

for a
partner
sustainable
powered
future

Annual Report 2020

emperor



Hello

01 Welcome to Emperor's first annual report.
After 25 years as an independent agency, this report is an important milestone in improving our corporate and financial transparency. Not least, because in January 2020 we became an employee owned business and our annual report acts as a contract of trust between Emperor and our stakeholders.

As one of the UK's leading strategic and creative communications agencies, we've applied our own principles for great communications.

Putting the us in business

You'll find all the information you'd expect on our business, strategy and performance, approach to responsible business and governance. However we've structured this in a way that allows us to bring our story to life through the eyes of our partners.

Dive into...



02



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We are Emperor

From 2

03

Over the past 25 years, Emperor has grown to become one of the UK's leading strategic and creative corporate communications agencies. As we enter a new era of employee ownership, driven by a creative culture and great work, we are excited for what the future holds.

Founded in 1996, we are experts in communication, specialising in corporate reporting, brand, employee engagement and sustainability across a range of channels.

From two men and an Apple Mac, we are now one of the UK's leading strategic and creative communications agencies with over 230 colleagues. We have achieved this through continuously developing and evolving our proposition, delivering great work, expanding our geographic presence in key locations, making smart acquisitions, recruiting quality people and building long term client relationships.



We are employee owned

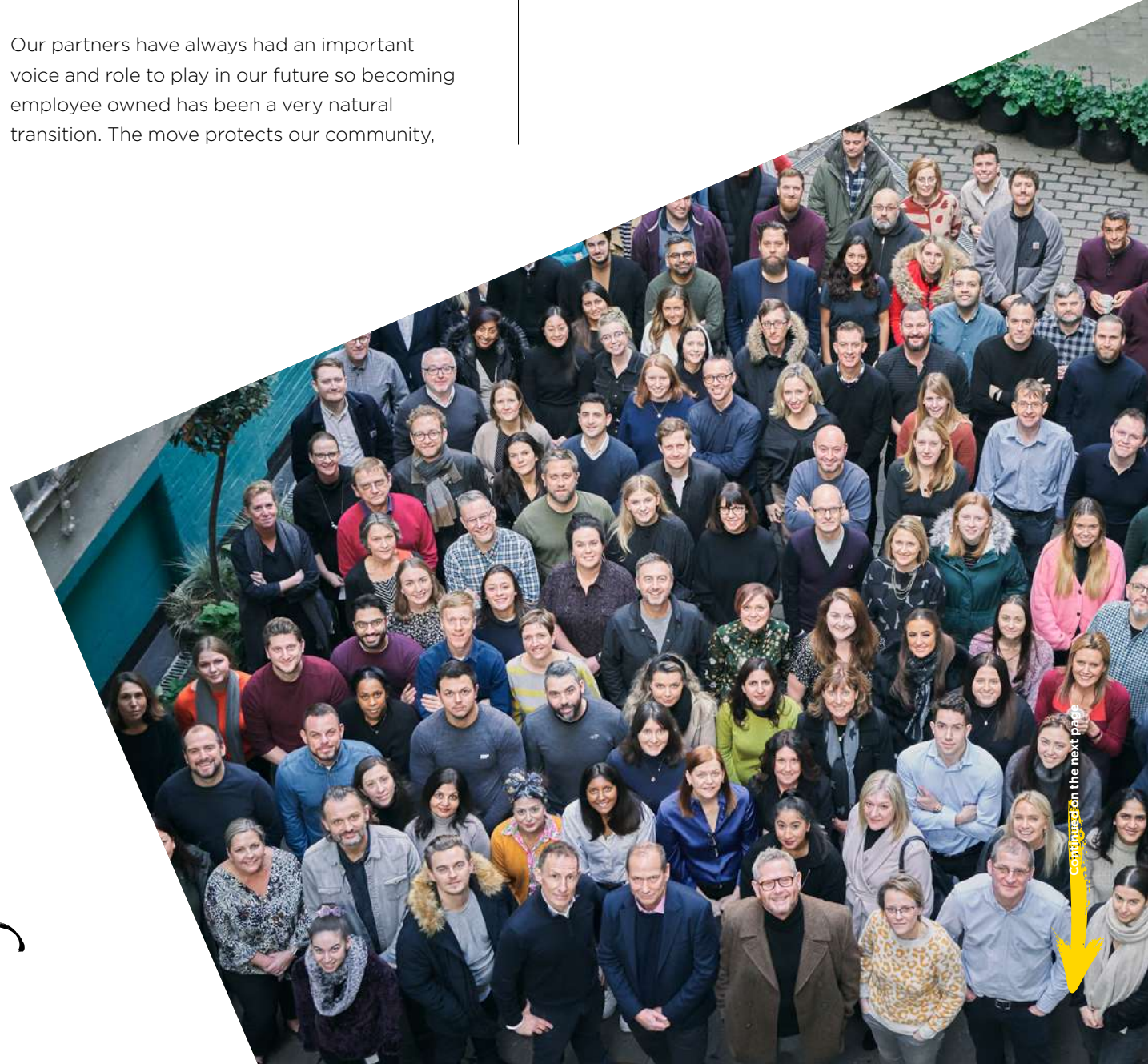


In 2020, we became an employee owned business. This decision not only fulfilled a long-standing ambition of the founders, but will drive growth, provide long-term clarity, and help to attract and retain the best talent. It reinforces our desire to remain an agile and people-focused business that fosters transparency and innovation for clients.

Our partners have always had an important voice and role to play in our future so becoming employee owned has been a very natural transition. The move protects our community,

ethos and culture; and supports our partners while we work to deliver our own responsible business ambitions.

One year on, and having taken the first steps on our employee-ownership journey, there are exciting times ahead.



Our journey

New beginnings

1996
Emperor is set up by Noel O'Connor and Steve Kemp, sharing a bit of space in a production company just off Old Street. We win our first six pitches to get up and running.



2000
Zetland House becomes our London hub.



2003
We open our doors in Edinburgh.



2008
We open our doors in Birmingham.

Picking up penguins

Over the years we have focused on taking opportunities and making smart acquisitions, to bring on brilliant people and build great teams.



002

People

£280k

Revenue

2015
We open in Dubai to service our growing Middle Eastern client base.



2014
We acquire FTI Consulting's creative agency.



2012
We acquire Tsuko, an Edinburgh-based branding agency.



2016
We acquire Accrue Fulton.



2018
We establish Emperor Presentations.



Entering a new era

2020
We enter a new era by becoming employee owned. We now have over 230 partners, with five creative hubs.



2017
We acquire Taylor O'Brien, strengthening our brand offering and creating a new hub in Manchester.



>230

People

£18.1m

Revenue

*Clear.
Credible.
Consistent!* ↗

The need to communicate effectively has never been greater. We help companies to connect and engage with their stakeholders and audiences, turning ambition into success through the power of clear, credible and consistent communications.



Emperor today

We are one of the largest independent creative agencies in the UK by size and scale.

Unrivalled scale with a unique national presence

We are the only corporate communications agency with a network of creative hubs in strategic locations across the UK.

With a growing team of talented partners, plus an established roster of freelancers and fixed-term contractors who return year-on year to support us through the peaks and troughs in our annual cycle.

We also have a network of trusted suppliers who provide printing and digital support services.

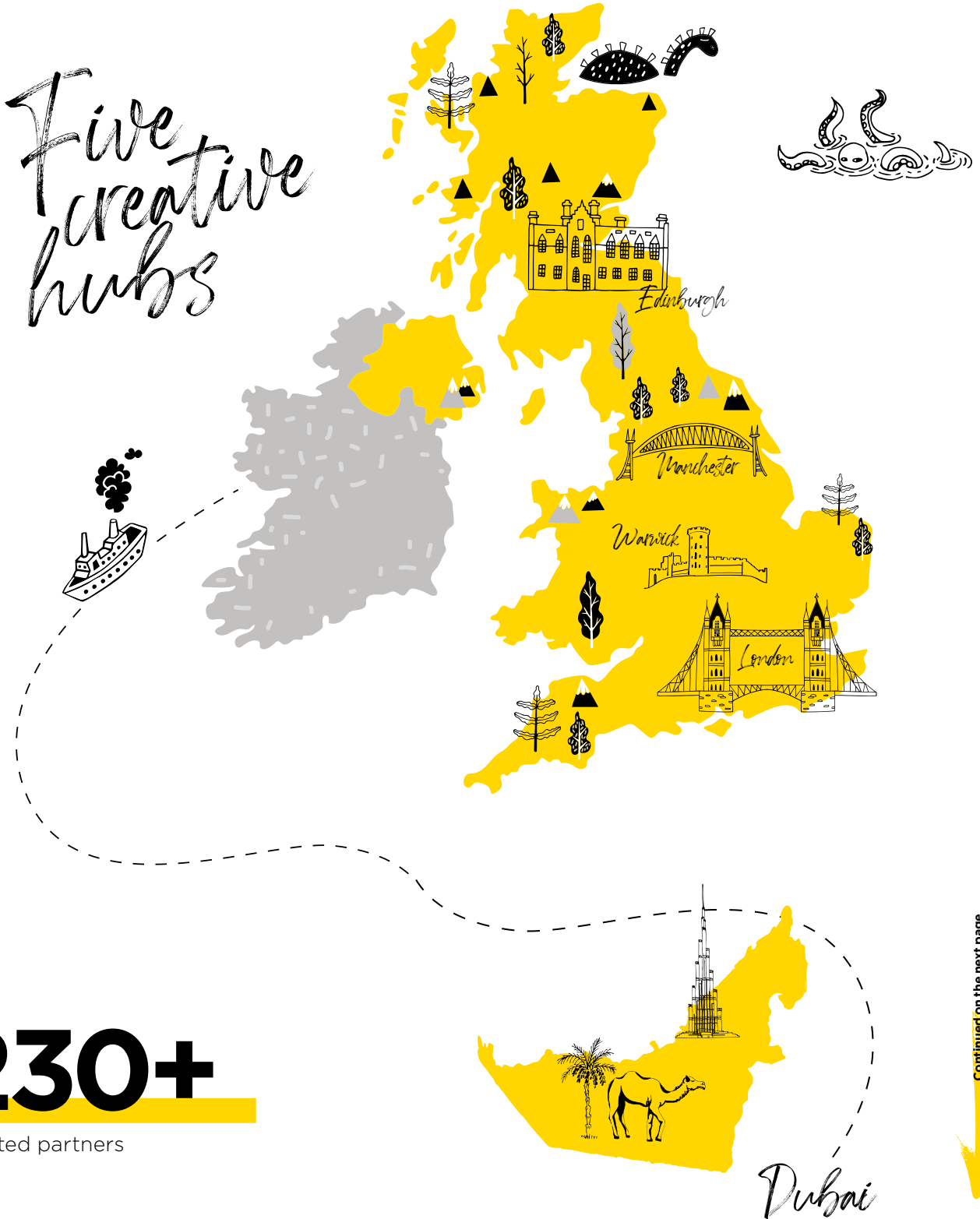
25-year track record of growth

We have an established service offering with 25 years' experience in corporate communications, and specialisms in reporting, brand, digital, sustainability and employee engagement.

We're also the UK's largest reporting agency by volume, producing around 200 reports each year.

07

Five creative hubs



230+

Talented partners

Continued on the next page

Our clients

We work with ambitious organisations across a wide range of sectors.

We have an extensive, loyal and diverse base of over 400 clients, 135 of whom have been with us for over 5 years.

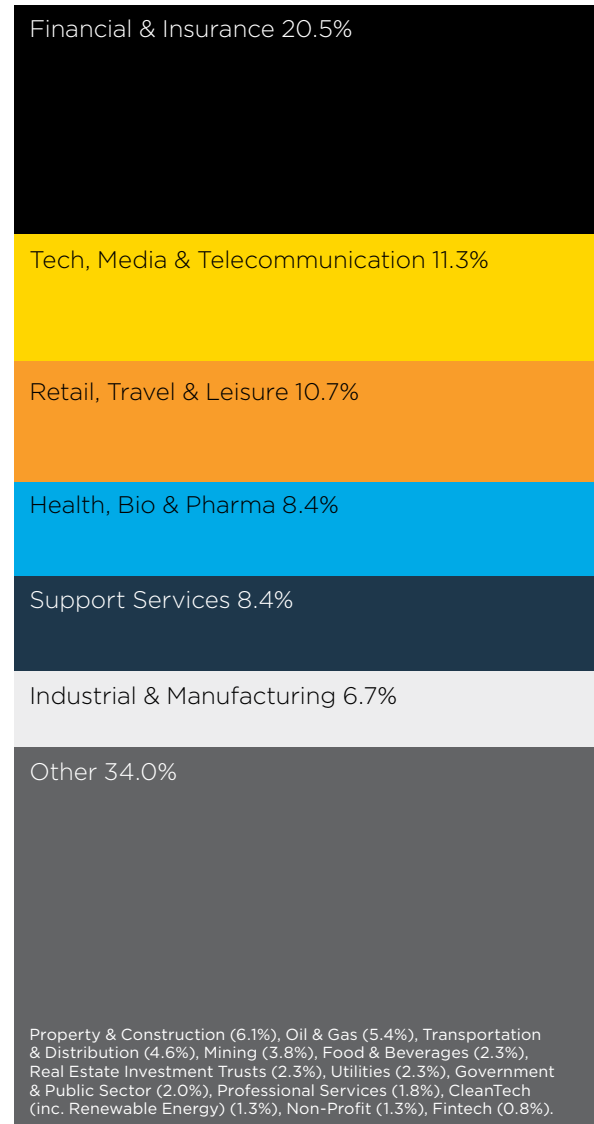
We operate in both the larger and smaller corporate markets. In addition to working with over 50 FTSE 350 companies, we also have a dedicated AIM and Small Cap team.

Our client base is becoming increasingly international, working with overseas companies who have come to London for capital markets exposure, European companies who communicate in English first, and MEIRA-based organisations who work with our Dubai office.

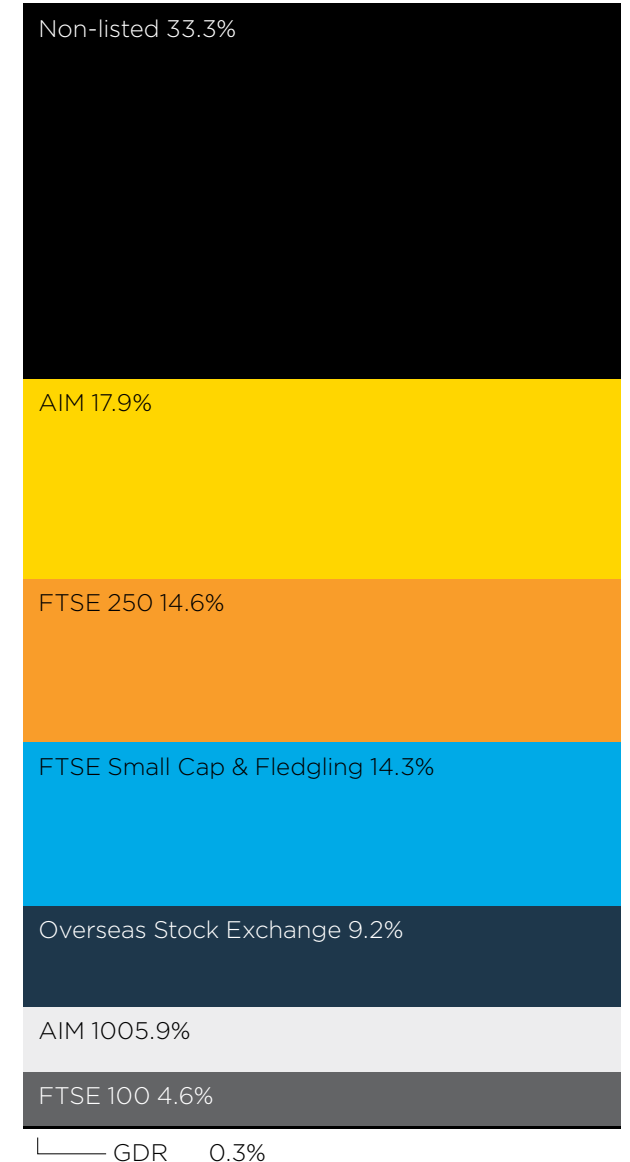
Working with well-established and reputable businesses across sectors gives us stability and security.

