

WRITTLE HOLDINGS LIMITED

INTERIM REPORT 2024



WRITTLE

CHAIRMAN'S STATEMENT

I am pleased to report on our performance for the first half of the year.

Overall, it was a better trading period than in the prior year, with increases in both turnover and profit. However, the outcome masks fluctuations in performance within our business groups, with poor trading at Seymourpowell and Fero being offset by strong results from Epoch and Arken. The review of trading below presents the performances of our business groups, all of which were profitable.

RESULTS AND DIVIDENDS

Turnover increased to £37.31m (2023: £34.23m) and headline profit before tax rose to £1.41m (2023: £0.80m). Exceptional costs of £0.44m and goodwill amortisation of £0.35m reduced profit before tax to £0.57m (2023: £0.08m). Net cash at 30 June 2024 was £4.95m (2023: £6.21m)

With improved trading and strong cash balances, an increased interim dividend of 8.00p (2023: 7.00p) per share will be paid on 25 October 2024 to shareholders on the register at 12 September 2024.

REVIEW OF TRADING

The performance of our three business groups is shown on page 8 of this report.

Unusually, our **Innovation** businesses were the weakest contributors to group profit. Seymourpowell lost a major revenue stream from a client at the end of last year, and most of its first half was spent restructuring operations. This process is now complete and monthly profitability has been resumed. Epoch and The Team both performed admirably but could not fully offset the revenue decline at Seymourpowell so overall turnover in this business group fell by 16% and profits reduced by £0.78m.

Our **Implementation** business, BRANDED, enjoyed a good first half with turnover increasing by 13% and profit almost doubling from the prior year. The US operation is now firmly established with a growing client base and has recruited a US-based creative director to meet the rising demand. BRANDED also achieved B Corp Certification across its businesses, capping an excellent six months.

Our **Instore** businesses saw a big improvement over prior year, with turnover up 25% and profitability restored after last year's first half losses. The upturn was driven by an outstanding performance by Arken which continued its upward momentum from the second half of last year. Several of its clients initiated major projects in the UK and Continental Europe. Fero faced a more challenging first half as it worked to replace turnover from its prior year client loss. I am pleased to report that Fero's efforts have been rewarded with significant revenue streams secured from three new clients. Prospects for Instore in the second half are good.

CORPORATE ACTIVITY

Opportunities continue to present themselves and we engaged in detailed discussions with two potential acquisitions in the first half. While there is still some way to go, discussions are ongoing and we hope to be able to report a successful outcome.

CURRENT TRADING

Our traditionally stronger second half has started well. We remain cautious in the face of political and economic uncertainty but expect to deliver another satisfactory year.

Robert Essex

Chairman

12 September 2024



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2024

	6 months to 30 June 2024 Unaudited £000	6 months to 30 June 2023 Unaudited £000	Year ended 31 December 2023 Audited £000
Turnover	37,308	34,227	73,456
Cost of sales	(16,671)	(14,587)	(33,164)
Gross profit	20,637	19,640	40,292
Administrative expenses	(20,099)	(19,616)	(38,698)
Operating profit	538	24	1,594
Operating profit before the items listed below	1,377	745	3,391
Exceptional items	(436)	(328)	(994)
Share-based payment charge	(51)	(41)	(99)
Goodwill amortisation	(352)	(352)	(704)
Operating profit	538	24	1,594
Net interest receivable	29	54	110
Profit before taxation	567	78	1,704
Tax on profit	(429)	16	(646)
Profit after taxation	138	94	1,058
Non-controlling interests	(6)	(121)	(371)
Profit for the period	132	(27)	687

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2024

	As at 30 June 2024 Unaudited £000	As at 30 June 2023 Unaudited £000	As at 31 December 2023 Audited £000
Fixed assets			
Intangible assets	4,870	5,829	5,236
Tangible assets	6,180	6,499	6,592
	11,050	12,328	11,828
Current assets			
Stocks	4,061	2,842	1,818
Debtors	21,396	18,576	18,933
Cash and cash equivalents	6,711	6,636	6,942
	32,168	28,054	27,693
Creditors: Amounts falling due within one year	(20,697)	(14,949)	(15,916)
Net current assets	11,471	13,105	11,777
Total assets less current liabilities	22,521	25,433	23,605
Creditors: Amounts falling due after more than one year	(188)	(255)	(166)
Provisions for liabilities			
Deferred tax	(47)	(53)	(48)
Other provisions	(651)	(765)	(651)
Net assets	21,635	24,360	22,740
Capital and reserves			
Share capital	7,440	7,923	7,417
Share premium account	9,293	9,194	9,222
Other reserves	(228)	(965)	(279)
Retained earnings	2,657	5,141	3,127
Equity attributable to owners of the parent company	19,162	21,293	19,487
Non-controlling interests	2,473	3,067	3,253
	21,635	24,360	22,740

