NORMAN BROADBENT

COMPETITIVE EXCELLENCE THROUGH PEOPLE

Annual Report and Financial Statements

Norman Broadbent plc

For the year ended 31 December 2015

Contents

NB • NORMAN BROADBENT

Norman Broadbent Group provides bespoke and innovative talent solutions ranging from strategic executive search to leadership assessment, board level appointments, executive interim and long-term embedded outsourced solutions.

Highlights

- All businesses within the Group restructured in 2015
- The restructuring forms a key part of continuation of the turnaround strategy
- Group operating loss from continued operations decreased to £190,000 (2014: £823,000)
- The Group has recorded a small profit in Q1 2016
- Group revenue from continuing operations increased by 17% to £8,644,000 (2014: £7,396,000)
- Gross profit from continued operations increased marginally to £6,897,000 (2014: £6,884,000)
- Operating expenses decreased by 8% to £7,087,000 (2014: £7,707,000)
- Growing annuity revenue
- Year end cash of £448,000 (2014: £506,000)
- Appointment of Mike Brennan as Group CEO in April 2016

NB • NORMAN BROADBENT

Chairman's Statement

for the year ended 31 December 2015

Introduction

Since 2013, Norman Broadbent plc ("Norman Broadbent" or the "Company" or the "Group") has embarked on a significant restructuring and diversification. During this period gross revenues have increased by 16% from £7.6m in 2013 (£6.6m from continuing operations) to £8.8m in 2015 (£8.6m from continuing operations). Furthermore, the loss for the financial period has decreased from £1.1m in 2013 and £1.7m in 2014, to £0.5m in 2015 (including £0.2m of exceptional items and £0.1m of losses in discontinued operations).

Results for the financial year

The table below summarises the results of the Group:

Continuing operations	**Year ended 31 December 2015 £000**	**Year ended 31 December 2014 £000**
Revenue	**8,644**	**7,396**
Cost of sale	(1,747)	(512)
Gross profit	**6,897**	**6,884**
Operating expenses	(7,087)	(7,707)
Group operating loss	**(190)**	**(823)**
Net finance cost	(41)	(32)
Exceptional Items	(194)	(559)
Loss on disposal of investment	–	(33)
Loss before tax	**(425)**	**(1,447)**
Income tax	–	(8)
Loss from discontinued operation	(60)	(253)
Loss after tax	**(485)**	**(1,708)**

Group revenue from continued operations increased by 17% to £8,644,000 (2014: £7,396,000), with gross profit increasing marginally to £6,897,000 from £6,884,000 in 2014. Group operating losses from continued operations decreased to £190,000 (2014: £823,000) reflecting continued investment in AGP, NBIM and SMS (together, the "New Businesses"). As part of the continued turnaround strategy, all businesses within the Group were restructured during 2015.

The loss after tax, pre-exceptional items and minority interests, was £291,000 (2014: £1,149,000) including £315,000 of losses attributable to the new businesses (2014: £871,000). Note 3 of the Consolidated Financial Statements provides a detailed segmental breakdown of the 2015 Group results.

Norman Broadbent Executive Search ("NBES") revenue declined by 3% to £4,885,000 (2014: £5,041,000), primarily due to a slowdown in trading in September and October which recovered in November and December. Despite the decline in revenues, NBES still posted a £326,000 profit before tax (2014: £525,000).

Following the restructuring in late 2014 and early 2015, Norman Broadbent Leadership Consulting ("NBLC") posted a 27% increase in revenues to £601,000 (2014: £473,000). Encouragingly, profit before tax was £70,000 (2014: Loss £142,000). NBLC continues to have a high quality product range which is helping to attract new clients (some via the Norman Broadbent Group) as well as repeat business from existing customers.

AGP, our growing mezzanine-level search business, has been significantly restructured over the last 12 months. Whilst AGP revenues remained similar to the prior year at £993,000 (2014: £1,077,000), encouragingly losses decreased to £100,000 (2014: £531,000).