400+
clients

Client profile by industry



Client profile by size



Continued on the next page



Our strategic framework

Our purpose is to generate trust and confidence for our clients' stakeholders

Our vision is to be the partner of choice for ambitious clients and people

Our mission is to bring clarity, creativity and consistency to communications

Our values

Aim high

We always strive to achieve more for ourselves and our clients.

Creativity everywhere

We apply fresh thinking in everything we do. Our creativity goes way beyond being a 'creative agency'.

Infectious enthusiasm

We approach everything with positivity and gusto.

Always learning

We take every opportunity to develop and share our skills and experience. At work and at play.

Razor sharp

We're always on it. Commercial, focused and agile.

Our strategic pillars

Focused growth

The right way

DIVE IN P27

Operational excellence

Delivering quality efficiently

DIVE IN P31

Responsible business

Beyond profit

DIVE IN P35

Talented people

Investing at all levels

DIVE IN P41

Underpinned by

Our pledges

DIVE IN P37

Our charter

DIVE IN P59

Strong governance

DIVE IN P53



What we do

We are a strategic and creative corporate communications agency specialising in brand, sustainability, employee engagement and stakeholder reporting. We produce work across all forms of media, from digital to print, film and presentations.

Transparent reporting acts as a source of truth and contract of trust between you and your stakeholders.

We help companies articulate an authentic and compelling narrative around strategy and performance, sustainability and governance; providing insight into trends and developments, and supporting their journey to better disclosure.

Aligning brand to business ambitions is key to long-term success.

We provide the insight, intelligence, strategic expertise and outstanding creativity to help companies achieve this. Through truly effective campaigns, we can tell your story, bring your brand to life and build your reputation.



Sustainability is a strategic imperative at the heart of corporate culture.

We help our clients articulate why they exist and how they create value. We identify their sustainability priorities and help them to communicate in a compelling way that connects with an increasingly broad range of stakeholders.

Ambitions are achieved by engaging people with your business.

We activate behaviour to drive success; providing people with a purpose to truly believe in, reasons to belong and thrive, and relevant, meaningful communications that they can truly connect with.



How we think, work, create and deliver

Emperor is founded on a culture that has at its core, the idea of creating exceptional work and delivering a great experience for everyone involved. It's that simple.

There's a huge amount of passion, energy and commitment involved in making it happen. Our focus is on channelling our thinking, our creativity and our innovation into making sure the work we do helps businesses and organisations deliver their ambitions.

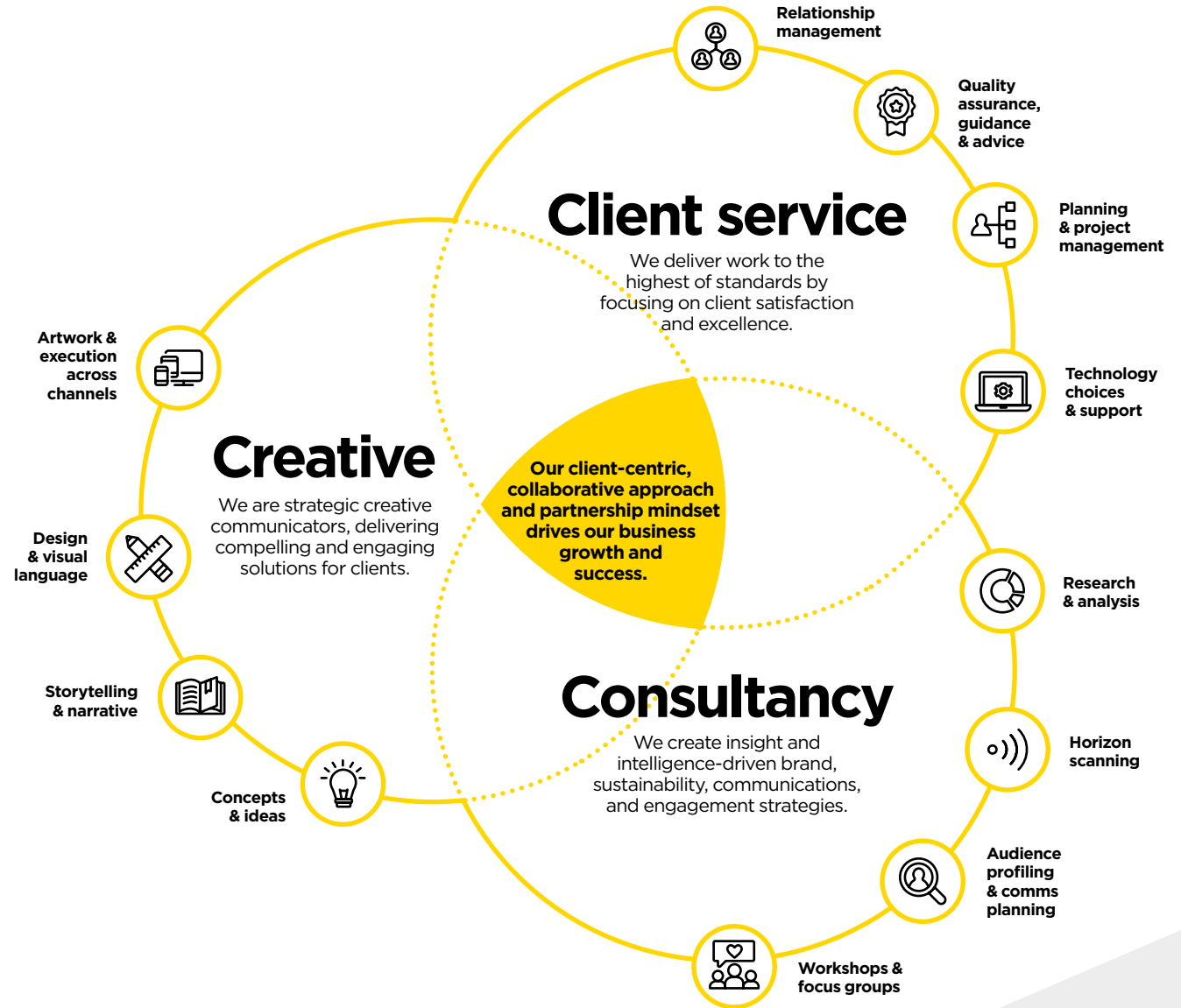
We never underestimate how tough that can be and we earn the trust and confidence of our clients through our relentless approach to understanding what really matters to them.

How we work, along with our Values and our Charter, is what shapes our culture. Developing a responsible business is ongoing and forms an integral part of our culture of doing the right thing.

We really do love what we do.

Earnings model

Our earnings model is simple; we earn revenue for providing consultancy, creative and support services to clients. We are underpinned by repeat revenue from reporting work, which comprises 60% of our revenues.



What we deliver



For our clients

We help our clients to connect and engage with their stakeholders and audiences, to build trust and confidence and achieve their business goals. Whether that goal is capital attraction, talent attraction, being distinctive or being a better business, communications and engagement has the power to deliver better outcomes by building understanding, encouraging two-way dialogue and enriching relationships.

Operational excellence

 DISCOVER MORE ON **P31**

Focused growth

 DISCOVER MORE ON **P27**



For our people

We strive to create a great place for great people to do great work. We do this through open feedback, committing to regular communications and providing the right level of financial understanding, offering blended and flexible working and a partner bonus/share scheme. Employee ownership empowers our partners, protects our culture, encourages active participation and informed decision-making, and allows all partners to share in the successes and responsibilities of the business.

Talented people

 DISCOVER MORE ON **P41**

Responsible business

 DISCOVER MORE ON **P35**

Employee Board

 DISCOVER MORE ON **P57**



For our communities

We have a commitment to give back to the communities in which we operate by providing internships, placements and apprenticeships, as well as through fundraising for the Emperor Foundation and our charity partners. We build strong relationships with our suppliers and associates to deliver the best quality of service for our clients. We also make an impact through advising companies beyond compliance to best practice and leadership, to embrace their role in society as an opportunity to make a positive impact on the world's biggest challenges.

Responsible business

 DISCOVER MORE ON **P35**



What makes us special

We've embedded a strong, collaborative culture which means people keep coming back! We have a diverse blend of talent and skills, thinkers and doers, and capabilities to deliver across all channels. We take a flexible, client-centric approach to building our teams, ensuring the right people are on the right accounts. Unrestricted by geographic location, we can draw on the right skills and experience from across the business.

For great ambitions

Employee-powered for a sustainable future

As well as being one of the largest independent creative agencies in the UK, we are one of the first of our kind to become employee owned. This partnership model and mindset ensures the business remains strong and sustainable long into the future. Our ability to deliver growth, value, creativity and outstanding service for our clients has become stronger, while we have a clear advantage in attracting the very best talent within the industry.

Networked and relationship driven

We have many deep and long-standing relationships, an extensive City network and a strong and well-established referral network. We have close links with industry bodies, regulators, standard-setters and industry thought leaders, and participate in many joint industry forums, initiatives and client events.

Relentless opportunism

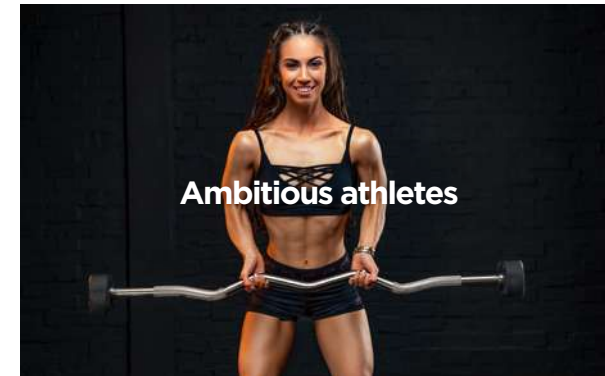
We're very focused on business development. Targeted news flow, referrals and client development are our key sources of new revenue.

We are Emperor and we are for great ambitions!

Ambition at work in business at play



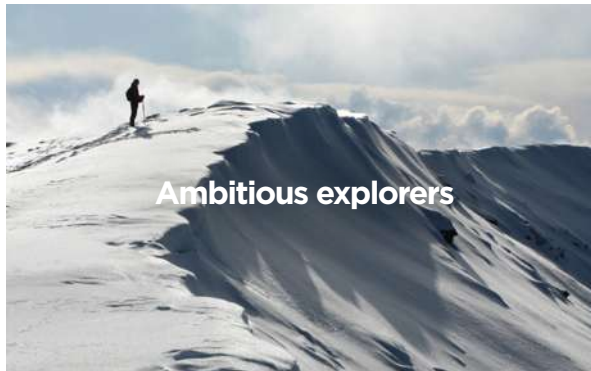
Ambitious musicians



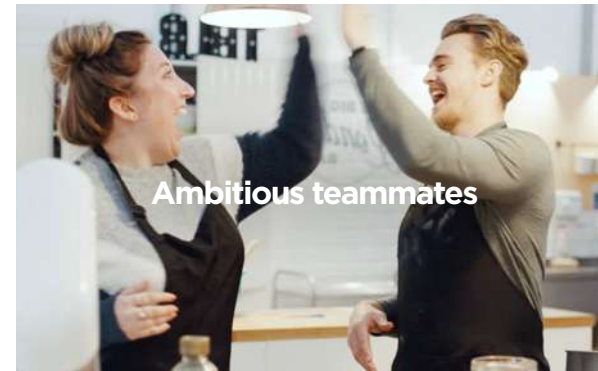
Ambitious athletes



Ambitious fundraisers



Ambitious explorers



Ambitious teammates

The trends shaping our business

The world of corporate communications, brand and stakeholder engagement is changing rapidly and this provides significant opportunity for clear, credible and consistent communications. The core elements of what good looks like to us have not changed: knowing our clients really well, tailoring our service offering to suit their needs, and delivering great client experience.

Trend #1

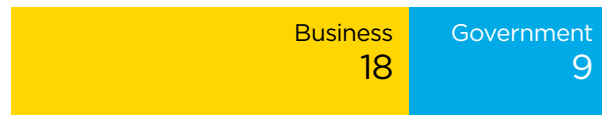
Transparency has never been so important in providing trust and confidence



Increasing regulation means that expectations and company hygiene levels are getting higher. New generations are demanding work with more purpose and meaning. The pandemic has put trust to the test, and the sheer volume of fake news and disinformation has fuelled mistrust in governments, politicians, news outlets and information sources. Transparency has become the only valid currency for reputation management. Authenticity builds trust and ultimately improves reputation – however, companies need to be able to support their promise throughout their operations, culture and standards.

FACT:

Business is more trusted than government in 18 of 27 countries



Source: 2021 Edelman Trust Barometer.

Trend #2

People, purpose and culture



Stakeholder concerns are centering on the climate crisis, racial injustice, inequality, and modern slavery. Consumers are demanding more from the brands they align to, engage with and purchase. Diversity and inclusion is an essential area for modern business. In this context, purpose is fast becoming the hallmark of corporate citizenship. Much more than meeting legal requirements, it's about companies sharing what they stand for and leveraging their resources and influence to help tackle some of the 'big issues' the world is facing.

More companies are recognising the value of purpose and a people-first culture to support the delivery of business strategy, and we're helping companies to develop their employee value proposition and strategies to attract and retain the right people. Remote and flexible working is also driving culture and employee engagement strategies, with new HR and workplace culture challenges, making quality engagement and communication between companies and employees vital.

Trend #3

Focus on ESG



Environmental, social and governance (ESG) is not only an important theme, but almost certainly a long-term structural change. To stay relevant and meaningful, companies will need to think more about people, planet, economies and profit as intrinsic to one another, not separate things. Partnerships, engagement and collaboration are key to achieving global goals around climate change and sustainable development. This requires engagement with key stakeholders, responding to their feedback and concerns, reporting on progress, and embedding sustainability in corporate culture and board decision making.

\$38trl

The Global ESG market was valued at USD 38 trillion assets under management in 2019.

Source: Global Environmental, Social & Governance (ESG) Market Analysis by Investor (Retail, Institutional), Fund, Sector, Region and Country (2020 Edition); Market Insights, COVID-19 Impact, Competition and Forecast to 2025 report

Continued on the next page



Trend #4
Digital stakeholder experience



COVID-19 has caused digital transformation at a pace and on a scale never seen before, as organisations set themselves up to capture a new wave of productivity and value gains. This significant shift to living and working online has had a material impact on stakeholder engagement, culture, supply chains, processes, security, data and technology adoption.

McKinsey report that executives are finding the pace of change is up to 20–25 times faster than they thought possible, and that they are three times more likely to conduct the majority of their customer interactions digitally. Corporate communications have also seen a push for more digital-first thinking, with the FRC consulting on a digital innovation and production-driven future. The impact of this change has increased stakeholder expectations on being able to connect seamlessly and engage with organisations wherever they are. Digital has become the primary enabler and channel for this to happen. This flight-to-digital has seen more requirements for brilliant digital-first content and connected brands, channels that drive business and user value, all underpinned by useful and actionable data.

3x

Executives say they are 3x more likely to conduct the majority of their customer interactions digitally.

Source: McKinsey.

Trend #5
Social expectations and public scrutiny



As the world becomes more connected and society adept at finding information, with the proliferation of instant news and social media, companies are much more visible to a wider and more fragmented audience, comprising both promoters and detractors.

Potential employees know what a workplace environment is like without ever setting foot inside an office, every customer interaction can be broadcast far and wide in a moment. There's an increasing focus on business behaviour, particularly where actions don't match words, and COVID-19 has exacerbated this trend. The expectation is for companies to be fully transparent, while the trust of customers, employees, regulators and investors remains critical to ensuring confidence in businesses. An authentic corporate narrative helps organisations build trust with their stakeholders as they manage (sometimes conflicting) perceptions, on a myriad of fronts.

FACT:

Consumers and employees agree that they have the power to change corporations



Source: 2021 Edelman Trust Barometer.

Trend #6
Increasing regulation



Developments in governance and reporting have centred on the stakeholder agenda, with non-financial disclosure requirements driving sustainability into the mainstream of risk management, strategy and board oversight. There's an increasing focus on specific topics like climate change, diversity and inclusion, and stakeholder engagement.

Regulation is often a force in stimulating innovation, and we're finding that businesses need support in understanding stakeholder expectations, developing a joined up approach and collateral to demonstrate progress against their commitments. Digital is also playing a more central role with the European Single Electronic Format and iXBRL tagging on the horizon.

50%

Of employees felt more likely to voice objections to management or stage a workplace protest than they were a year ago.

Source: 2021 Edelman Trust Barometer.