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

as at 30 June 2024

	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 2023	7,873	9,024	(893)	7,482	23,486	3,656	27,142
Profit for the period	-	-	-	(27)	(27)	121	94
Other comprehensive income	-	-	-	(39)	(39)	-	(39)
Total comprehensive income for the period	-	-	-	(66)	(66)	121	55
Contributions by and distributions to owners							
Dividends	-	-	-	(2,937)	(2,937)	(345)	(3,282)
Shares issued during the period	50	170	-	-	220	-	220
Other movements	-	-	(72)	662	590	(365)	225
Total contributions by and distributions to owners	50	170	(72)	(2,275)	(2,127)	(710)	(2,837)
At 30 June 2023	7,923	9,194	(965)	5,141	21,293	3,067	24,360
Profit for the period	-	-	-	714	714	250	964
Other comprehensive income	-	-	-	(25)	(25)	-	(25)
Total comprehensive income for the period	-	-	-	689	689	250	939
Contributions by and distributions to owners							
Dividends	-	-	-	(530)	(530)	(61)	(591)
Shares issued during the period	9	28	-	-	37	-	37
Shares repurchased during the period	(515)	-	515	(2,060)	(2,060)	-	(2,060)
Other movements	-	-	171	(113)	58	(3)	55
Total contributions by and distributions to owners	(506)	28	686	(2,703)	(2,495)	(64)	(2,559)
At 31 December 2023	7,417	9,222	(279)	3,127	19,487	3,253	22,740
Profit for the period	-	-	-	132	132	6	138
Other comprehensive income	-	-	-	4	4	(1)	3
Total comprehensive income for the period	-	-	-	136	136	5	141
Contributions by and distributions to owners							
Dividends	-	-	-	(1,058)	(1,058)	(167)	(1,225)
Shares issued during the period	23	71	-	-	94	-	94
Other movements	-	-	51	452	503	(618)	(115)
Total contributions by and distributions to owners	23	71	51	(606)	(461)	(785)	(1,246)
At 30 June 2024	7,440	9,293	(228)	2,657	19,162	2,473	21,635

CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2024

	6 months to 30 June 2024 Unaudited £000	6 months to 30 June 2023 Unaudited £000	Year ended 31 December 2023 Audited £000
Cash flows from operating activities			
Profit for the period	138	94	1,058
Adjustments for:			
Amortisation of goodwill	352	352	704
Amortisation and impairment of software development	31	83	365
Depreciation of tangible fixed assets	836	633	1,399
Share-based payment charge	51	41	99
Profit on disposal of tangible fixed assets	-	(1)	(4)
(Increase)/decrease in stocks	(2,242)	(957)	68
Net interest received	(29)	(54)	(110)
Corporation tax charge/(credit)	429	(16)	646
(Increase)/decrease in debtors	(2,417)	994	527
Increase/(decrease) in creditors	3,011	(1,664)	(885)
Corporation tax (paid)/received	(102)	36	(452)
Net cash generated from/(used in) operating activities	58	(459)	3,415
Cash flows from investing activities			
Purchase of tangible fixed assets	(420)	(2,517)	(3,454)
Investment in software development	(17)	(2)	(43)
Sale of tangible fixed assets	-	53	134
(Purchase)/sale of equity in subsidiaries	(173)	195	195
Net cash used in investing activities	(610)	(2,271)	(3,168)
Cash flows from financing activities			
Issue of ordinary shares	94	220	257
Movement on invoice financing	1,338	-	-
New finance lease	181	315	314
Repayment of finance leases	(99)	(137)	(220)
Equity dividends paid	(1,058)	(2,937)	(3,467)
Net interest received	29	54	110
Dividends paid to non-controlling interests	(167)	(345)	(406)
Repurchase of own shares	-	-	(2,060)
Net cash generated from/(used in) financing activities	318	(2,830)	(5,472)
Net decrease in cash and cash equivalents	(234)	(5,560)	(5,225)
Effect of exchange rate fluctuations on cash held	3	(7)	(36)
Cash and cash equivalents at beginning of period	6,942	12,203	12,203
Cash and cash equivalents at the end of period	6,711	6,636	6,942
Cash and cash equivalents	6,711	6,636	6,942

ANALYSIS OF NET CASH/(DEBT)

as at 30 June 2024

	As at 30 June 2024 Unaudited £000	As at 30 June 2023 Unaudited £000	As at 31 December 2023 Audited £000
Cash at bank and in hand	6,711	6,636	6,942
Debt:			
Finance leases	(422)	(424)	(340)
Debts due within one year	(1,338)	-	-
Net cash	4,951	6,212	6,602

BUSINESS GROUP ANALYSIS

for the six months ended 30 June 2024

	Innovation £000	Implementation £000	Instore £000	Group £000
For the six months ended 30 June 2024				
Turnover	8,569	11,200	17,539	37,308
Headline business group operating profit	463	935	547	1,945
Central costs				(568)
Headline operating profit				1,377
Net interest receivable				29
Headline profit before tax				1,406

	Innovation £000	Implementation £000	Instore £000	Group £000
For the six months ended 30 June 2023				
Turnover	10,250	9,897	14,080	34,227
Headline business group operating profit/(loss)	1,244	525	(472)	1,297
Central costs				(552)
Headline operating profit				745
Net interest receivable				54
Headline profit before tax				799

	Innovation £000	Implementation £000	Instore £000	Group £000
For the year ended 31 December 2023				
Turnover	19,387	22,067	32,002	73,456
Headline business group operating profit	1,924	1,546	1,018	4,488
Central costs				(1,097)
Headline operating profit				3,391
Net interest receivable				110
Headline profit before tax				3,501

Headline measures are defined as being before sale of investments, exceptional items, share-based payment charges and amortisation.

COMPANY INFORMATION

Directors

R T T Essex

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G R Harris

D H Powell

R G Saysell

T E Scutt

A Sutcliffe

A Wright

Company secretary

M J Gilmore

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