Overall Social Media Search ("SMS"), our social media recruitment business, had a disappointing 2015 with revenues declining by 30% to £370,000 (2014: £526,000), however the losses have reduced from £314,000 in 2014 to £90,000 in 2015. As a result of the declining revenue, the business was restructured and the core offering refined.

Norman Broadbent Interim Management ("NBIM"), our board level interim proposition, had a disappointing year and was restructured at the end of 2015. The Board continue to see an interim offering as important to our long term growth strategy and are seeking to rebuild the team.

Chairman's Statement

continued

International

The Group has closed its operations in both Singapore and the USA. While the Group is now physically UK based (with offices in London & Glasgow), it operates with a global reach.

Loan Note

In October 2015, the Group announced that it had raised £350,000 through the issue of secured loan notes ("2015 Loan Notes"). Of the £350,000 nominal issued, £200,000 was subscribed for by Downing One VCT plc and PFS Downing UK Micro Cap Growth Fund (together "Downing") split as to £146,000 and £54,000 respectively, with the remaining £150,000 being subscribed for by Moulton Goodies Limited, a company beneficially owned by Jon Moulton. The 2015 Loan Notes are repayable on 31 October 2017 and bear interest at 12 per cent. per annum which is payable in cash, quarterly in arrears. The proceeds of the 2015 Loan Notes have been used for working capital purposes, including continued restructuring associated costs.

Financial position

As at 31 December 2015, consolidated net assets were £1,205,000 (2014: £1,690,000) with net current assets decreasing to £166,000 from £278,000 in 2014. Group cash amounted to £448,000 (2014: £506,000).

Net cash outflow from operations in 2015 was £590,000 (2014: £453,000). The losses arising from the development of AGP, NBIM and SMS resulted in a cash outflow of £315,000. Net cash inflow from financing activities amounted to £595,000 (2014: £358,000) relating primarily to the net funds received from the 2015 Loan Notes.

At 31 December 2015, the Group had a £350,000 loan note (2014: £0) and £918,000 of funds drawn down against the revolving invoice discounting facility (2014: £673,000) against UK trade receivables of £1,264,000 (2014: £999,000).

New management

As highlighted in the 2015 interim results, during 2015 Pierce Casey, Sue O'Brien, Bruce Lakefield and Jan Cameron left the Company and PLC Board. I was appointed Executive Chairman in July 2015 and in support of our growth plan the Board has been seeking a Group CEO.

I am both pleased and excited that Mike Brennan joined the Company as Group CEO in April 2016. Mike has over 20 years' experience within the global executive recruitment market and more recently in the broader Recruitment Process Outsourcing ("RPO") markets. Most recently Mike worked at Alexander Mann Solutions Limited ("AMS"), gaining valuable RPO experience across a number of sectors and geographies. In 1994, Mike founded Alexander Mann Financial Markets Limited ("AMFM"), with investor backing from Alexander Mann Group Limited ("AMG"), selling his 50% stake to AMG in 1997. Following the sale Mike continued as a Managing Director with AMFM, and in 2006 led the sale of AMFM (latterly branded Akamai Financial Markets Limited) to Hat Pin plc ("Hat Pin") on behalf of Advent International Corporation and AMG. Following the sale Mike briefly served as a director of Hat Pin before co-founding Human Capital Resources plc ("HCR") serving as CEO. Mike subsequently re-joined AMS in 2013. With Mike joining, I have reverted to Non-Executive Chairman.

Current trading

I am pleased to report that in the first quarter of 2016 the Group made a small profit. The Board, now strengthened with Mike Brennan as Group CEO, is encouraged by the progress being made by what is now a more streamlined and focussed Group.

Scanes Bentley
Non-Executive Chairman

2 June 2016

Strategic Report

for the year ended 31 December 2015

The business model

Norman Broadbent plc is a human capital consulting group which provides a broad range of people solutions including board and executive search, senior interim management, leadership consulting and assessment, executive RPO and mezzanine level search, social media consulting and research.

The Group operates through independently managed and separately branded businesses which trade independently but collectively share a set of core behavioural and brand values.

Strategy and objectives

The core elements of the Group's strategy are:

- To develop a diversified group of complementary, human capital businesses.
- To continue building the core Norman Broadbent UK search business through the hiring of Tier 1 search professionals.
- To further develop the Norman Broadbent brand, through organic growth and acquisition.

