2018	7,339	7,014	(1,101)	15,871	29,123	2,201	31,324
Profit for the period	-	-	-	2,237	2,237	503	2,740
Total comprehensive income for the period	-	-	-	2,237	2,237	503	2,740
Contributions by and distributions to owners							
Dividends	-	-	-	(2,151)	(2,151)	(218)	(2,369)
Shares issued during the period	8	23	-	-	31	-	31
Other movements	-	-	(1)	13	12	26	38
Total contributions by and distributions to owners	8	23	(1)	(2,138)	(2,108)	(192)	(2,300)
At 31 December 2018	7,347	7,037	(1,102)	15,970	29,252	2,512	31,764
Profit for the period	-	-	-	967	967	165	1,132
Total comprehensive income for the period	-	-	-	967	967	165	1,132
Contributions by and distributions to owners							
Dividends	-	-	-	(4,385)	(4,385)	(446)	(4,831)
Shares issued during the period	33	98	-	-	131	-	131
Other movements	-	-	(157)	-	(157)	376	219
Total contributions by and distributions to owners	33	98	(157)	(4,385)	(4,411)	(70)	(4,481)
At 30 June 2019	7,380	7,135	(1,259)	12,552	25,808	2,607	28,415

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2019

	6 months to 30 June 2019 Unaudited £000	6 months to 30 June 2018 Unaudited £000	Year ended 31 December 2018 Audited £000
Cash flows from operating activities			
Profit for the period	1,132	2,465	5,205
Adjustments for:			
Amortisation of intangible fixed assets	470	359	719
Depreciation of tangible fixed assets	679	530	1,093
Impairment of unlisted investments	-	330	331
Profit on disposal of tangible fixed assets	-	(3)	(3)
Increase in stocks	(186)	(1,259)	(836)
Interest paid/(received)	40	(9)	(21)
Corporation tax charge	276	755	1,524
Decrease/(increase) in debtors	2,759	(3,253)	201
(Decrease)/increase in creditors	(3,125)	1,301	(944)
Corporation tax paid	(418)	(549)	(1,298)
Net cash generated from operating activities	1,627	667	5,971
Cash flows from investing activities			
Purchase of tangible fixed assets	(516)	(434)	(932)
Sale of tangible fixed assets	-	8	24
Purchase of subsidiaries	(101)	-	-
Purchase of additional equity in subsidiaries	(174)	-	(95)
Cash acquired with subsidiaries	126	-	-
Net cash used in investing activities	(665)	(426)	(1,003)
Cash flows from financing activities			
Issue of ordinary shares	131	43	73
Issue of shares by subsidiaries	757	-	-
Repayment of loans	(846)	-	-
Repayment of finance leases	(45)	-	-
Movement on invoice discounting	(429)	-	-
Equity dividends paid	(4,385)	(747)	(2,898)
Interest (paid)/received	(40)	9	21
Dividends paid to non-controlling interests	(446)	(348)	(445)
Purchase of shares by ESOT	(157)	(354)	(355)
Net cash (used in)/generated from financing activities	(5,460)	(1,397)	(3,604)
Net (decrease)/increase in cash and cash equivalents	(4,498)	(1,156)	1,364
Exchange differences on translation of foreign subsidiaries	-	3	-
Cash and cash equivalents at beginning of period	12,236	10,872	10,872
Cash and cash equivalents at end of period	7,738	9,719	12,236
Cash at bank and in hand	7,738	9,719	12,236

ANALYSIS OF NET CASH/(DEBT)

AS AT 30 JUNE 2019

	As at 30 June 2019 Unaudited £000	As at 30 June 2018 Unaudited £000	As at 31 December 2018 Audited £000
Cash at bank and in hand	7,738	9,719	12,236
Debt:			
Finance leases	(754)	-	-
Debts due within one year	(2,031)	-	-
Debts falling due after more than one year	(235)	-	-
Net cash/(debt)	4,718	9,719	12,236

BUSINESS GROUP ANALYSIS

FOR THE SIX MONTHS ENDED 30 JUNE 2019

	Innovation £000	Implementation £000	Instore £000	Group £000
For the six months ended 30 June 2019				
Turnover	12,434	12,835	9,096	34,365
Headline business group operating profit	599	1,112	1,102	2,813
Central costs				(405)
Headline operating profit				2,408
Interest payable				(40)
Headline profit before tax				2,368
For the six months ended 30 June 2018				
Turnover	13,808	10,425	11,125	35,358
Headline business group operating profit	1,733	1,324	1,498	4,555
Central costs				(405)
Headline operating profit				4,150
Interest receivable				9
Headline profit before tax				4,159
For the year ended 31 December 2018				
Turnover	26,447	20,535	23,940	70,922
Headline business group operating profit	2,639	2,726	3,728	9,093
Central costs				(1,158)
Headline operating profit				7,935
Interest receivable				21
Headline profit before tax				7,956

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.