As I reflect on a momentous year, filled with upheaval and uncertainty, I believe Emperor has never been stronger, more resilient or better placed to succeed.

Sustainable Employee powered future

I'm delighted to pen the CEO's review for our first annual report. I do so as we emerge from an extraordinary period in history in good shape and fit for the future. I certainly don't need to remind anyone what a truly momentous year it's been.

For Emperor, we became an employee owned business on 20 January 2020. Six weeks later, we locked down in what was our busiest ever month. I am proud to report that Emperor has adapted, responded and adopted new ways of working. We took swift action to reduce the risk of catastrophic loss, we communicated constantly with candour and compassion and we showed individual and collective stamina and perseverance. In short, we've shown our resilience.



Steve Kemp
CEO



On the business

I'm not sure that there has ever been a period where we have done more work 'on' the business itself, using this time to accelerate positive change, strengthening our foundations and ensuring that we're fit for the future.

In June, we created six workstreams, which continue to act as a framework to bring positive change to the business, rethinking and reconfiguring Emperor for the long term.



We've reviewed our organisational structure, which was a legacy of our past rather than a recipe for our future or reflecting the growth in fees, headcount and offices in recent years. Aligned to this was to interrogate our processes to identify how we can best serve our clients and whether this can operate in a more client-centric way.

While witnessing what will surely be remembered as a historic forced deployment of remote working and digital access, we have also looked at how

we work, the purpose of the office and explored blended-working models, what flexible working looks like for Emperor and how to achieve it. And as we move from crisis to recovery, making the right technology choices will be an important part of enabling and achieving our objectives. We have therefore undertaken a comprehensive review of technology requirements and are implementing changes.

Finally, we've pledged to improve our societal commitments and have made a formal decision to pursue B Corp certification, ensuring that our purpose is given equal weighting to our profit.

As we focus more on the business itself, I've been delighted with the progress, working with focused urgency and at a greater pace.

In the business

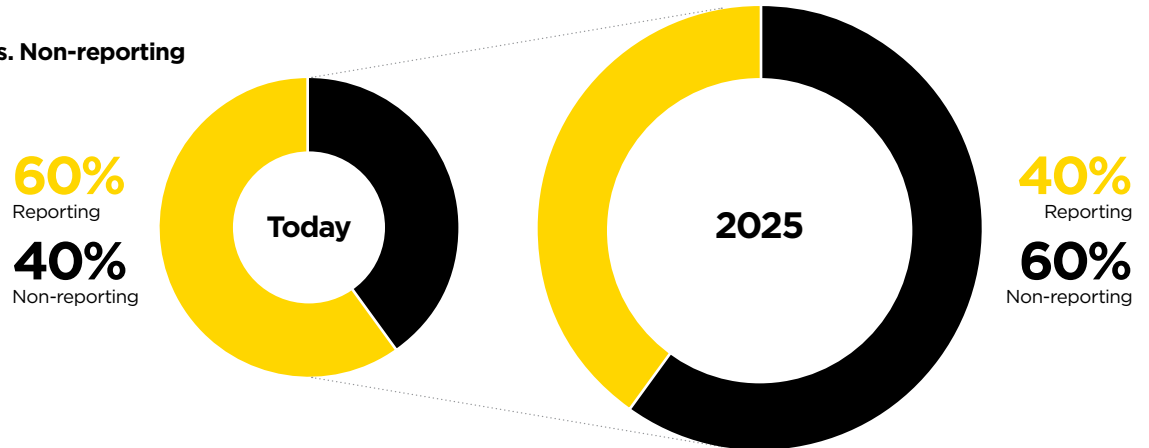
This period has also seen unprecedented levels of client engagement, thought leadership and proactive marketing. Client retention has been at the highest level I can remember, and our

'Keeping communications out of lockdown' series of virtual events delivered high-quality insight to our network, week in, week out.

Our new-business pipeline was also quickly replenished and lockdown enabled us to approach pitches differently, pulling in different resources from across our offices in a way we've never been able to before. Notable new client wins include BP's corporate reporting suite, brand and identity assignments for Standard Life and Sanne, sustainability mandates for Accsys and Picton, and corporate websites for Laing O'Rourke and Hitachi Rail.

Our work is also becoming ever more integrated and there's now rarely an assignment that doesn't include at least two of our core propositions. Our 2025 aim is to shift our revenue profile from a 60/40 to a 40/60 reporting/non-reporting revenue split. Our longer term goal is to be a leading strategic and creative communications agency beyond the UK.

Reporting vs. Non-reporting



MARCH

Simpler living

It started with dog walks, yoga and toilet-roll keepy uppy. Record levels of internal communication. Amazed by the positivity around the place.

Evolving and embedding our strategy

We have also evolved our strategy and, this year, one of my priorities is to ensure that it is better embedded throughout the business.

Our strategy is there to ensure we exceed our clients' expectations and our responsibilities as a business, that we remain entrepreneurial, and that we operate in a happy environment. Our clients and our people are at the heart of everything we do and we are progressive with our broader commitments. Our long-term focus should never be compromised over short-term priorities.

APRIL

No idea!

I usually have a very good gut feel for our business levels, but for the first time in 24 years I'm struggling to predict. I think we have to apply the utmost caution at the moment. We may or may not make a profit, that's not the question, it's the cash we have in the business and the impact on our future cash flow that's important, especially with credit control coming.

We have four pillars to our newly evolved strategy:

Our strategic pillars



Focused growth

The right way



Operational excellence

Delivering quality efficiently



Responsible business

Beyond profit



Talented people

Investing at all levels

Focused growth is about ensuring that we only go for the right sort of opportunities, having a relentless focus on client experience and prioritising client development. We will also continue to be strategically opportunistic; our growth has been fuelled with the addition of teams, opening offices, acquisitions and

partnerships. With our scale, culture and quality of work, we are an attractive proposition for further complementary teams and businesses.

[DISCOVER MORE ON P27](#)

Operational excellence is about supporting our growth with the right infrastructure, and ensuring that we manage the business efficiently with effective allocation of resources. It's about rigour, being focused on improving margin and improving resilience.

[DISCOVER MORE ON P31](#)

Our **Responsible business** pillar is our commitment to purpose beyond profit. It is making sure that we have best practice systems and programmes in place and can demonstrate that we create a positive impact for our people, our clients, our communities, our suppliers and associates, whilst minimising our impact on the environment.

[DISCOVER MORE ON P35](#)

Our final strategic pillar is **Talented people** and ensuring that it is fully aligned with our other pillars. Talent attraction, retention and development will be increasingly important to Emperor, as are our D&I commitments, our Give Youth a Chance pledge and establishing a succession plan for key positions.

[DISCOVER MORE ON P41](#)

People-focused

I've always described our culture as open and collaborative, approachable and ego-free, and a place where we 'work hard with a smile on our faces'. Maintaining the integrity of our culture hasn't been without its challenges during this period, but as a business we've become closer by being further apart. A greater bond has been created through significantly greater levels of engagement, the launch of new internal forums and hearing different voices and perspectives.

Our culture is underpinned by our Pledges, our Values and our Charter, which was introduced when Emperor became employee owned.

[DISCOVER MORE ON P59](#)

25-year foundation for a bright future

In January 2020, we became an employee owned business and this year we celebrate 25 years in business. In that time we have grown the business from two men and an Apple Mac to be one of the UK's leading creative communications agencies. A few years ago, I wrote an article on what I believe constituted success as a business:



emperor

EMPLOYEE POWERED FOR
A SUSTAINABLE FUTURE

"Monetary value of a business is an important indicator of success. However, I believe that there are far more important ones. Building a strong community where people are respected, supported, cared for and recognised. Creating a meaningful impact and doing some good along the way. Giving people careers at all levels where they can keep learning and developing – these things are far more important.

"I have the honour and privilege of working with 191 individuals, collectively responsible for our continued growth and success. When I eventually hang up my creative boots, wouldn't it be nice to be remembered for creating a legacy where hundreds of people have grown, developed and established enduring friendships in a special culture where there is a real sense of purpose and great work produced, rather than how much money the business was sold for."

This remains as true today as when I wrote it. I believe our employee-ownership model will achieve this and it's what the strapline for our 25th anniversary year is all about.

While I'm not ready to hang up my creative boots yet, we are building a team with enormous breadth and depth. I therefore believe that it's time to start thinking about succession and this year I will be setting a date to hand over the CEO reins, giving plenty of time to identify, nurture and develop new leadership within the business. However, this does not mean that I will be leaving Emperor anytime soon.

JUNE

I miss the office

We've shown that we can operate efficiently at home. But offices perform a vital social role, allowing people to discuss ideas spontaneously, informally and locally. The proximity of colleagues helps cultures remain flexible, sustainable and resilient. The role of leadership is especially important and it's difficult for leaders to demonstrate the full 360 degrees of their abilities remotely.

Well-positioned to face the uncertainty

Despite the positivity around the company and how we've navigated the past 12 months, there's still so much uncertainty ahead. Brexit, the economic recovery, the speed in which the pandemic goes away; but we also know that quality communications is critical for all companies right now. This positions us well for the future.

It just leaves me to thank all our key stakeholders: the entire Emperor team, who have been amazing through incredibly challenging times; our clients, who have shown great loyalty; the small army of freelancers and contractors who work with us year in, year out; and our suppliers and associates for their enormous amount of support.

Here's to the future,

Steve Kemp
CEO

In a year that was full of highs and lows, we made a number of decisions before and during the pandemic to ensure the long-term success of Emperor. Many of these decisions were about investing for the future, some were about adapting to change. All of them had our clients, our employees and our communities at their heart.

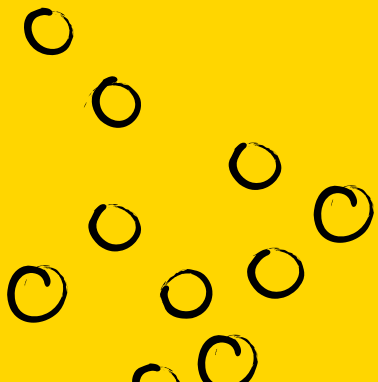
SEPTEMBER 2019

Committed to remaining strong and financially sustainable

This year, our focus has been on:

- Being fully focused on our clients and ensuring they know how we can support them with their growing communications challenges.
- Providing advice when needed, flexibility where possible, and the highest levels of creativity; working together harmoniously to deliver integrated solutions.
- Embedding a stronger commercial focus across Emperor.
- Putting together a Summer Plan to ensure we get more from our quieter months.

Employee powered



DECEMBER 2019

Investing in technology to support better ways of working

In December 2019, we made a significant investment in upgrading our technology, replacing all desktop PCs with laptops to support flexible working in and out of the office. The ambitious roll-out programme, which completed in February 2020, meant we were able to adapt quickly to home working in March.

we invested in

100

laptops and docking stations



investing in the future



JANUARY 2020

Enabling smarter decision-making

In January 2020, we invested in a new Group-wide CRM system, Pipedrive, which supports smarter, data-driven decision-making, and promotes greater ownership and accountability for client relationships and account development. This new software was rolled out over the summer to support several of our focused workstreams, including Client centricity, Propositions and How we're organised.





off to a flying start

JANUARY 2020

Rebranding to better reflect our ambitions as a business, and as individuals

At the start of the year, we launched the exciting results of our major rebranding project. As well as crystallising our purpose, mission and vision statements and values, we crafted a strong and authentic visual identity that fully reflects our heritage, our current positioning and our ambitions for the future. January also saw us become an employee owned business and set up our Employee Board!

[DIVE INTO EMPLOYEE OWNERSHIP ON P57](#)

FEBRUARY 2020

Embedding our brand

The rollout of our new brand in February and March centred around two of our Values, Aim High and Creativity Everywhere.



Continue on the next page





MARCH 2020

Protecting our business, protecting our people

In March 2020, along with the rest of the UK, we entered national lockdown and made the wholesale move to home working for all partners. As part of a number of financial safeguards, we instigated a 20% pay cut across the Group for four months, while directors took a 40% cut, and we made use of the UK government's Coronavirus Job Retention Scheme, which enabled us to protect the salaries of our lower earners and avoid redundancies. This was a really tough and testing time for those on and off furlough.

penquins in captivity



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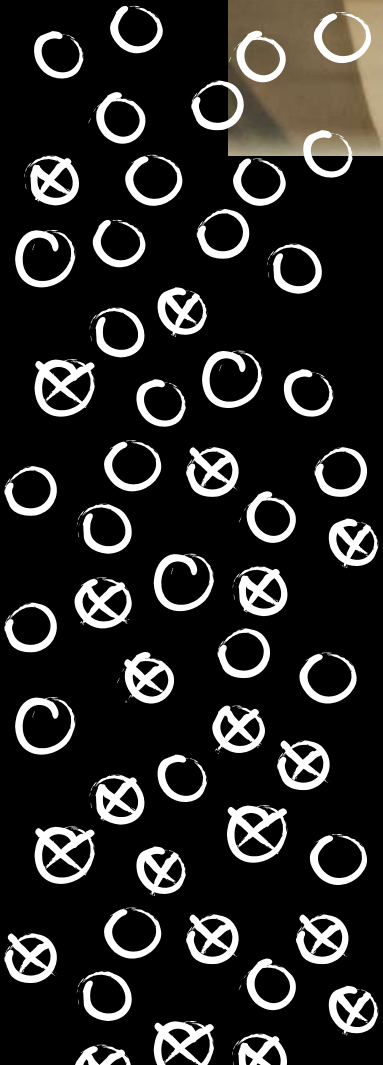


APRIL 2020

Focused urgency

In April, we introduced six focused workstreams to progress and fast track a number of our strategic priorities.

DIVE INTO OUR STRATEGY ON P18





APRIL 2020

Ramping up communications

The value of clear, credible and consistent communications was never more aptly demonstrated than by the volume of information during lockdown. We swiftly turned our attention to the frequency and quality of our employee and client engagement programmes, introducing:

- Our first all-agency Huddle and Q&A with Steve, which has since become a regular weekly feature.
- Steve's weekly emails to clients.
- Our keeping communications out of lockdown series.
- Lots of social media updates and activity.

During this period we've had over 30 company Zoom meetings, or Huddles, in which many colleagues have participated, covering a multitude of themes and keeping people updated in a way we have never achieved before.



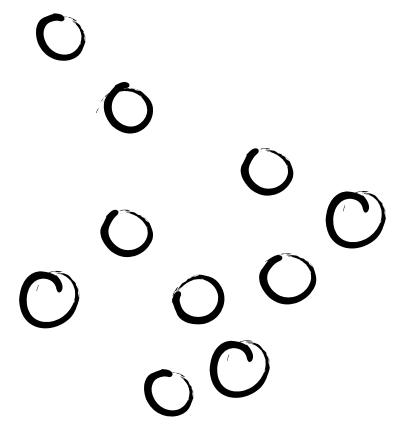
working from everywhere.



APRIL 2020

Changing channels from print to digital

We took our internal employee magazine, A Kilo of Squid, fully online for the first time.

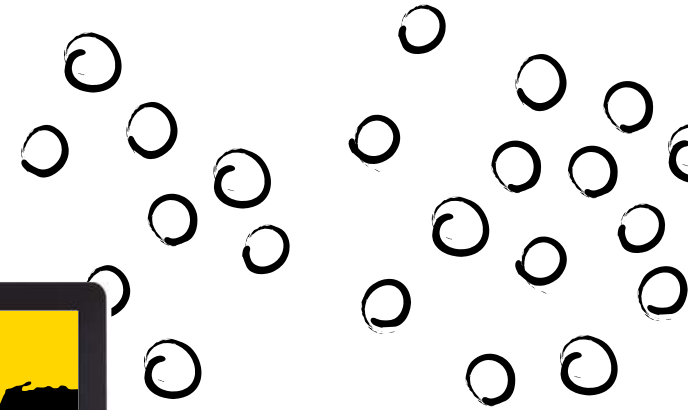


New? Yes! Normal? No!

MAY 2020

Postponing our move

Our plans to move from Zetland House to a new home in London were postponed while we consider the possibilities presented by a blended home/office working model.



26



JUNE 2020

Lockdown locomotion

To keep us all moving during lockdown, we began our 'March of the penguins', gathering our collective step counts to take us to Dubai and beyond.

90m+ steps



JUNE 2020

A new creative hub in the Midlands

With the Bicester and Birmingham office leases coming to an end, we decided to establish a new creative hub in Warwick. This is designed to provide an inspiring, creative space for teams to come together to meet and collaborate with each other and our clients, and support our colleagues as we move towards a flexible blended home/office working future.