Results for the financial year

Group revenue from continued operations increased in the year by 17% to £8,644,000 (2014: £7,396,000). NBES fees declined by 3% to £4,885,000 (2014: £5,041,000) reflecting a downturn in trading in September and October and the resulting reduction in fee generating headcount. NBLC revenue increased by 27% to £601,000 (2014: £473,000) and revenues from AGP, NBIM and SMS increased to £3,154,000 (2014: £1,806,000).

Operating expenditure decreased by 8% to £7,087,000 (2014: £7,707,000), reflecting the positive impact of the restructuring that took place in all businesses during 2015.

The impact of the New Businesses however has meant that the Group reported an operating loss from continued operations in 2015 of £190,000 (2014: £823,000) and a retained loss, excluding minority interests, of £425,000 (2014: £1,455,000). The executive search business reported a profit before tax of £326,000 (2014: £525,000), NBLC reported a profit before tax of £70,000 (2014: Loss £142,000) and the New Businesses reported a loss of £315,000 (2014: £871,000).

Cash flow and balance sheet

Net cash outflow from operations in 2015 was £590,000 (2014: £453,000) with the majority of these funds invested in the development of AGP, NBIM and SMS. Group debtor days have increased to 67 days with net trade receivables at the year-end standing at £1,570,000 (2014: £1,339,000). Management continue to monitor this Key Performance Indicator and aim to maintain debtor days at a level which is no higher than 60. However, there is the commercial reality of providing services to large blue chip multinational businesses who often demand payment terms of up to 90 days.

Net cash inflow from financing activities amounted to £595,000 (2014: £358,000) relating primarily to the net funds received from the loan note issue in October 2015. At 31 December 2015, the Group had a £350,000 loan note (2014: £0) and £918,000 of funds drawn down against the revolving invoice discounting facility (2014: £673,000) against UK trade receivables of £1,264,000 (2014: £999,000).

Earnings per share

The retained loss for 2015 has resulted in a reported loss per share of 2.59 pence (2014: loss per share 9.85 pence). There was no share based payments charge during the year.

Strategic Report

continued

Going concern

In light of the current financial position of the Group and on consideration of the business' forecasts and projections, taking account of possible changes in trading performance, the directors have a reasonable expectation that the Group has adequate available resources to continue as a going concern for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing their annual report and financial statements.

Monitoring, risk and KPIs

The directors have a responsibility for identifying risks facing each of the businesses and for putting in place procedures to mitigate and monitor risks. Board meetings incorporate, amongst other agenda items, a review of monthly management accounts, operational and financial KPIs and major issues and risks facing the business.

The most important KPIs used in monitoring the business are set out in the following table:

Key performance indicators	2015	2014
Revenue (continued operations)	£8,644,000	£7,396,000
Operating loss	£(190,000)	£(824,000)
Revenue from new clients*	26%	38%
Debtor days	67 days	56 days

*NBES only

The directors monitor revenue against annual targets, which are adjusted each year to ensure the Group remains on target to achieve its strategic growth plan. As expected, revenues from existing businesses remained relatively flat (NBES & NBLC). Further, given the steady increase in revenues from the new subsidiaries the directors expect Group revenues and operating profits to improve over the next few years.

The principal risks faced by the Group in the current economic climate are considered to be financial, business environment and people related.

Financial

The main financial risks arising from the Group's operations are interest rate, liquidity and credit risk. These are monitored regularly by the Board and are disclosed further in notes 2 and 19 of the financial statements.

In October 2015, the Group raised £350,000 through the issue of loan notes to existing institutional shareholders. This debt raise followed successful share placings in November 2014, October 2013, November 2012 and May 2011, raising £500,000, £700,000, £727,000 and £1,750,000 respectively, which have provided the Group with the financing to progress towards its stated objectives.

Business Environment

Demand for services is affected by global economic conditions and the level of economic activity in the regions and industries in which the Group operates. When conditions in the global economy deteriorate or economic activity slows, many companies hire fewer permanent employees or rely on internal human resource departments to recruit staff. Whilst there are signs that the global economy is starting to recover, should conditions deteriorate further in the future then demand for the services offered by the Group could weaken resulting in lower cash flows.