OUR INNOVATION COMPANIES

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

seymourpowell

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

www.seymourpowell.com



Continuing our long standing partnership with Virgin Galactic. *"Seymour Powell, a highly regarded product design agency is helping our own design team put some of the finishing, magical touches to our spaceship's cabin."*

Richard Branson



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

www.20.20.co.uk



After the creation of the ODEON Luxe brand in 2018, 20.20 designed all the public spaces for the brand's jewel in the crown – ODEON Leicester Square

Beyond
LONDON

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

www.beyondlondon.com



GHD commissioned Beyond to create a unique environment that provides a playground for customers to interact with their product range.

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

Shepherd Neame: Spitfire
Reinvigorating the spirit behind the brand.





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

www.epochdesign.co.uk



This is Silvo.
He's complex, opinionated and intriguing.
And he informs everything we do. Because
he's a consumer and understanding his needs,
desires and motivations enables Epoch Design
to unlock commercial and creative success for
the biggest FMCG brands in the world.

theTeam.

The Team is a strategy and design specialist that delivers change through brand clarity and inspiring creativity.

www.theteam.co.uk



The Team have created a refreshed brand identity for Bovis Homes including the hummingbird icon to demonstrate the change and progress of the business.

Williams Murray Hamm

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

www.wmhagency.com



A global campaign for craft jeweller, Hirsh, repositioning them as a quintessential British luxury brand.

OUR IMPLEMENTATION COMPANIES

Branded is group of agencies, comprising Branded Inc, Maglabs, Magnet Harlequin, Magnet Harlequin Asia, Showcard, Technik and WMHAdaptive.



Branded (formerly known as Magnet Harlequin Group), was launched in April 2019.

Clients can choose the services they need from any given mix of Branded's strategic, creative and production specialists, providing a team that is shaped to their requirements. The group's agencies are working closely together for a number of clients who are seeing the benefits in quality, speed and cost effectiveness.

www.branded-agency.com

BRANDED INC

Branded Inc is a US-based strategic and creative packaging business.
www.branded-agency.com



New soda relaunch for Southeastern Grocers which included strategy, design, activation, artwork and compliance.

[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



Providing photography and post production to Just Eat, the UK's fastest growing online food order and delivery service.

[magnet harlequin asia]

Magnet Harlequin Asia, based in Hong Kong, provides cross-media creative production, photography, packaging management, print and compliance services.
www.magharl.co.uk



Supporting Kingfisher in-region with packaging management, production and compliance services.



Showcard are designers and manufacturers of large format in-store marketing collateral and temporary point-of-sale displays.

www.showcardprint.com

Supporting the release of Universal Picture's *Downton Abbey* with the production of very large format character banners for cinemas in 47 countries.





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

www.maglabs.net



Creation of a new e-commerce site designed as a simplified, intuitive user experience with secure payment for Jenks Brands.



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

www.technik.com



Recent work for Morrisons across several high profile ranges including vegan, vegetarian and healthy products.

*WMH*Adaptive

WMHAdaptive.

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

www.wmhagency.com

Check before you travel

From museum tours to mountain walks,
we're keeping the country connected



A nationwide consumer campaign helping rail-users plan their journeys while keeping them informed of all the work Network Rail carries out.

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

Instore Theatre
concepts designed
and produced for
Benefit.



COMPANY INFORMATION

Directors

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

Company number

05226380

Registered office

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SE1 9EQ

Independent auditor

BDO LLP
55 Baker Street
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W1U 7EU

Company secretary

M J Gilmore

A large teal gradient shape that starts as a light blue at the top and transitions to a darker teal at the bottom, occupying the lower right portion of the page.

Design and production
the Team
theteam.co.uk
Print production
Branded
branded-agency.com

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