Focused *us* growth

By only going for the right opportunities, further integrating our core propositions to provide a complete service, and with a relentless focus on client experience, we are driving growth for our clients and ourselves.

Victoria Sugg

Group Business
Development Director

Focused Growth Champions



Jenni Fulton
Head of Growth



Cam Gunn
Head of Digital



Claire Fraser
Head of Stakeholder
Reporting



Keith Taylor
Head of Brand



Susannah Gerner
Client Services Director



We have a carefully considered strategy for growth that has stood the test of time but which allows for agility to flex to market conditions. Core to this strategy is that we only go for the right sort of work and opportunity, we have a relentless focus on client experience, while cross-selling provides our biggest growth opportunity. We are also equipped in all four areas of the sales cycle: identify, engage, land, and expand.

Centralised resource planning and control is crucial to our strategy. We ensure teams are chosen for projects based on their expertise, rather than location, and that we are able to resource up to deliver projects.

The structure and integration of our propositions means clients increasingly benefit from an agency that can join up all their communications needs, providing advantages in their effectiveness and efficiencies in the process and budget.

By ensuring Emperor is a partner of choice that 'walks the talk' for clients, we realise the benefits for clients of a diverse and empowered team.

A year of considered development and growth

Given the context of the COVID-19 pandemic and resulting impact on businesses, we had to be tonally sensitive about how we approached business development.

The key was to focus on supporting clients with the insight and communications deliverables they needed both in the short and long term. By extending our remits, connecting it all together for them, and producing creative work of the highest standards, while ensuring, from Emperor's perspective, we used every opportunity available, we passed the benefit on to clients.

Focus areas:

- Grow with and through our clients
- Harmonious propositions
- Creative excellence
- Seize opportunities

Grow with and through our clients

During the past year, we have devolved client development through our squad structure (see page 33) and further developed our active client feedback programme. This means clearer accountability and ongoing focus on what our clients are telling us they need from us – both now and in the future.

We also got our dedicated Emperor Growth team up and running. With an in-depth understanding of the requirements and regulations for AIM and Small Cap listed companies, the team provides companies in this space with the best advice on how to meet regulatory needs and communicate their story clearly across different channels. We work with a large number of companies in this space, meaning we have an appreciation

of the internal resource constraints and budget sensitivities that many growth companies face and how to support these challenges.

Meanwhile, our dedicated engine room of strategists, consultants, creatives and project managers are always on hand to share our expertise and ideas. We are passionate about developing and delivering communications strategies that help companies to achieve their ambitions.

This combined effort has resulted in exceptional client retention, at a rate of over 80% for the past two years.

Moving forward, absolutely central to growing with and through our clients is meaningful sales data. We switched CRM tools to Pipedrive in the past 12 months and by increasingly embedding this and integrating our reporting with Paprika, Emperor's chosen accounting platform, we can improve the quality of our data.

We will also concentrate on further deepening client relationships, both within our existing client base and those we have worked on projects with in the past.

Over

80%

client retention

Harmonious propositions

As one of the UK's leading agencies for corporate reporting, it is important that our propositions evolve to match the changing needs and expectations of our clients. We have brought in progressive new leadership in stakeholder engagement, digital and sustainability, which has enabled us to work in a more connected and effective way, by sharing best practice across specialisms.

As a result, we have had a material increase in integrated mandates – up 27% on the previous year.

This makes team selection and resourcing more important than ever and when responding to these opportunities, we are basing team composition on skillset rather than location. We will continue to build our next generation of client relationship nurturers and consultants, equipping them with the skills and expertise to deliver.

Building on our harmonious propositional offering in the future is critical as we continue to diversify from reporting and look to shift the balance of our fees, increasing the value of consultancy against delivery-based fees.



Creative excellence

Our creative offer has never been stronger, demonstrated by the awards we win on behalf of our clients and the feedback we receive from our clients on how their communications have achieved their objectives. While it presented serious challenges to our ways of working, COVID-19 has enabled us to put creativity front and centre of our business more than ever before. We have a number of rising stars in the creative team, which ensures we are able to foster this going forward.

Looking ahead, we have plans to establish a creative leadership team, while using creativity to build profitable accounts. We also plan to bring in additional copywriting and editorial capabilities to keep pace with our visualisation skills, while further integrating our creative studios, to offer clients a complete service.

Seize opportunities

As mentioned, critical to our approach to growth is seizing the right opportunities. However, the actions we took during the year are helping to create those opportunities and put us in a better place to deliver on them.

We have now fully integrated our Manchester office, which strengthens our brand proposition, as well as enhancing our research offering, building our skills and expertise across the Group and better positioning us to serve our clients in the north of England. With the growing importance of an integrated approach and the role of 'corporate narrative', this places our brand proposition as central to Emperor's offering.

Our Presentations team joined us in 2018 and has exceeded expectations and outperformed targets. It adds to our complete client offering, serving all their presentation needs; whether supporting a CEO with company presentations, an employee town hall or a critical investor relations presentation, the team has the scripting, design and animation skills and expertise to deliver on any remit.

In the same vein, we continue to add to our talented studio, with film, animation and moving image experts and copywriters – specialist areas which have been of critical importance to our clients during this period of remote working and virtual communications. From CEO fireside chats, investment case or culture films, we're supporting where our clients need it most.

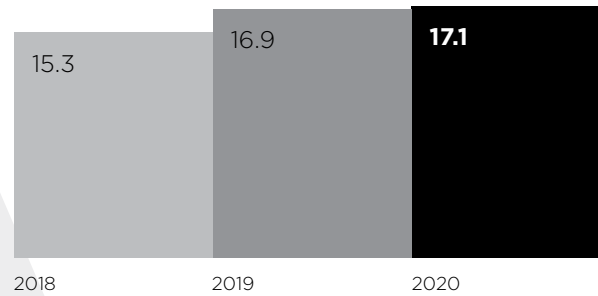
We have also bolstered our consultancy team and supporting bench of technical experts, which means we have greater depth of sector and specialist expertise, including areas such as responsible investment in financial services and water stewardship. This means we can call on brilliant technical knowledge to support our clients, even when the mandate gets very specific.

We also continue to look to opportunities outside the UK, focusing on business opportunities with companies that match our ambitions and the standards of our UK clients. Recent clients include exploration business South32 in Australia, Genser Energy in Ghana and Total in France, and we're excited to welcome these companies to the Emperor community.



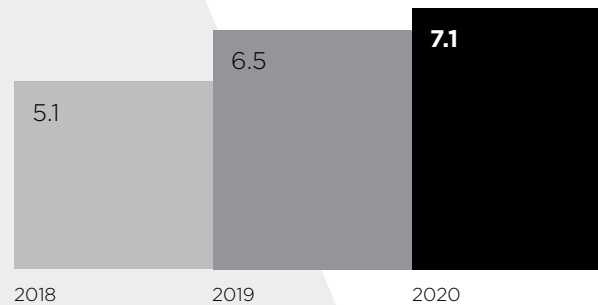
KPIs**Annual revenue (£m)**

Excludes Emperor Presentations



The 2019/20 financial year was adversely impacted by COVID-19 but, despite not hitting our budget, we still achieved growth in year-on-year revenue.

30

Key account growth (£m)

In 2019/20, we increased the number of clients that we billed in excess of £100,000 from 27 to 40. The total revenue billed to these £100,000 plus clients grew by more than 9%.

Priorities for 2021

We are immensely proud of what we achieved over the past 12 months and how we protected clients in this period, with both existing and new, broader remits – across the entire range of our propositions – connecting and linking it all together for them.

Now, as we go into Emperor's 25th year, our focus is all about 'employee powered for a sustainable future'. We will be supporting clients with the very best advice and access to our broad network of associates and agency partners to achieve their communications goals and commercial priorities.

While it presented serious challenges to our ways of working, COVID-19 has enabled us to put creativity front and centre of our business more than ever before.



A year of flux led us to undertake an extensive review of our operations, making some significant changes that will drive positive change, while delivering normal operations and creating growth.

Operational excellence

Philip Franklin

Chief Operating Officer

Operational Excellence Champions



Amanda Woodward
Chief Commercial Officer



Roy Carter
Director, Edinburgh



Polly Barnard
Director, Warwick



Simon Tappenden
Studio Manager



Helen O'Brien
Creative Director



Adam Holloway
Creative Director



Miles Wratten
Client Director



Operational excellence is primarily concerned with creating a culture of continuous improvement across the business and in ensuring that we have the structure, systems, processes and leadership that enable and drive these improvements.

We want the achievement of excellence to be a philosophy of the business, where problem-solving, teamwork, and leadership combine to create outstanding results for our clients and ongoing improvement. We focus on meeting the needs of our clients and use this understanding to fuel the insights that drive positive change.

Operational excellence is, at its core, the engine of Emperor's sustainable growth and every person, at every level of the business, has a part to play in delivering the value that it brings to our clients.

A year of recalibration

In the 2019/20 financial year, we were confronted with a series of challenges that were both unforeseen and unprecedented, but they did not deflect from our key objective to deliver quality efficiently for our clients. In fact, the pandemic and enforced changes to our ways of working highlighted the need for us to continue to work differently in the future.

This resulted in several key achievements throughout the year:

- Office-based teams divided into multi-disciplinary squads responsible for defined portfolios of accounts.
- Squads have clear leadership and relevant KPIs (financial and non-financial) and are directly accountable for performance.
- Clear internal evidence and external validation of smaller squads and teams being more effective.
- Opportunity to benefit from greater collaboration and cooperation across vertical 'tribes', including Client Service, Creative, Production, Digital and Consultancy.

As a consequence of the review of operations, we identified a need for a key new senior role, Group Resource Director, responsible for overseeing the Design and Production resource teams, while driving collaboration and efficiencies across the Group.

Focus areas

- How we are organised
- Our clients
- Our propositions
- Technology

Benefits of smaller squads and client teams

Financial

Clearer more defined KPIs and accountability will drive revenue

More engaged, close-knit teams see better client development

Increased efficiency in teams drives higher margins

Consistent and engaged teams helps drive client retention



Non-financial

Better outcomes for our clients

Stronger, more engaged teams

Improved quality of delivery

More efficient, streamlined resourcing

Less silos and more collaborative working across the business

Clearer career development paths

Better staff retention

Easier to recruit

Better for our business



How we are organised

During the year, we undertook an extensive review of our operations, triggered by enforced remote working as a result of COVID-19. The key finding from this review was that there was opportunity to drive significant improvements, financial and non-financial, by changing the way we were working and the structure of the business.

Central to this change was moving from an office-centric approach, where our individual offices managed clients and resources independently, to a decentralised 'squad' (or team) structure. With this, smaller multi-disciplinary teams would assume responsibility for defined portfolios of clients. This new structure offered the potential for manifold improvements, flexibility of response, deeper client insights, greater collaboration, visibility and transparency. Vertical teams are now known as 'Tribes'.

Our clients

These changes were further informed by our sense that we needed to build our operations much more directly around the needs of our clients.

This may sound simple but the reality is a constant challenge for leaders and teams and we recognised that sometimes the structure of the business impeded our ability to work collaboratively and flexibly. The restructure created an opportunity to ensure that we were holding a client perspective in everything we did and building this into the design and delivery of services.

Our propositions

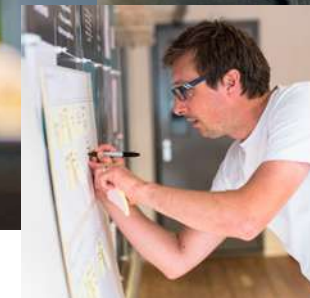
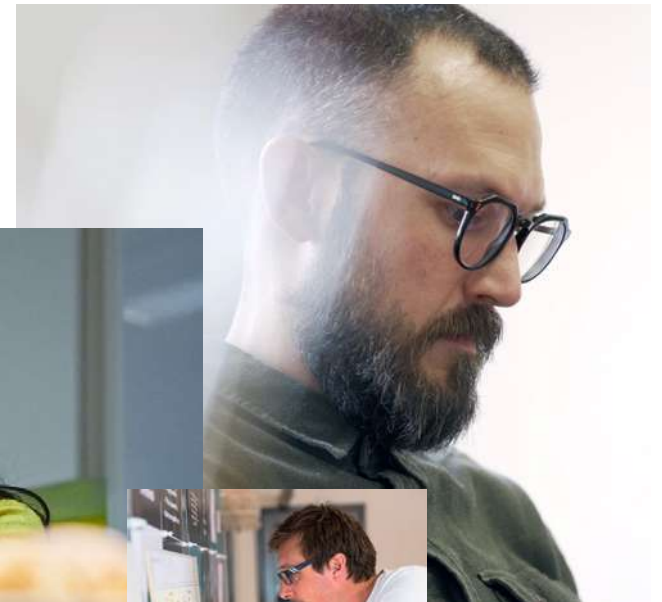
We reviewed our consultancy propositions and how they interlink, integrate and combine with account teams to best effect, ensuring that they don't operate independently of each other but work together in the interests of our clients.

The nature of, and the way we talk about, what we do has, in the past, created barriers between our service offering, when the practicalities of what we do are much more fluid and connected through topics of interest, for example, purpose and culture, sustainability, workforce, stakeholder and audience engagement. What often gets lost in the mix is that we are at heart a strategic communications agency and this is what is of most value to our clients.

Technology

In a year dominated by COVID-19, even though the direct impact was only felt in the last five months of our financial year, the critical importance of technology in supporting our people and clients cannot be over-emphasised. We were fortunate in that we had already initiated, and largely completed, a widespread distribution of laptops to our account teams prior to March. This activity was broadened and accelerated as we shifted overnight to remote working.

This has been a catalyst for further analysis of our IT systems and support as we build an infrastructure capable of coping with the varied demands of hybrid working securely, robustly and flexibly.



Priorities for 2021

At the time of publication, we are already deep into 2020/21 and have continued to make progress on all fronts. With respect to achieving our ambitions for operational excellence, we have the following priorities:

- Developing and reporting on KPIs at an individual, team, account and Group level.
- Enhancing our use of data to drive decision-making.
- Gaining greater visibility of our future/forecast revenue.
- Improving job and account profitability.
- Improving the utilisation and flexibility of Group resources.

Providing squads with a tangible set of objectives in the form of meaningful KPIs is a vital goal and one that we have already made substantial progress in achieving:

- Monthly revenue forecast vs target
- Revenue year-to-date vs target
- Job profitability
- Resource utilisation vs target
- Client development (£ YTD) vs target
- Client development as a % of revenue (YTD)
- New business won (£ YTD) vs target
- New business as a % of revenue (YTD)

Beyond these are a further subset of performance indicators, which will assist us in monitoring our creative and staff development performance within squads.

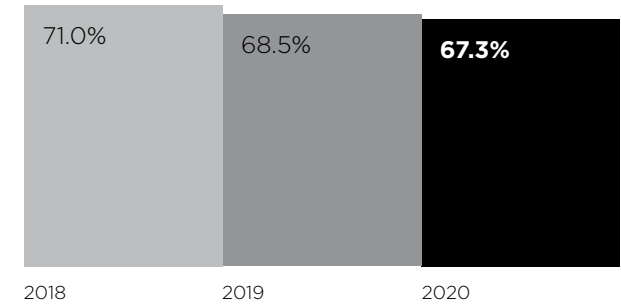
A primary objective for the business is to gain greater control and visibility of future revenue flows, which will then better enable us to proactively manage our resources, identifying over-capacity and capacity gaps.

Understanding the profitability of our jobs and accounts is another area where there are significant opportunities to improve. The reasons why jobs may be underperforming are many and varied, and begin with the original scope and cost. Increasing oversight of underperformance is a critical task for squads and their leaders, provoking challenge and intervention.

The extraordinary circumstances of the latter part of 2019/20 highlighted resource utilisation at a Group level as a key opportunity for positive change. We have now hired a Group Resource Director and their role in having a comprehensive understanding of our resources, requirements, gaps, over-supply and deploying them more effectively and efficiently, is a critical area for improvement in the coming year.