The Group attempts to mitigate this risk by operating across various diverse sectors, whilst also extending its services into new geographic regions, where demand for such services are stronger.

People

The Group's most vital resource remains its employees and the directors remain committed to retaining and recruiting quality staff who share the Group's culture and values. In a people intensive business, the resignation of key staff, which could lead to them taking clients, candidates and colleagues to another employer, is a significant risk. The Group aims to mitigate this risk by offering competitive remuneration structures, whilst also insisting on employment contracts that contain restrictive covenants that limit a leaver's ability to approach existing clients, candidates and employees.

NB • NORMAN BROADBENT

Strategic Report

continued

Cautionary statement

This Strategic Report has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for those strategies to succeed.

The Strategic Report contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006. The Strategic Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Norman Broadbent plc and its subsidiary undertakings when viewed as a whole.

Scanes Bentley
Non-Executive Chairman

2 June 2016

Richard Robinson
Company Secretary

2 June 2016

Directors' Report

for the year ended 31 December 2015

The directors present their report and the audited financial statements for the year ended 31 December 2015.

General information

Norman Broadbent plc ('the Company') and its subsidiaries (together 'the Group') is a leading provider of executive search, leadership consultancy, board assessment and evaluation, interim management, mezzanine level search and executive RPO and online recruitment consultancy. The Company is a public listed company incorporated in England and Wales. Its registered address is 12 St James's Square, London, SW1Y 4LB and its listing is on the AIM Market of the London Stock Exchange.

Review of developments and future prospects

The Chairman's Statement on pages 2 and 3 reviews the activities of the Group including updates on recent and future developments and a full business review can be found in the Strategic Report on pages 4 to 6.

Results and dividends

The results of the Group for the year ended 31 December 2015 are set out in the Consolidated Statement of Comprehensive Income.

The directors do not recommend payment of any dividends (2014: £Nil).

Loss after tax for the year amounted to £452,000 excluding minority interests (2014: £1,489,000).

The Group has ceased its operations in Singapore (NB Consultancy (Singapore) Pte. Ltd), and the USA (Norman Broadbent Inc).

Directors

The directors who served during the year are as follows:

Pierce Casey	(resigned 30 June 2015)
Sue O'Brien	(resigned 31 August 2015)
Jan Cameron	(resigned 30 April 2015)
Bruce Lakefield	(resigned 10 March 2015)
Richard Robinson	
Brian Stephens	
James Webber	
Scanes Bentley	(appointed 22 May 2015)
Mike Brennan	(appointed 25 April 2016)

The Director's interests in the shares of the company are shown in the Directors' Remuneration Report on pages 11 to 13.

Substantial share interests

As at 2 June 2016, the Company had been notified of the following significant interests in its issued share capital:

	Ordinary shares of 1.0p each	**%**
Downing LLP	4,271,533	24.5
J Moulton	3,781,476	21.7
P Casey	3,682,242	21.1
Ennismore Fund Management Limited	1,213,203	7.0

As far as the directors are aware, no other entities or individuals held 3% or more of the shares in issue.

Directors' Report

continued

Employee involvement

The Group has well established communications and consultation procedures with all employees. These continually evolve to meet the changing needs of the business and are considered valuable by both management and staff.

Employment of disabled persons

It is the Group's policy to give a full and fair consideration to the employment and promotion of disabled persons where they appear suitable, having regard to their particular aptitudes and abilities. Where existing employees become disabled it is the Group's policy to find them alternative suitable employment within the Group where possible.

Risks and uncertainties

Please refer to the Strategic Report on pages 4 to 6.

Key performance indicators

Please refer to the Strategic Report on pages 4 to 6.

Diversity policy

The Group is committed to promoting equal opportunities both as an employer and as a provider of services. The Group makes every effort to prevent discrimination or other unfair treatment against any of its staff, potential staff or users of its services, regardless of gender, race, colour, nationality, ethnic or national origins, marital status, family circumstances, disability, sexual orientation, political or religious belief. The Group is opposed to racist and sexist practices and attitudes, and is committed to translating this into all aspects of its everyday work.

Statement of Directors' responsibilities

Each of the directors at the date of approval of this report confirms:

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report

continued

Website publication

The directors are responsible for ensuring the annual report and financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

Statement of disclosure to auditor

(a) Each of the directors at the date of approval of this report confirms there is no relevant information of which the Group's auditors are unaware; and

(b) The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Auditors

Kreston Reeves LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them is being proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.

R Robinson
Company Secretary

2 June 2016

Corporate Governance

for the year ended 31 December 2015

The Company is quoted on the Alternative Investment Market ('AIM') and is therefore not required to comply with the provisions of UK Corporate Governance Code. Nevertheless, by continuous review, the Company ensures that proper standards of corporate governance are in operation and the principles of UK Corporate Governance Code are followed so far as is practical and appropriate to the size and nature of the Company.

Set out below is a summary of how, at 31 December 2015, the Company was dealing with the key requirements of UK Corporate Governance Code.

Board committees

The Audit Committee comprises all of the Non-Executive directors and meets as required.

The Remuneration Committee consists of the Non-Executive Chairman and two Non-Executive Directors; S Bentley, B Stephens and R Robinson. R Robinson chairs the committee. The remuneration of the Non-Executive Directors is determined by the Board. At present the committee annually reviews the level of directors' and other senior employee's remuneration packages. Disclosure of directors' remuneration is provided in the Directors' Remuneration Report.

The AIM Compliance Committee consists of all Directors, including the Non-Executive Chairman. In accordance with AIM Rule 31 the Group is required to have in place sufficient procedures, resources and controls to enable its compliance with the AIM Rules; seek advice from its nominated adviser ("Nomad") regarding its compliance with the AIM Rules whenever appropriate and take that advice into account; provide the Group's Nomad with any information it requests in order for the Nomad to carry out its responsibilities under the AIM Rules for Companies and the AIM Rules for Nominated Advisers; ensure that each of the Group's directors accepts full responsibility, collectively and individually, for compliance with the AIM Rules; and ensure that each director discloses without delay all information which the Group needs in order to comply with AIM Rule 17 (Disclosure of Miscellaneous Information) insofar as that information is known to the director or could with reasonable diligence be ascertained by the director. Having reviewed relevant Board papers, and met with the Group's Executive Board and the Nomad to ensure that such is the case, the AIM Committee is satisfied that the Group's obligations under AIM Rule 31 have been satisfied during the period under review.

Internal controls and risk management

The directors acknowledge their responsibility for the Group's system of internal control of which the objectives are:

(a) Safeguarding the Group assets.

(b) Ensuring proper accounting records are maintained.

(c) Ensuring that the financial information used within the business and for publication is reliable.

The key procedures that have operated during the financial year are set out below:

(a) The Board meets regularly to review all aspects of the Group's performance concentrating mainly on financial performance, business risks and development.

(b) A number of matters are reserved for the Board's specific approval including major capital expenditure, banking and dividend policy.

In establishing the systems of internal control, the directors have implemented a control environment, risk management procedures and reporting processes appropriate to the size of the Group. The system of internal control is designed to manage rather than eliminate risk. Further procedures will continue to be adopted in respect of all the Group's activities to further improve financial control. Trading and cash flows can be unpredictable. However, after making appropriate enquiries the directors have formed a judgement that the Group has adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Directors' Remuneration Report

for the year ended 31 December 2015

As a company listed on the AIM Market of the London Stock Exchange, Norman Broadbent plc is not required to provide the following, unaudited information. Although not required to, the directors have decided to provide corporate governance disclosures and the board has considered the principles and provisions of "UK Corporate Governance Code: Principles of Good Governance and the Code of Best Practice" ("the Code").

The Remuneration Committee was established to keep under review the remuneration and terms of employment of Executive Directors and to recommend such remuneration and terms and changes thereof to the Board. The Remuneration Committee's composition, responsibilities and operation comply with UK Corporate Governance Code. In forming its remuneration policy, the Remuneration Committee confirms that it has complied with UK Corporate Governance Code.