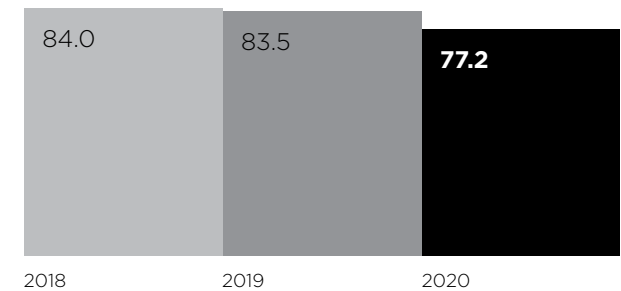
KPIs

Compensation ratio*



*Total staff costs including freelance/Revenue

Revenue per head (£000) **



**Total revenue/Average permanent headcount

At the company level we track the compensation ratio as a key measure of cost control. Our target is 60%, and the trend over the past two years is positive. It should be noted that the 2019/20 figure benefits from the period of pay cuts that were implemented for the last four months of the financial year.

We track revenue per head as a measure of efficiency. Our target is £100,000 per head (permanent staff). In the financial year 2019/20 this KPI suffered as a result of the sudden fall in revenue due to COVID-19. It gives a misleading picture of actual efficiency as at various times around 70 staff were furloughed.

At Emperor, we are committed to being more than just a business. During a challenging year, we've ensured our focus is always on the welfare of our people and continued to put plans in place to build on our strong responsible business foundations.

Responsible *business*

Lynn Dickinson

Responsible Business Director

Responsible Business Champions B Corp Champions



Kingsley James
Executive Director



Tracey Anderton
Head of People & Culture



Amanda Woodward
Chief Commercial Officer



Jennie Robertson
Account Director



Sarah Eklund
Marketing Manager



Noel O'Connor
Executive Director



Nicole Andrews
Head of HR



Sammy McDermott
Wellbeing & Pledge
Manager

Pledge Leadership Team



Responsible business represents our commitment to having a purpose beyond profit. This means we strive to create a positive impact for our people, our clients, the communities we operate in and work with, our suppliers and associates, while minimising our impact on the environment.

We want Emperor to be the agency of choice, a great employer, a great place to work, somewhere people have the opportunity to grow, develop and make a difference. An agency people are proud to work for. In turn, our motivated and engaged team delivers a better client service, and this sits at the heart of our business.

Our approach to responsible business is brought to life by employee ownership, our Pledges and our commitment to B Corp's Impact Assessment framework. Our goal is to continue to embed social and environmental considerations into everyday decision-making across the business and put better systems and metrics in place to ensure we can measure impact and progress.

Focus areas

- A year of new ambitions
- Building on strong foundations
- Our Pledges

A year of new ambitions

The year saw a significant and exciting change for Emperor. The move to employee ownership has fulfilled a long-standing aspiration of the founders, further embedding and safeguarding the culture of the company. As part of the resulting changes to governance, we established the Employee Board to represent the views of partners (employees) and share responsibility for the health of the business.

DIVE INTO EMPLOYEE BOARD ON P57

Building on strong foundations

Certified B Corps are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose.

We've been fans of the B Corp movement for some time and in the spring of 2020 completed the B Impact Assessment (BIA) to see how we stacked up. The BIA is a free and confidential tool that companies can use to assess their performance against five impact areas: Governance, Workers, Community, Environment, and Customers.

The result was encouraging and insightful. Our strengths lie in our employee ownership, our people and our Pledges and there are also clear areas for greater ambition including our approach to the environment and our supply chain. To ensure we continue to improve our performance, we have established a team (see page 35) to lead the programme and to drive progress.



Our Pledges

Our commitments to our people and society



We give back



We give youth a chance



We are most welcoming



We help you go beyond your potential



We trust



We look after the whole you



We are always accessible



We encourage innovation and ideas



We recognise excellence



We are social



We will support you through thick and thin



We care for the environment

Our Pledges

In 2017, we launched our 12 Pledges, a set of promises and commitments that focus on issues we are passionate about and reflect how we behave. Our Pledges are a visible and integral part of our culture. Each pledge has a senior sponsor and team of ambassadors driving action and engagement coordinated by the Pledge Leadership Team (see page 35).

In a year that was dominated by the pandemic, a number of our people focused Pledges came to the fore: 'We look after the whole you', 'We will support you through thick and thin' and 'We trust'. And seeing charities struggle during the pandemic, it was important to keep our commitment to the charity Maggie's cancer support centre as part of the 'We give back' pledge. We were also determined to continue our commitments surrounding our 'We give youth a chance' pledge.

The welfare of our people

As a people-driven business, our number one priority over the past year in particular has been the health and wellbeing of our partners. While some of our people have thrived in this new remote-working environment, others have found it incredibly challenging to balance conflicting priorities, childcare demands, loneliness and isolation. Our wellbeing agenda focused on mental health, physical exercise, and addressing isolation and loneliness. The aim was to provide a range of activities for people to engage in, with something for everyone but no pressure to participate.

The welfare of our people (continued)

Initiatives included:

- **Mental and physical fitness:** weekly yoga, meditation and fitness sessions with internal and external guest trainers.
- **March of the penguins:** a collective company step count to keep everyone moving has taken us all around the world.
- **Monday Matchup:** matching different people across the business to have conversations and build relationships.
- **Walk and talk:** encouraging people to step away from their screens, get outside, keep moving and have a good old-fashioned phone call.
- **Arts and crafts:** supporting busy parents while schools are out with drawing and art sessions for kids.
- Plus a range of social activities including our book club, midweek natter and cookery evenings.

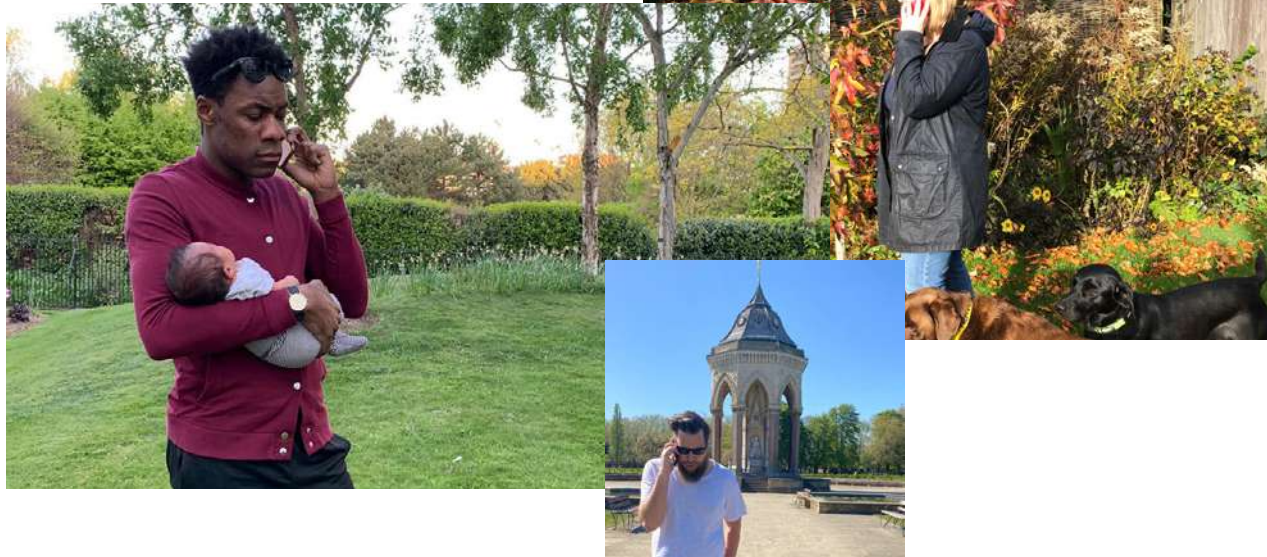
We introduced a number of confidential avenues for employees to reach out for help if they were struggling during lockdown, including an employee assistance helpline, trained mental health first aiders, and regular check-ins from our HR team. Our weekly anonymous survey, the Happiness Index, alongside other feedback mechanisms, helps understand how people are doing.

We kept our clients informed about the steps we were taking to look after our people, with personal weekly messages from Steve. We also conducted extensive client surveys over the summer to build feedback. And we've continued to build and expand on all of these initiatives.



Looking after mind, body and soul

At Emperor, we all have the opportunity to create something positive, sustainable and special. For the mind, it's important to have the right environment for professional and personal development. For the body, we actively promote health and wellbeing. For the soul, it's about giving back and creating a legacy for the future.



We give youth a chance

The issue of equality in our society has never been more apparent. We looked inwards to see what positive actions we needed to take to help foster better equality, diversity and inclusion.

One area we identified that needed addressing was how we offer and fill internships. We have always done our best to provide internships, work placements and work experience to as many young people as possible.

Many of them have gone on to be offered a full-time role at Emperor, or have benefited from these placements in their studies and careers elsewhere. However, we're mindful that introductions via the Emperor network have played a big role in these placements to date, which has led to a lack of diversity among this group.



We've built a strong relationship with Edinburgh College over the past few years, providing work experience placements and mentoring to students on their Graphic Design course, and collaborating on project briefs. This gives students valuable insight into life within a professional agency, offers them first hand advice from designers and the experience of presenting to real clients. It enables Emperor to establish great future working relationships and build a talent pipeline, we also get to learn about new techniques, technology etc and brings fresh and innovative ways of thinking.

We have people involved with One Million Mentors, who focus on supporting young people setting out on their career, and Kerning the Gap, whose remit is to increase diversity and equalise the gender representation in senior creative roles.

We are one of the contributing partners in the Daydream Believers programme, an initiative that provides free online educational resources for any educator looking to introduce creativity, critical thinking and problem solving into their classroom to improve the future outcomes for their pupils.

Towards the end of last year we established a new mentoring partnership with the Aletto Foundation, a charity whose focus is on identifying and developing the next generation of leaders from communities who have historically found it challenging to access jobs due to their backgrounds. There are currently five Emperor mentor/mentee relationships in progress and our objective is to share information about our own career paths, as well as provide guidance, motivation, emotional support, role modelling, and help build the mentees professional network.

DISCOVER MORE ON P42

39

In the summer, we identified LDN Apprenticeships as a partner to help us address this. LDN Apprenticeships are helping us to source talent from more diverse socio-economic backgrounds. Our vision is to offer more opportunities in the broader creative services industry for young people from different backgrounds.



At a time where many businesses weren't able to focus on their fundraising, Emperor remained committed and have been a key corporate partner. They continued to fundraise, offer pro bono support and donate their time and money and have been such a joy to work alongside. We simply cannot thank Emperor enough for their thoughtfulness and support throughout this difficult time.'

Hannah Bosley
Centre Fundraising Manager
Maggie's

We give back



We set up the Emperor Foundation in 2018, as the vehicle to support our chosen charitable causes. As part of our pledge, we give £10,000 a year to the Emperor Foundation, then add any monies raised from our Group and individual activities

Our chosen charity for 2019/20, as voted for by our people, was Maggie's cancer support centre. Maggie's centres provide benefit advice, psychological support and cancer support to anyone who is dealing with the financial and emotional impacts of cancer.

Despite the logistical challenges presented by lockdown, we raised £725 with an additional £10,000 donated by the Emperor Foundation. This contribution of £10,725 enabled Maggie's centres to continue providing support to 220 individuals, families and couples during lockdown:

- £3,600 allocated to benefit advice, supporting 90 individuals, families and couples with specialist advice on benefits and charity grants, tax credits, mobility help, disabled parking etc.
- £3,500 allocated to drop-in cancer support, supporting 70 individuals, families and couples whenever needed.
- £3,625 allocated to psychological support from a clinical psychologist, supporting 60 individuals, families and couples throughout diagnosis and treatment, and through bereavement.

We also provided pro bono support in the form of brand, video and campaign work to help Maggie's fundraising endeavours.

Other initiatives include our annual programme in collaboration with Beauty Banks, which collects health and hygiene products for people living in poverty. Our 'Dress to impress' initiative in October 2019 provided support to Smart Works and Shelter, collecting old corporate wear to help women struggling to get back into employment. And our 2019 Winter Wonderland campaign which raised £5,000 for the Emperor Foundation.

Priorities for 2021

In light of the challenges ahead we will continue to focus on the same Pledges, looking after our people, giving youth a chance and supporting our charity partner.

We will also continue to drive forward progress in line with B Corp's five impact areas including:

- Changing our Articles of Association to reflect our commitment to consider all stakeholders in our decision-making.
- A supply chain survey, to ensure that we are working with companies that apply high social and environmental standards.
- Greater focus on the environment, building on our ISO14001 certification, which currently covers over 85% of our leased floor space, addressing environmental stewardship when working from home which will play a bigger role in how we work in the future, and reporting on our performance.
- Publishing our first annual report - this very document - to demonstrate our commitment to transparency.

A great company means talented people at all levels of the business. We are focused on building a great place to work, creating opportunities and bringing in high-calibre people with the right skills to deliver our strategy.

Talented people

Steve Kemp

CEO

Talented People Champions



Tracey Anderton
Head of People & Culture



Nicole Andrews
Head of HR



Kinza Kehan
Youth Ambassador



Putting our people at the heart of our business goes hand in hand with providing an excellent client experience. Emperor has over 230 people working full-time in the business, and a pool of more than 50 regular freelancers and fixed-term contractors. Investing in talent at all levels has never been more important and also aligns to our broader commitments of being a responsible business.

We are focused on creating a great place to work, recognising the contribution our people make and creating opportunities for progression and development; and recruiting high-calibre people at every level, with the right skill sets to deliver our evolving strategic vision.

Introducing Talented people as one of our strategic pillars reflects the importance we place on it, and we have an ambitious manifesto.



It's been a year where our talent has really shone through. We've been proud of our internal communication within this period, where many different voices have been heard at our weekly all-company Zoom update, the Huddle.

We have also introduced several new sustainable initiatives around wellness, welfare and mental health. We are increasingly utilising the Employee Board to improve consultation and communication. The low point of the year was the tragic loss of our colleague, Stuart Wisken, who succumbed to COVID-19 in the second week of lockdown.

Focus areas

- Talent attraction
- Growing and developing our own
- Rewarding talent
- Improving diversity and inclusion
- Providing a great work environment
- Succession planning



Talent attraction

We place a huge focus on talent attraction, which needs to both align with our strategic objectives and also anticipate future needs.

With early careers, we intend to recruit more apprentices, school leavers and graduates in line with our 'Give youth a chance' pledge. We have recently partnered with LDN Apprenticeships who help businesses connect young people to companies, creating entry-level talent development pathways that meet employer needs and create security for people at the start of their careers. They have a strong focus on diversity and inclusion, and we are delighted to have recently made two hires.

Historically Emperor's growth, culture and reputation has been enhanced through adding quality people and teams to our gene pool. This has been achieved through acquisition, recruiting teams of people from other agencies and identifying exceptional talent. Having ongoing conversations with potential game changers has been, and will continue to be, an imperative.



Shoutout to... Nicole Andrews

Our HR Manager

The crisis elevated Nicole's role overnight. In a crisis, you see people in their true colours, with some people really stepping up to the plate. There is none more so than Nicole. Her ongoing communication, running cobra meetings, contending with a hugely increased workload, often over seven days, and dealing with matters with empathy, understanding and compassion.

Growing and developing our own

This priority is aligned with our Pledge 'We help you go beyond your potential'. Over the year, we have delivered over 420 training hours and, in a year where we faced unprecedented challenges, we were unable to fulfil our normal learning programme, while our focus very quickly shifted to personal wellbeing, supporting remote workers (and their managers) and educating our teams on diversity.

Over the next year and for the duration we remain in lockdown, we will continue these key themes but with greater emphasis on addressing unconscious bias and other barriers to diversity and inclusion.

The main priority this year is to improve our appraisal system, which we have outgrown, and better link it to career progression, reward and remuneration. We're committed to giving everyone a career path and a supporting development plan, and that this is embedded within the business.

Broadening and deepening leadership within Emperor, and developing our current and future leaders, are also key areas of focus, especially with the opportunities that have been created from our reorganisation. Leadership development will involve more formalised coaching and mentoring, as more colleagues assume positions with greater responsibility and increased management requirements.

Identifying and developing our 'rising stars' is also something that we plan to formalise this year, this period having provided the opportunity to witness first hand how many of our young professionals have shone.

Shoutout to... Serena Kouzos

Our Client Support Manager

She's in one of our most relentless and high-pressure jobs during a period that has seen more client requests than ever. It's difficult to separate the performance of her team from what she's done, but she hasn't missed a beat. Keeps everyone updated and connected. Constantly available and supportive of her team, sharing ideas, checking work, always ensuring her team are okay. Our youngest manager flourished in an incredibly stressful client service period. Literally an absolute legend... Legend status at 22!