An explanation of how the company has applied the principles and the extent to which the provisions in the Code have been complied with appears below.

Unaudited information

Under the company's Articles of Association, the Board may delegate any of its powers, authorities and discretions to a sub-committee of the Board.

The Remuneration Committee comprises of the Non-Executive Chairman and two Non-Executive Directors. The Remuneration Committee is formally constituted with written terms of reference. No individual director participates when his own remuneration is under consideration.

In formulating its remuneration policy, the Remuneration Committee has given full consideration to the relevant sections of UK Corporate Governance Code issued by the Committee on Corporate Governance. There follows the full text of the Remuneration Report for the year ended 31 December 2015 which has been approved and adopted by the Board of Directors for submission to the shareholders.

Composition

R Robinson chaired the Remuneration Committee with B Stephens and S Bentley being the other members.

Policy for executive Directors

To attract, motivate and retain high calibre executives by rewarding them with appropriate salary, bonus scheme, benefits and share option packages.

(a) **Salary**
Salaries are reviewed annually and the Remuneration Committee takes account of similar companies in its industry by reference to published information for similar jobs as well as individual performance.

(b) **Bonus**
The company operates a discretionary bonus scheme for Executive Directors. The scheme is based on achieving agreed levels of profitability within the part of the Group they are directly involved with. Bonus payments are non-pensionable.

(c) **Benefits**
When appropriate, Executives Directors are provided with medical insurance and life assurance.

(d) **Pension**
The company's defined contribution pension scheme is available to all Executive Directors.

(e) **Share Options**
No share options are currently held by the existing Executive Directors.

(f) **Service Contracts**
All Executive Directors are employed on rolling contracts subject to between three and twelve months' notice from either the executive or the Group. The Remuneration Committee reviews each case of early termination individually in order to ensure compensation settlements are made which are appropriate to the circumstances, taking care to ensure that poor performance is not rewarded.

Directors' Remuneration Report

continued

Policy for Non-Executive Directors

The Board is responsible for determining the fees payable to Non-Executive Directors. The Executive Directors seek to advise the Board on the level of fees based on external evidence of fees paid to Non-Executive Directors of similar companies. Non-Executive Directors are appointed initially on a fixed two year contract and thereafter on a year to year basis.

Directors' interest in Contracts

Anderson Barrowcliff LLP, of which R Robinson is a former partner, provides company secretarial and taxation services to the Company. Adelaide Capital Limited provided the services of P Casey to the Company and also provided corporate finance and international business support to the Group. P Casey is a director of Adelaide Capital Limited. Brian Stephens & Company Ltd provided the services of B Stephens to the Company. B Stephens is a director of Brian Stephens & Company Ltd. S Bentley is a Director of Scanes Bentley & Associates Ltd, who provided consultancy services to the Company. There were no other contracts subsisting at the end of the year in which a director of the Company was materially interested.

Directors' interest in Shares, Share Options and Warrants

Details of the interests of those directors that held office during the period, all of which are beneficial, in the shares of Norman Broadbent plc on the dates specified are as follows:

(a) **Ordinary Shares**

	31 December 2015		31 December 2014	
	Ordinary Shares of 1.0p each	**%**	**Ordinary Shares of 1.0p each**	**%**
P Casey	3,682,242	21.14	3,682,242	21.14
R Robinson [1]	165,593	0.95	165,593	0.95
B R Lakefield	81,493	0.47	107,160	0.62
S O'Brien	46,254	0.27	46,254	0.27
B Stephens [2]	12,692	0.07	12,692	0.07
J Cameron	11,523	0.07	11,523	0.07

Notes

(1) Includes a non-beneficial interest of 6,645 shares (2014: 6,645).

(2) 12,692 of B Stephens shares are held in the name of Davycrest Nominees Limited.

(b) **Share Options**

On leaving the Company, S O'Brien and J Cameron forfeited a total of 244,274 options during the year. No other Directors hold share options in the Company.