Rewarding talent

Retaining talent isn't only about providing a great environment and a progressive career path, it's also about creating a greater sense of belonging with attractive rewards for performance. We have committed to paying the Real Living Wage and attain membership to the Living Wage Foundation. While Emperor has always paid above the government's minimum wage, this membership is reflective of our culture, demonstrates our commitment to our Values and our aspiration to become B Corp-certified this year. In March, we will launch an Enterprise Management Incentive scheme to incentivise and reward our most influential senior managers.

Improving diversity and inclusion

It is a fact that truly diverse workforces, with a range of experiences and backgrounds, make better decisions and have a better understanding of our diverse clients, their needs and expectations. We have a varied and increasingly international client base and the people who work for Emperor need to reflect this. While we have made some progress, we have communicated both to our people and our clients that this is an area that needs improvement.

Some initial steps we undertook include a series of conversations about race and inequality led by Patience McLean, an Organisational Development Consultant experienced in facilitating discussions on this subject. We established a Black Lives Matter thread on our intranet to encourage self-education through the sharing of podcasts, films, books and interviews that had inspired us. We also forged new partnerships with the Aleto Foundation and LDN Apprenticeships to begin to address issues of access to our industry.

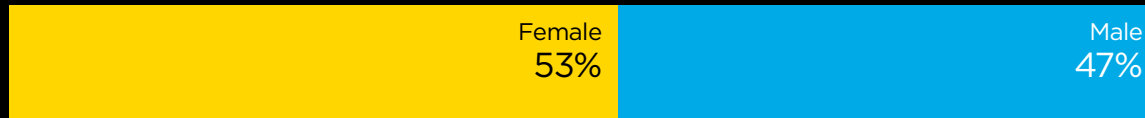
 **DISCOVER MORE ON P39**

People & culture dashboard

As at 31 August 2020:

Improving our reporting and embedding a talent dashboard is a key priority for 2021. In talent attraction this covers starters, recruitment costs, open roles, headcount, number of hires and time to hire. In retention this covers turnover, leavers, length of tenure and exit interview feedback, and from an analysis perspective, gender and diversity split, comp ratio and training hours.

Gender



Employment type



Age range



Permanent employees

215

Average length of service

4.1yrs

Training hours delivered

423

Employee turnover

11.6%

(FY19: 19.8%)

Number of "boomerangs"

5

(people who have returned to Emperor)

Employee satisfaction

7.1/10

(average Happiness Index score)

Due to the unprecedented and immediate impact the pandemic brought upon our business, including that of furlough, our KPI reporting for FY20 is not a true reflection of what we would consider to be a normal year. For instance, in some areas we achieved below an expected target (i.e. training hours) and in others (i.e. turnover) exceeded. We anticipate the same will continue into FY21.

Providing a great work environment

Making Emperor a great place to work isn't just about our open and collaborative culture. It's also about the right rewards, benefits, recognition, health and wellness, inclusion and ways of working. We have approved an enhanced parental package, which is long overdue. This more inclusive, family-friendly policy will not only offer a more generous financial benefit to new parents but also put into practice a support package for parents returning to work.

Succession planning

With our transition from an owner-managed business to employee ownership, we have created a mechanism for the Board to address succession, covering all key positions within the business.

DIVE INTO GOVERNANCE ON P54

Priorities for 2021

Looking ahead, as well as continuing to develop the focus areas from the past year, we have a number of priorities for 2021. We have partnered with a leading consultancy firm to develop and integrate a comprehensive inclusivity and diversity strategy. As part of this, we will roll out a series of workshops to engage our leaders and partners in fulfilling our inclusivity and diversity aspirations.

Alongside this, we are planning to build the current and future leadership team, continue to review how we can make flexible and blended working work best for everyone at Emperor, and increase momentum in our diversity and inclusion initiatives.



Kingsley James

Executive Director

Review of results

The financial results for the 2019/20 financial year are based on the consolidation of Emperor with its 51% subsidiary, Emperor Presentations. The financial statements are presented here in our management format, but reconcile directly to the fully audited statutory accounts, which are filed at Companies House.

OUR FULL AUDITED ACCOUNTS ARE AVAILABLE ON REQUEST.

Turnover for the year was £22.0 million, a small increase on 2018/19. Our key indicator of business activity, revenue (turnover less direct bought in costs), was £18.1 million, an increase of £0.6 million on the previous year.

Tenacious

KPIs

Year-on-year revenue growth

£0.6m

+3.3%

Year-on-year EBITDA

+2.5%

Headline operating margin

11.3%

Net cash

£0.7m

Continued on the next page

Revenue in the year was significantly impacted by COVID-19. In the seven-month period to 31 March 2020, revenue was 13% up on 2018/2019 as we traded at budgeted revenue levels, but in the final five months of the year to 31 August 2020, revenue was down 16% year-on-year and 19% below our budget. Our estimate is that the impact of COVID-19 on revenue in the year was between £1.5 million and £2.0 million.

Emperor Presentations performed strongly in 2019/20, its second year of trading, with revenue of £1.0 million up from £0.6 million in 2018/19. It delivered EBITDA of £0.3 million (2018/19: £0.2 million).

Operating profitability

In response to the impact on revenue of COVID-19, the management team took swift actions to reduce the cost base. Some of these were short-term decisions, for example, all permanent employees were asked to take a 20% pay cut and all directors to take a 40% pay cut for four months, between May and August 2020. Other actions, such as the reorganisation of our Dubai office, the redundancy of some senior roles and the renegotiation of office leases, will provide benefits into 2021.

EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortisation) for the year was £2.0 million, an increase of 2.5% on 2018/19. The margin at EBITDA level (EBITDA/revenue) was 11.3% compared with 11.4% in 2018/19.

Operating profit was £1.9 million (2018/19: £1.7 million) and profit after tax £1.5 million (2018/19: £1.4 million) of which £0.1 million was attributable to the minority shareholders in Emperor Presentations (2018/19: £0.1 million).

Consolidated statement of comprehensive income

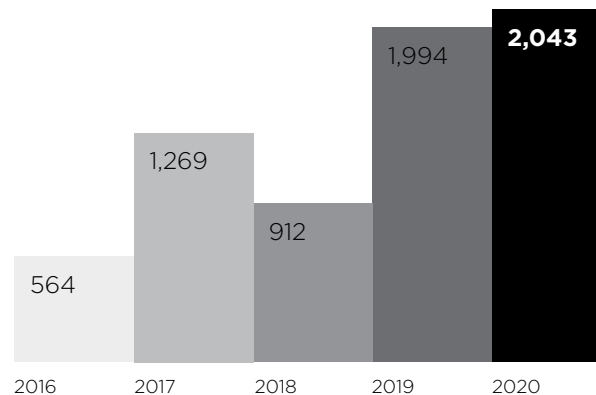
For the year ended 31 August 2020

	2020 £'000	2019 £'000
Turnover	21,961	21,843
Bought in costs	(3,888)	(4,345)
Revenue	18,073	17,498
Administrative expenses (excluding depreciation)	(16,367)	(15,504)
Other operating income	337	-
EBITDA	2,043	1,994
Depreciation	(144)	(296)
Profit before taxation	1,899	1,698
Tax on profit	(410)	(337)
Profit for the financial year	1,489	1,361

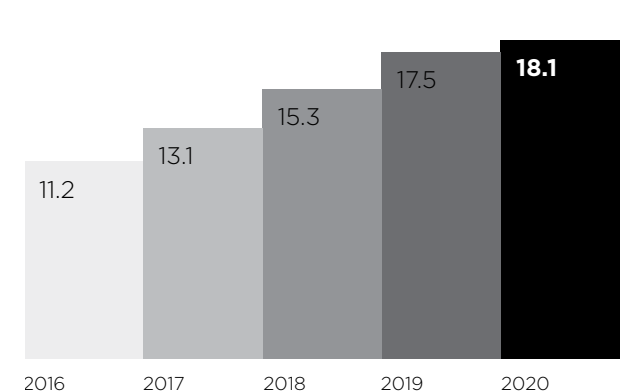
Profit for the financial year is attributable to:

Owners of the parent company	1,358	1,299
Non-controlling interests	131	62
	1,489	1,361

Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) (£000)



Five-year consolidated revenue (£m)



Continued on the next page

Exceptional income and costs

In order to assist in supporting its cash position and to protect jobs in the initial period of uncertainty following lockdown in March 2020, Emperor made use of the Government's Coronavirus Job Retention Scheme. Support of £0.3 million was received during the year. In addition, the pay cuts to all permanent staff and directors benefited EBITDA by £0.7 million in the year.

The costs associated with the sale of a majority share of Emperor (see below) to an Employee Ownership Trust amount to £0.2 million.

Cash flow highlights

In 2019/20, cash from operating activities was £1.1 million. Capital expenditure amounted to less than £0.1 million and £0.5 million was paid out in dividends. The increase in cash and cash equivalents was £0.5 million.

Balance sheet highlights

The Group has a strong balance sheet and good liquidity. As at 31 August 2020, we had cash of £0.7 million. We utilised an Invoice Financing facility during the year, provided by NatWest Bank, to manage our seasonal working capital requirements. The maximum drawdown against this facility in the year was £1.4 million.

Sale to Employee Ownership Trust

On 20 January, the existing shareholders sold 67% of the share capital to an Employee Ownership Trust. Grant Thornton acted as adviser on the transaction and Equiom, a Guernsey-based corporate services group, was appointed as trustee. The sale was financed by Loan Notes that are accounted for within the Trust. The Notes carry an 8% coupon and have no fixed redemption schedule.

Balance Sheet

As at 31 August 2020

	2020		2019	
	£'000	£'000	£'000	£'000
Fixed assets				
Tangible assets		244		311
Current assets				
Work in progress	371		496	
Debtors	4,556		4,704	
Cash at bank and in hand	691		206	
	5,618		5,406	
Creditors: amounts falling due within one year	(3,370)		(4,185)	
Net current assets		2,248		1,221
Total assets less current liabilities		2,492		1,532
Provisions for liabilities		(21)		(31)
Net assets		2,471		1,501
Capital and reserves				
Called up share capital		1		1
Profit and loss reserve		2,301		1,438
Equity attributable to owners of the parent company		2,302		1,439
Non-controlling interests		169		62
		2,471		1,501

Consolidated statement of cash flows

For the year ended 31 August 2020

	2020		2019	
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Cash generated from operations		1,451		813
Income taxes paid		(370)		(167)
		1,081		646
Investing activities				
Purchase of tangible fixed assets		(77)		(157)
Cash used in investing activities				
		(77)		(157)
Financing activities				
Stamp duty paid on sale of shares		(45)		
Dividends paid to equity shareholders		(450)		(306)
Dividends paid to non-controlling interests		(24)		
Net cash used in financing activities		(519)		(306)
Net increase in cash and cash equivalents		485		183
Cash and cash equivalents at beginning of year		206		23
Cash and cash equivalents at end of year		691		206

Outlook for the next financial year

The start of the 2020/21 financial year has seen a bounce back in revenue. High year-on-year retention rates for existing clients, a renewed focus on client development and significant new business wins have resulted in revenue for the first five months 1.5% up on 2019/20. While it is too early to conclude what impact COVID-19 will continue to have on business levels, the demand for our services and the confidence among our clients appears strong.

EBITDA for the five months to 31 January 2021 was £0.6 million, an increase of £0.5 million on 2019/20. This reflects some of the cost-saving measures taken at the end of 2020, plus the ongoing savings afforded through office closures and lockdown.

Emperor Presentations continues to grow and revenue to 31 January was £0.5 million, slightly up on the same period of 2020. EBITDA was £0.2 million.

The net cash at 31 January was £0.2 million compared with net debt of £0.6 million 12 months previously.

With clear visibility of revenue through to April and some large client wins that have not yet commenced billing, we are looking forward with some optimism for the rest of the financial year.

**OUR FULL AUDITED ACCOUNTS
ARE AVAILABLE ON REQUEST.**

We have undertaken an extensive review of all the potential areas of risk and uncertainty that could impact Emperor's strategy, financial position and performance, and wider reputation.

Our risk profile has shifted in the past 12 months as a result of COVID-19, the resultant economic instability and changes to business practice necessitated by lockdown, and our move to employee ownership.

Creating a fit-for-purpose and sustainable Risk Management Framework

Our approach to risk governance is evolving and we aim to formalise our risk management framework over the next 12 months. At present, a subgroup of the Executive Committee is responsible for monitoring medium and long-term business scenarios, and our key risks are identified as a part of this process. The intention is for our risk profile to be reviewed and assessed by the Emperor Board three times a year.



Business scenarios

The Board is committed to identifying, evaluating and managing the principal risks to enable the Group to deliver its strategic objectives.

Risk and Impact Level: ● High
 ● Medium
 ● Low

Movement: ↑ Increasing
 ↔ Stable
 ↓ Decreasing

Risk	Risk and impact level	Mitigating factors	Movement
Macroeconomic downturn	<p>The macroeconomic environment continues to be volatile as a result of the uncertainties caused by events such as Brexit and COVID-19. Marketing and communications budgets have historically been reduced by clients during weakened economic conditions, while the risk of client loss or reduction in spend is increased.</p> <p>A prolonged economic downturn may result in fewer opportunities to win new clients, longer procurement processes and a squeeze on pricing. We may also see an increase in the length of time clients take to pay, putting pressure on our working capital. There is also an increased risk of bad debt as a result of a client's financial problems.</p> <p>Risk Level: ● Impact Level: ●</p>	<p>Stakeholder reporting, Emperor's core service offering, makes up almost two-thirds of revenue and has proved to be robust even in poor macroeconomic conditions. We also have a wide spread of clients across both geography and industry sector, reducing reliance on any one particular economic environment.</p> <p>The rigour and quality of our business development team and our processes have consistently delivered new business and client development opportunities even in tough economic conditions.</p> <p>Costs are managed in each area of the business so that they can be flexed to meet seasonality requirements and to deal with the impact of an economic downturn. During the past financial year, we were able to manage the impact of COVID-19 on reduced revenue by controlling our cost base. Emperor's exposure to issues directly caused by Brexit is considered to be low.</p> <p>The finance team closely reports and monitors aged debtors and ensures that plans are in place to minimise the risk of any loss.</p>	↔
Corporate activity	<p>The macroeconomic uncertainty may cause weak financial markets in the UK. This could result in fewer companies listing and more companies delisting, with the impact of a reduced market opportunity for some of Emperor's key services. Weak financial markets in the UK, along with a devalued currency, may result in an increase in corporate takeovers by UK and overseas companies and the loss of clients.</p> <p>Risk Level: ● Impact Level: ●</p>	<p>Emperor has a large portfolio of listed clients, from FTSE 100, through all ranges of market capitalisations, to AIM and Small Cap. We continue to target listed companies of all sizes. Corporate actions, which are most likely in our smaller clients, are unlikely to have a material effect on revenue. We have a close network with financial PR companies and other financial intermediaries, which give us early visibility on any IPO activity that does occur.</p> <p>Private companies and other organisations are increasingly adopting the stakeholder communications standards of listed entities, which will grow Emperor's market size.</p>	↔
Strategic reliance on key clients	<p>One of Emperor's strategic objectives is to increase client spend. In doing so, our exposure to individual clients increases, with the risk that we are materially affected by changes in spend or loss of individual clients as a result of dissatisfaction or corporate takeovers.</p> <p>Risk Level: ● Impact Level: ●</p>	<p>Although we have achieved considerable success in increasing client spend, no one client makes up more than 6% of total revenue. Within our larger clients, we typically work with multiple budget holders, which reduces the reliance on the client as a whole and increasing spend typically involves selling in a wider range of services, which also reduces risk. We continue to focus on adding new clients, while simultaneously developing our existing client base.</p>	↑

Risk	Risk and impact level	Mitigating factors	Movement
<p>Service offering fails to evolve</p>	<p>Our area of the communications industry is always changing, driven by client changes, technological change, regulation and the emergence of competitors. Emperor needs to be proactive in identifying and delivering solutions to changing clients needs. Failure to evolve can result in loss of market share and clients, and pressures on pricing, which can impact on revenue and margins.</p> <p>Risk Level: ● Impact Level: ●</p>	<p>The improved coordination of our propositions increasingly allows us to offer integrated services that are attractive to new clients and help to strengthen existing relationships. We are continuing to evaluate opportunities to grow our services organically or through partnerships into closely adjacent areas.</p> <p>We are committed to helping shape the discussions affecting some of our core services, through participating in, and responding to, proposals from the Financial Reporting Council.</p>	<p>↑</p>
<p>Perception of employee ownership shifts</p>	<p>The sale of 67% of Emperor shares to an Employee Ownership Trust (EOT) in January 2020 was intended to motivate and incentivise our people and provide them with clarity for the future. However, there is a risk that if the financial performance of Emperor falls below our previous forecasts, we will not be able to pay partner bonuses and 'financial freedom day' (when the business has finished paying the founders for their shares) may be pushed back. This could result in a negative view of management and the EOT model and lead to a loss of talent.</p> <p>Risk Level: ● Impact Level: ●</p>	<p>On a quarterly basis, the Board reviews the utilisation of cash in order to best meet the business' needs. This includes ensuring that the right balance is achieved between working capital needs, investment, rewarding partners and redeeming outstanding vendor loan notes.</p> <p>The Board regularly reviews its obligations set out in the Operating Agreement to achieve financial freedom day as expeditiously as possible, while taking other relevant factors into account. This includes exploring options for alternative financing where appropriate. There are strong lines of communication between the Executive Management Team and the Employee Board, and directly with employees, to ensure expectations are managed.</p>	<p>↔</p>
<p>Loss of key talent</p>	<p>Emperor's talent base is its most important resource. There is strong competition within the industry for experienced professionals in some of our key growth areas. Recruitment and retention of key individuals are important, both for maintaining client relationships and ensuring that our services are of the highest quality.</p> <p>Risk Level: ● Impact Level: ●</p>	<p>Talented People is one of our strategic pillars. Our approach to recruitment is to hire the best people we can find for each role and remunerate them accordingly, while constantly challenging ourselves with respect to diversity considerations.</p> <p>We understand that the expectations on us as an employer and what employees demand from a job are changing. We continually invest in understanding our employees through the work of the Employee Board, regular surveys on key issues and our weekly Happiness Survey. We introduced a wide programme of wellness initiatives and are committed to our pledge to 'support the whole you'.</p> <p>In recent years, we have committed a greater budget to training and development and we are providing improved opportunities to change roles and careers within Emperor. Employee ownership is a unique offer within our industry and we are committed to making it meaningful for our people, both financially and through having a voice in the direction of the business.</p>	<p>↔</p>

Risk	Risk and impact level	Mitigating factors	Movement
<p>Information systems access and security</p>	<p>The cyber threat to businesses is persistent, evolving and growing in capability. Malicious actors are continuously looking for new methods to steal data, conduct espionage, generate financial income and disrupt their targets.</p> <p>Emperor is at risk of suffering substantial operational disruption, reputational and financial damage if we do not understand the cyber-threat landscape and invest in appropriate mitigation measures to protect our operations, our clients and our people.</p> <p>Risk Level: ● Impact Level: ●</p>	<p>Emperor has an IT Steering Committee, comprising a combination of our in-house team and retained IT consultants. It is responsible for overseeing all elements of IT system access and security.</p> <p>By January 2021, Emperor's IT infrastructure will have been migrated fully to a cloud environment with little on-site technology. It will use a combination of Microsoft Azure Cloud storage and a range of reputable vendor hosted cloud applications. This will provide significantly improved security.</p> <p>Emperor is committed to investing in protecting our people and business from cyber threats through software and monitoring processes. Plans are in place to implement changes to individuals authentication processes and provide training to staff in relation to the threat of phishing attacks and other threats.</p>	<p>↑</p>
<p>Responsible business practices</p>	<p>Behaving responsibly is one of our key strategic pillars. It is a moral and commercial necessity that we contribute positively to the society and environment that we operate in. Without committing to this demonstrably and effectively, there is a risk that we will struggle to retain and recruit talent, as well as retain and win clients who are committed to responsible practices and innovation.</p> <p>Risk Level: ● Impact Level: ●</p>	<p>We have recently appointed Emperor's first Director of Responsible Business. Part of the role is to develop a sustainability strategy that considers the holistic impact of Emperor's operations.</p> <p>We also have a number of successful initiatives that have been started over the past three years, including our Pledges. These are being tied together into a coordinated strategy and we have committed to the process of becoming a certified B Corp. This will not only provide a robust measure of our progress in this area, but continue to hold us to account going forward.</p>	<p>↑</p>
<p>New working practices</p>	<p>COVID-19 has led to a review of our approach to flexible and blended-working arrangements. A large proportion of our people have expressed a preference for a blended-working arrangement between home and the office. Unless our systems, processes and management of teams adapt to these new arrangements, productivity, quality and client service could suffer, leading to client dissatisfaction and a negative impact on profitability.</p> <p>Risk Level: ● Impact Level: ●</p>	<p>We have made a number of changes to provide our people with the flexibility to work effectively from the office and at home. This has included investments in IT hardware and cloud systems, changes to employment contracts, and the introduction of policies and procedures to support new ways of working, while our training for line managers is increasingly focused on how to manage remote teams.</p> <p>The role of the office is changing but we believe, in our business, it still has a crucial role to play. By remaining flexible in our office lease negotiations we are well-positioned to create the work spaces that will support blended working, without compromising quality, productivity or client service levels. The investment in our new creative hub in Warwick will provide insights into how best to design office spaces, which will be invaluable for the whole business as we emerge from the effects of COVID-19.</p>	<p>↔</p>

A portrait of Chris Stamp, a middle-aged man with grey hair, wearing a white button-down shirt, smiling. The image is partially obscured by a black diagonal shape in the bottom left corner.

Chris Stamp

Independent Chair

**Supporting
success**

Emperor's governance has helped the business navigate through the uncertainty of the pandemic and is evolving to better support the company as an employee owned business.

Two events have dominated the shape of the year for the Emperor Board. First, the change from founder-owned to employee owned status was completed on 20 January 2020 and, second, soon after, the COVID-19 pandemic.

The latter was the Board's priority during the first half of 2020 as it sought to ensure that the management team was able to navigate the business through the uncertainties and challenges presented by the pandemic. We were not therefore able to really focus our attention on the important task of ensuring that Emperor's governance is appropriate to its status as an employee owned business until later in 2020. However, we have now begun to make good progress in this area.

Emperor has applied the Wates Corporate Governance Principles for Large Private Companies to help shape and inform our approach to good governance. This statement explains how Emperor has applied the six Wates principles during 2020.

Purpose and leadership

Building trust and confidence is central to Emperor's purpose and this is an important priority for the Board. This means we must ensure that Emperor's governance is aligned with the sustainable and profitable employee owned business we strive to be.

With this in mind, the Board is enthusiastic about and deeply interested in the responsible business pillar of the strategy and we will be monitoring the ongoing development of a responsible business culture within Emperor, as the programme for gaining B Corp accreditation progresses.

To assist with this, we have begun to focus on our relationships with the Trustee of the Employee Ownership Trust, the Employee Board and the management team.

 **DISCOVER MORE ON P56**

Emperor Board composition

Non-executive directors

Chris Stamp (Chair)
Paul Matthews
Karen Steidle

Founder directors

Steve Kemp
Kingsley James
Noel O'Connor

Executive directors (non-founder)

Philip Franklin
Victoria Sugg

Executive Committee

Responsible for the day-to-day running of the business

The balance of non-executive directors, founder directors and non-founder executive directors has been created in order to achieve four objectives:

- **Transparency:** Having a Board that is not the exclusive domain of the founder directors provides a more transparent forum for decision-making.
- **Accountability:** Non-executive directors provide accountability to the executive team for business performance. Extending the membership of the Board to include non-founder directors provides a broader bandwidth of accountability for the Executive Committee (Exco) as a whole.

- **Reputation:** Emperor is currently applying for B Corp status, which will bring reputational benefits. A Board that includes directors who are independent of Emperor's ownership enhances its governance credentials.
- **Succession planning:** Appointing members of the Exco other than the founders provides an opportunity for developing Emperor's executive leadership for the future.

Non-executive directors' skillsets

The non-executive directors bring the following skills, knowledge and experience to the Board:



Chris Stamp

Independent Chair

Board-level corporate governance, knowledge of Emperor's client base and business environment and organisational change management.



Paul Matthews

More than 30 years' stock market knowledge, working with UK listed companies on all forms of shareholder and employee engagement, allied with strong corporate governance knowledge.



Karen Steidle

Global senior executive experience leading sales, marketing, service delivery and board-level corporate governance.

 DIVE INTO OUR LEADERSHIP ON P61

Board responsibilities

The Board meets six times a year and receives the following update reports from the executive directors at each meeting:

- Strategic priorities and strategy implementation
- Financial performance
- Operational performance
- Sales and business development

During the early months of the pandemic, these reports focused on the key operational priorities arising from the pandemic: the wellbeing of employees; the transition to home working; the operational performance of the business; and the preservation of cash.

The next three years will be a journey of transition for Emperor and we see five key priorities for the Board as we embark on that journey:

- Prudent cash management to enable Emperor to reach Financial Freedom Day, while maintaining sensible levels of working capital.
- Overseeing the transition of Emperor to an employee owned business, including succession plans for the founder directors to create Emperor's leadership team for the future and broaden the diversity of the Board.
- Creating accountability, on behalf of all stakeholders, for the delivery of the strategy and business performance.
- Establish and oversee a remuneration policy (see the 'Remuneration' section).
- Monitoring the embedding of the responsible business ethos across Emperor.

Opportunity and risk

The Board recognises the importance of taking opportunities to create and preserve value underpinned by sensible risk management.

The pandemic has created opportunities for Emperor to create value, most notably through the strategic projects set up during the year:

- Client-centricity
- How we are organised
- Societal commitments
- Technology
- Propositions
- Offices and people

The Board has reviewed progress with these projects at each of its meetings and looks forward to seeing the benefits be realised in 2021 and beyond.

We have also begun to discuss Emperor's risk management framework and risk matrix. This work is still in a formative phase, but it will be an important area of focus for the Board in 2021.

Remuneration

The Board is ultimately responsible for determining all aspects of the remuneration within Emperor. To do this, we need a framework for approving the remuneration for the executive directors, both founder and non-founder. The governance of remuneration also needs to be transparent.

Taking these needs together, we have established a Remuneration Committee consisting of the three non-executive directors to work with the CEO in setting the overall policy framework for senior management remuneration and, in particular, oversee the remuneration of the executive directors on the Emperor Board.

Below Board level, the responsibility for employee remuneration continues to lie with the CEO and Exco, but it will be set within the framework agreed by the remuneration committee and Board.

Stakeholder relationships and engagement

Many of Emperor's principal stakeholder relationships and engagement are the primary responsibility of the Exco. However, the Board has three key stakeholder relationships.



We enter 2021 with a lot of optimism but we do not underestimate the work we as a Board have to do to help Emperor continue to grow as a sustainable and profitable business. We are committed to putting the best governance framework in place to support this and we look forward to being part of the Emperor journey as it enters its 25th year.

Stakeholder	Why is this relationship important to the Board?	How we communicate
The Trustee	<p>The Trust is Emperor's largest shareholder. The Board is therefore accountable to the Trustee for the running of the company.</p> <p>Under the Operating Agreement, there are certain matters that the Board must discuss with the Trustee</p>	<p>The executive directors formally inform the Trustee of key discussions and decisions which may impact partners.</p> <p>The Chair will meet with the Trustee twice a year to discuss Emperor's governance</p>
The Employee Board	<p>The Employee Board represents the partners and is an important forum for receiving employee feedback on key Board discussions and decisions</p>	<p>Kathryn Cearns, the Independent Chair of the Employee Board, will attend all Board meetings as an observer.</p> <p>Significant issues being discussed by the Board will be discussed with the Employee Board beforehand by the Exco. Where appropriate, Employee Board members may be invited to discuss specific issues with the Board.</p>
Exco	<p>Although the Board is legally responsible for the Emperor business, day-to-day responsibility for the running of the business is the responsibility of the Exco, led by the CEO.</p>	<p>The Board receives reports from the executive team. Members of Exco will be invited to Board meetings to discuss specific issues.</p>

An ear for the employee voice

By advising and supporting the business, the Employee Board enables all partners to input into our success. Our first year was not without its challenges but the Board had an important role in key decisions by engaging and informing partners.

Meet the Employee Board:



Kathryn Cearns
Independent Chair

I joined the Employee Board as a chance to work with a great company as it emerges as an employee owned business.

Kathryn



Darryl Mead

Being part of the Employee Board is very satisfying; being able to nurture our culture and create a genuine partnership approach to our business.

Darryl



Jo Brinsden

I think employee ownership has really allowed people to have a voice and feel like they have a stake in the success of the company. It's been fantastic to hear the views of so many people in the voice sessions.

Jo



Sam Trillwood

Employee ownership is great for Emperor, because it creates a partnership mindset where everyone's input matters and we can openly share our ideas.

Sam



Helen O'Brien

The power of employee ownership is that it offers all of us the opportunity to shape and share in the success of our business.

Helen



Jennie Robertson

I got involved with the Employee Board because I wanted to contribute and help issues that were raised be heard.

Jennie



Henry Ker

Being a part of our Employee Board is a brilliant opportunity to become more involved in helping to shape the long-term strategic direction of Emperor.

Henry

The Employee Board (EB) was established on 20 January 2020, with the purpose 'to enable all employees to input into the success of the business'.

The EB's role is to advise and support the business and the partners and provide governance:

- Allowing all partners to be able to offer ideas or raise concerns and have confidence that the business has a formal process to follow-up with appropriate action or response.
- From a governance perspective, hold the Executive Committee (Exco) and Board to account to ensure it communicates openly and honestly.

We act as a conduit for two-way communication and can advise Exco and the Board on matters that make a material difference to partners.

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Board composition

The inaugural board was selected by the Emperor Board to represent a broad cross-section of partners. Members serve a term of two years and the EB is accountable to the Independent Chair, Kathryn Cearns.

The process of nominations for the next election will begin in October 2021. Nominations are considered by the EB and the Emperor Board to ensure that the nominees meet the Terms of Reference for EB - available on Emperor's intranet, Jostle - and reflect the business to include:

- Senior team member/s
- A representative of client relationships
- A representative of the support functions
- An under 30-year-old team member
- An appropriate mix of diversity and tenure



Voting takes place during November and a period of support and handover to the new board members takes place in December with new members officially beginning their tenure on 1 January 2022.

EB members may serve consecutive terms if successfully elected each year, to a maximum of two consecutive terms. Should one of the team leave the business or resign from the Board within the two-year period, a nomination process will be held for their replacement.

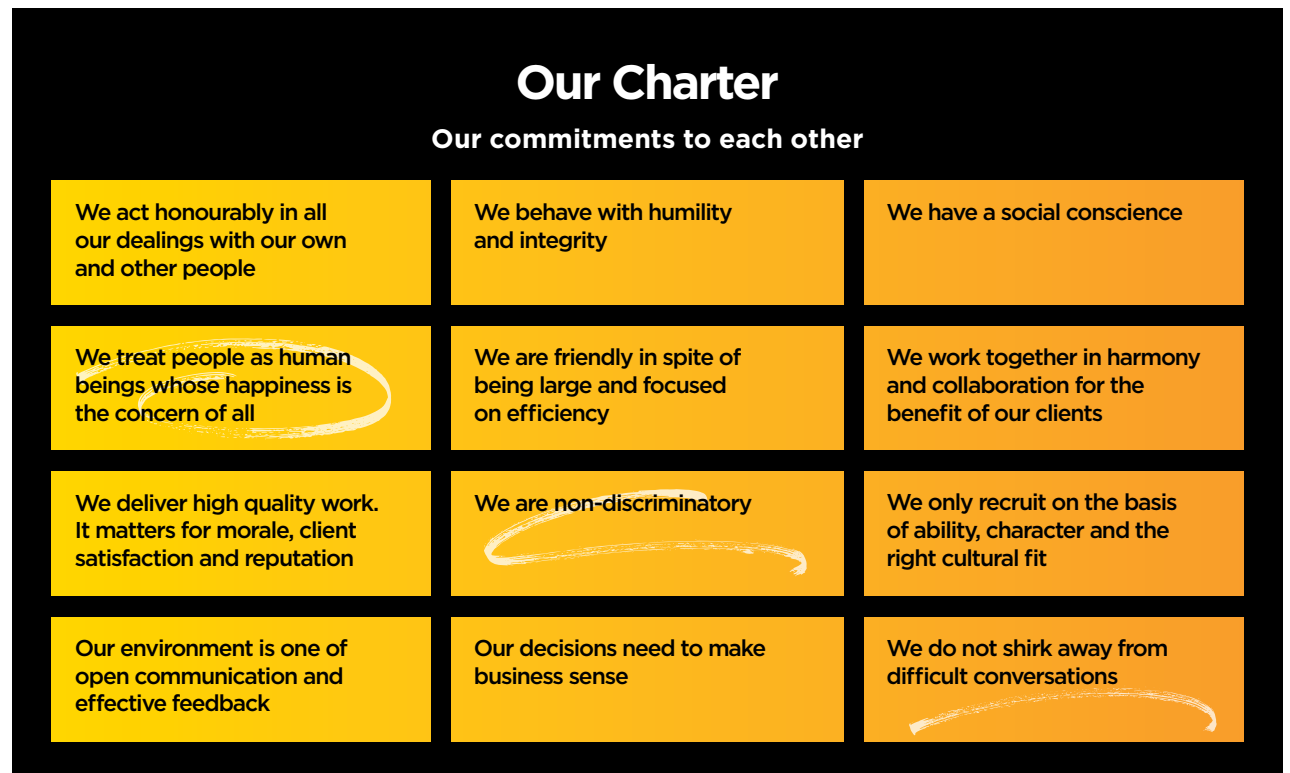
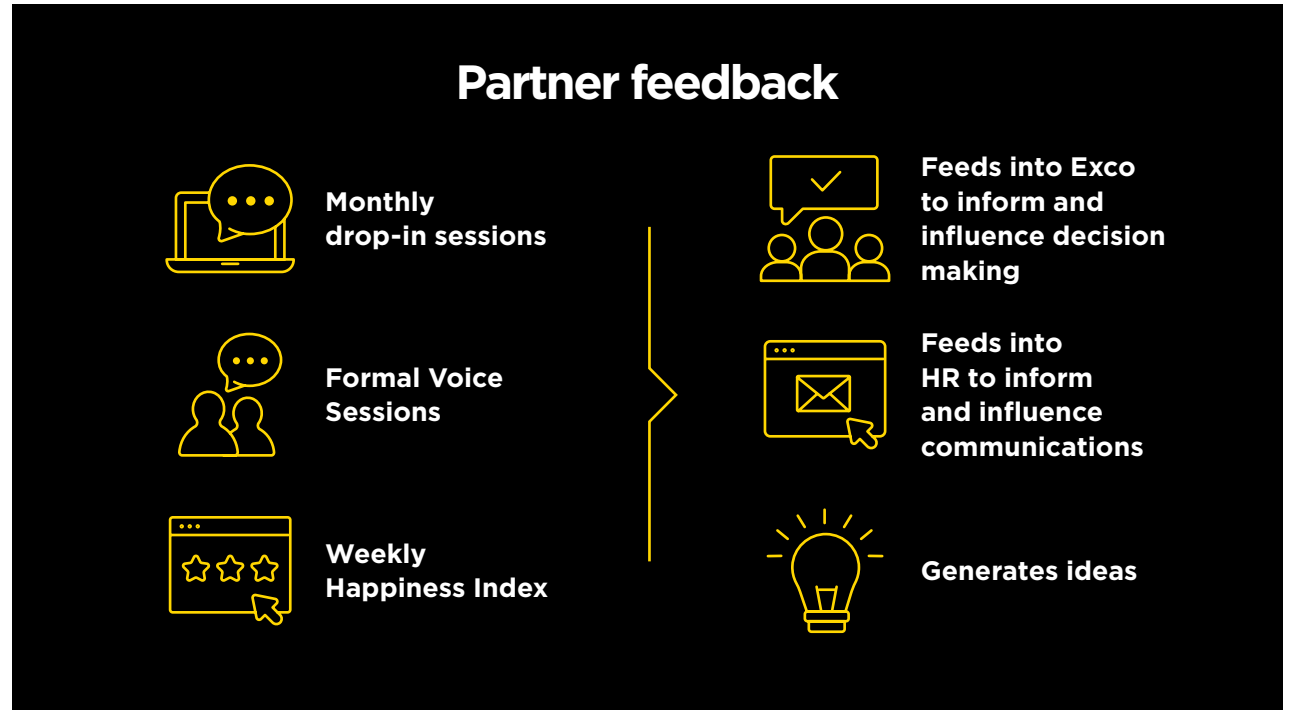
The Employee Board acts as a conduit for two-way communication, advising Exco and the Board on matters that make a material difference to partners.

Engagement with partners

One of the main roles of the EB is to ensure the employee voice is heard and conveyed to senior leadership. The EB ensure the employee voice is gathered through several different mechanisms:

- Formal voice sessions on a two-monthly basis. Sharing updates from the business and encouraging focused input around specific topics.
- Additional voice and feedback sessions, held on an ad hoc basis in relation to particular topics which require specific discussion.
- Informal monthly drop-ins.
- Email or one-on-one personal conversations.
- The Happiness Index, Emperor's weekly anonymous feedback survey.

A representative of EB attends Exco in an advisory capacity to represent the partners, while the full EB presents to the Executive Committee on a quarterly basis and Kathryn Cearns, attends the Emperor Board meetings on behalf of the partners. The EB also channels responses to other parts of the business as appropriate. Feedback to the partners is shared via the Huddle, Jostle and the bi-monthly voice sessions.



Delivering strategy and responsible business

Our business strategy is devised to drive successful, sustainable growth for Emperor – delivering to our strategy ultimately benefits everyone through employee bonus. Combine this with our desire to achieve B Corp certification, as a business that balances purpose with profit, we can realise our vision to make Emperor the agency of choice for ambitious clients and talented ambitious people. The EB has a number of roles to play here:

Inform

Helping to ensure that we all understand how successful implementation of our strategy and fulfilment of B Corp ambitions benefit our business.

Encourage

Encouraging us all to consider how we can individually and collectively contribute, championing the Pledges, Values and better ways of working.

Listen

As an ear for the partners, we can share their thoughts to help us achieve our shared goals, and understand the issues and opportunities from partners that can make a material difference.

Activate

We promote a partnership mindset to deliver the strategy through our ideas, feedback, knowledge and expertise.

Informing decision-making in 2020

The EB and partner voices have contributed, through employee ownership, to a year of huge change and success at Emperor.

The areas the EB had involvement include:

- Considering the future of flexible and blended working. Partner opinion and views have been vital to this and candid feedback to the EB has shaped how we have managed and communicated, and will continue to do so into 2021, as we move to a truly blended workplace.
- Ensuring there is a clear understanding among our partners of why and how the business was making use of the furlough scheme.
- Exploring concerns about the move to the Midlands Hub through the Employee Voice sessions, listening and feeding back to the executive team.
- Encouraging greater understanding and transparency of our business and financial cycle. The leadership team sharing a greater level of financial information with partners is a direct response to employee ownership. We believe that better understanding will help us all to make razor-sharp decisions.
- Reviewing and inputting into the updated employment contracts.
- Reviewing and updating the employee ownership handbook and induction session.

Focus areas for 2021 and beyond

Following a strong first year, despite unforeseen and challenging circumstances, we would like to build on and refine what has been established to date. With particular focus on bringing our Values of ‘aiming high’, ‘creativity everywhere’, ‘infectious enthusiasm’, ‘always learning’ and being ‘razor sharp’, to life to help us all deliver against our personal and shared ambitions and create an exciting business to be part of.

We believe there will be work to do to shape and embed the roll-out of our blended, flexible working environments as lockdown restrictions are eased and we all get used to protocols around how we ensure inclusivity and nurture culture.

We will look to increase engagement and trust in the Happiness Index as a confidential way to give feedback. It’s a great way of checking in with general trends or capturing specific challenges in the business – and could work harder for us.

We will continue to raise awareness and literacy around our business performance and financial results to help partners feel informed and empowered to make smart choices.

And, of course, we will continue to respond to changes and challenges as we face them; listening, advising, sharing and sense-checking.

As a business, Emperor’s progress over the past 12 months, through all of the challenges faced, has been remarkable. The commitment to employee ownership and our shared success not only sets us apart from our peers, it makes us a unique environment to work in – one focused on the long term and striving to be the best we possibly can for our people and our clients.

Steve Kemp

Chief Executive Officer & Partner



B EC

As one of the founders of Emperor and CEO, over the past 25 years I have led Emperor's growth to become one of the UK's leading creative agencies.

With over 30 years' experience in corporate communications, I have advised many different companies with their reporting, brand and digital strategies. Bringing my entrepreneurialism, opportunism and personal drive, a relentless focus on customer service and satisfaction, has enabled Emperor to grow both organically and by acquisition.

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In January 2020, we fulfilled a long-standing ambition of mine, as Emperor became an employee owned business.

Noel O'Connor

Executive Director & Partner



B

I manage a number of strategic client relationships and have various cross-office creative responsibilities including our Pledges.

I co-founded Emperor with Steve in 1996 following a successful agency career in central London. I have over 25 years' experience in the visual communications industry and have worked with a diverse range of clients and sectors, from FTSE 100 companies to AIM and private businesses.

Having spent eight years leading the creative proposition in London, I moved to Edinburgh in 2003 to set up our Scottish operation, which is now one of the largest corporate design agencies in Scotland.

Kingsley James

Executive Director & Partner



B EC

As an Executive Director of Emperor, I have Board responsibility for Finance, IT, Legal, Property, and Corporate Development Projects.

My background was originally in finance, mergers and acquisitions, having qualified as a Chartered Accountant with EY. I joined Emperor in 1998, a couple of years after Steve and Noel had founded the company, and have worn several hats over the past 23 years, including heading up the original digital proposition.

Tracey Anderton

Head of People and Culture & Partner



EC

As Head of People and Culture at Emperor, I am responsible for developing a business-aligned people strategy and working closely with the CEO on talent acquisition and development. I also lead on performance culture, reward matters and oversee our Pledge programme.

With over 25 years' experience, including 11 years at MSLGROUP, I'm passionate about all things people-related. Combining my successful agency background, extensive people experience and down to earth personality, I work hands-on with creative leaders to deliver successful change for their people and their business.

The day-to-day running of the business and delivering Emperor's business strategy is the responsibility of the Executive Committee and the Proposition Heads, led by the CEO.

Driving our Strategy

- B** Emperor Board
- EC** Executive Committee
- EB** Employee Board
- P** Proposition Head

Lynn Dickinson
Responsible Business Director



EC P

In my role as Responsible Business Director, I drive Emperor's own responsible business agenda; help to shape our sustainability proposition to meet the needs of business and our changing world; and advise our clients on their own journeys of continuous improvement.

I've spent the past 20+ years helping companies to develop their approach to sustainability strategy and communications, working with clients including Adidas Group, ASICS, Anglo American, Diageo, Mondi, Morrisons, Thomson Reuters, Tritax, Viacom and Xeros Technology.

I have also shaped and led two internal agency responsible business programmes and am a 'B Corp enthusiast', aka a BLeader.

Philip Franklin
Chief Operating Officer & Partner



B EC

As Chief Operating Officer, I'm responsible for ensuring we are achieving our goal of delivering quality efficiently. I work with all our squads, teams and hubs, listening, guiding, advising and directing, as well as talking to clients to hear their perspectives and feedback.

With 30 years' experience as a marketing and communications professional, having started a marketing agency in 1990, I've now been with Emperor for 10 years. I have worked at a senior level across a range of sectors, including 15 years in the financial services sector in the UK and overseas.

Claire Fraser
Head of Stakeholder Reporting & Partner



EC P

I'm responsible for Emperor's stakeholder reporting and engagement proposition, helping companies to navigate the changing landscape, and develop a strategic approach to sustainability in the context of business strategy and long-term success.

I've spent over 14 years' in corporate communications, developing and implementing strategies to improve engagement, increase awareness and build reputation, working with companies of all sizes across different sectors.

I specialise in stakeholder reporting because it drives better business practice through greater transparency and accountability, encourages the development of robust business strategies, facilitates broader stakeholder engagement, and acts as a catalyst for integrated thinking.

- B** Emperor Board
- EC** Executive Committee
- EB** Employee Board
- P** Proposition Head



Jenni Fulton

Head of Emperor Growth & Partner



EC

I'm responsible for Emperor's Growth proposition and lead the squads and tribes that make up our Midlands hub and Growth team.

As a passionate believer in the positive impact that creative and authentic communications can make to an organisation's success, I've spent the last 17 years immersed in corporate communications, growing what began as a small family business into a successful corporate reporting agency. In 2016, Emperor acquired the business and I officially joined the Emperor family.

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Over the years I've worked with a diverse range of clients and sectors, driving stakeholder engagement and helping companies to articulate their corporate narrative consistently across their communication channels.

Cameron Gunn

Head of Digital & Partner



EC P

In my role as Head of Digital, I am responsible for evolving our digital team to profitably deliver the most creative, effective and famous corporate digital work in Europe. This is about creating the right conditions internally and ensuring we're fit for purpose.

I've worked in creative and digital communications for over 10 years, with the last 18 months at Emperor. My background is in digital strategy, campaign and communications planning where I've worked with clients of all shapes and sizes across most sectors.

Darryl Mead

Head of Employee Experience & Partner



EC EB P

I lead our Employee Experience proposition, which means supporting our clients to nurture culture, develop compelling employer brands, shape values and behaviours, and deliver creative campaigns to inspire employees. I am also a member of Emperor's Employee Board.

I have worked in the employee, culture and communications field for more than 20 years, both in-house, bringing valuable and practical insights for clients, and in agencies.

Simon Newton

Chief Financial Officer & Partner



EC

I've been the Group CFO since October 2017. I'm responsible for all financial, legal and compliance matters and also oversee health and safety and office operations in London. Most of my time is spent preparing, analysing and communicating financial information, though I am also heavily involved with client procurement. I am also a trustee of the Emperor Foundation.

Over the past 25 years, I've held a number of senior finance posts at Uniq plc, Kingfisher plc and Omnicom Group Inc, one of the largest media groups in the world, where I held European, Group and Operational CFO roles between 2005 and 2016. After carrying out a business turnaround role as CFO at digital agency, Greenlight Digital, I joined Emperor.

Helen O'Brien

Creative Director
& Partner



EB

I'm responsible for creative output across projects, aligning visual and strategic direction. I'm also part of the joint leadership, development and growth of J Squad, and sit on the Employee Board.

As an experienced strategic and visual creative, I'm a passionate believer in the power of brand to deliver business objectives, uniting, activating and inspiring people. I employ an integrated approach to ensure clarity, consistency and differentiation for our clients nationally and internationally. Some of my recent clients include Sanne, Orange Business Services, Esken, and XPS.

Victoria Sugg

Group Business
Development Director
& Partner



B EC

My role as Group Business Development Director is to build Emperor's reputation and drive outreach to ensure that we have a strong pipeline of new opportunities for our talented teams to work on. It is also to deepen our relationships with our clients, by sharing the latest industry thinking and best practice with them and their advisers. I am also a Director on the Emperor Board.

I have been in communications for nearly two decades, since my first job working on websites for (what was then known as) the Football League First Division. Moving into business development, I have held positions at a number of respected peer agencies, such as Black Sun, SAS and its subsequent incarnation as MSLGROUP.

A bit of a boffin at heart, I have an MA in Marketing and Advertising from the University of Leeds Business School and hold a Certificate in IR from the IR Society and CIPR Professional PR Diploma.

Keith Taylor

Head of Brand
& Partner



P

As Head of Brand, I lead a team of talented, friendly and smart experts; we help clients to align their brand with their business strategy, through to their people and culture. We create and articulate their story through an intelligent and thoroughly enjoyable process.

I have over 25 years' experience working alongside major brands throughout the UK and internationally. With a passion for strategic thinking with commercially deliverable output, my diverse work with clients includes Knights plc, Orange, 3i, Esken (previously Stobart Group), Reebok, Arriva, XPS Pensions Group, Sanne Group and Peel Holdings.



Great
ambitions
for 21

Our priorities and focus areas for 2021 are to:

- Evolve the way we operate as an employee owned business
- Provide the best possible service and advice to our clients
- Realise the synergies from operating as a group
- Focus on data driven decision making
- Drive forward our progress in line with B Corp's five impact areas
- Develop and integrate a comprehensive inclusivity and diversity strategy.

Great partners



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