Directors' Remuneration Report

continued

Audited information

Directors' emoluments

The emoluments of the directors of the company for the year ended 31 December 2015 were as follows:

	Salary and fees £000	Bonus £000	Benefits £000	Pensions £000	Total 2015 £000	Total 2014 £000
Executive Directors						
P Casey*	175	–	–	–	175	120
S O'Brien	182	–	2	15	199	254
J Webber	110	15	2	11	138	42
S Bentley**	94	–	–	–	94	–
J Cameron	49	–	1	2	52	69
Total	**610**	**15**	**5**	**31**	**661**	**485**
Non-Executive Directors						
R Robinson	25	–	–	–	25	20
B Lakefield	3	–	–	–	3	10
B Stephens	25	–	–	–	25	20
Total	**53**	**–**	**–**	**–**	**53**	**50**

*Includes all sums paid to P Casey directly and all sums paid to Adelaide Capital Limited, a company wholly owned by P Casey (see note 25).

**Includes all sums paid to S Bentley directly and all sums paid to Scanes Bentley & Associates Limited a wholly owned company of S Bentley (see note 25). Since year end, Scanes Bentley has reverted back to Non-Executive Chairman.

R Robinson
Chairman of the Remuneration Committee

2 June 2016

NB • NORMAN BROADBENT

Independent Auditors' Report

to the shareholders of Norman Broadbent plc

We have audited the financial statements of Norman Broadbent plc for the year ended 31 December 2015 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated and Company Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in the preparation is applicable law and International Financial Reporting Standards (IFRS's) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsiblities of Directors and auditors

As explained fully in the Statement of Directors' Responsibilities on page 8 the company's directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- Whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed;
- The reasonableness of significant accounting estimates made by the directors;
- And the overall presentation of the financial statements.

In additional, we read all the financial and non-financial information in the Directors' and Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the Group and the Parent Company's affairs as at 31 December 2015 and of the Group's loss and the Group's and Parent Company's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

NB • NORMAN BROADBENT

Independent Auditors' Report

to the shareholders of Norman Broadbent plc continued

Opinion on matters prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report, Strategic Report, Chairman's Statement and the table of Directors' Emoluments for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law and not made; or
- we have not received all the information and explanations we require for our audit.

Michael Cook BA (Hons) FCA (Senior Statutory Auditor)
For and on behalf of Kreston Reeves LLP
Chartered Accountants and Statutory Auditors
Third Floor,
24 Chiswell Street,
London EC1Y 4YX

2 June 2016

Other matters

The maintenance and integrity of the Group's website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

NB • NORMAN BROADBENT

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2015

Continuing operations	Note	2015 £000	Re-presented 2014 £000
Revenue	1/3	**8,644**	7,396
Cost of sales		**(1,747)**	(512)
Gross profit	3	**6,897**	6,884
Operating expenses		**(7,087)**	(7,707)
Operating loss from continued operations		**(190)**	(823)
Net finance cost	7	**(41)**	(32)
Non-recurring exceptional Items	8	**(194)**	(559)
Loss on disposal of investment		**–**	(33)
Loss on ordinary activities before income tax	4	**(425)**	(1,447)
Income tax expense	6	**–**	(8)
Loss from continuing operations		**(425)**	(1,455)
Discontinued operations			
Loss from discontinued operation	9	**(60)**	(253)
Loss for the period		**(485)**	(1,708)
Other comprehensive income			
Foreign currency translation differences – foreign operations		**–**	21
Total comprehensive income for the year		**(485)**	(1,687)
Loss attributable to:			
– Owners of the Company		**(452)**	(1,489)
– Non-controlling interests		**(33)**	(219)
Loss for the year		**(485)**	(1,708)
Total comprehensive income attributable to:			
– Owners of the Company		**(452)**	(1,468)
– Non-controlling interests		**(33)**	(219)
Total comprehensive income for the year		**(485)**	(1,687)
Loss per share			
– Basic	10	**(2.59p)**	(9.85p)
– Diluted		**(2.59p)**	(9.85p)
Adjusted loss per share			
– Basic	10	**(2.59p)**	(9.71p)
– Diluted		**(2.59p)**	(9.71p)
Loss per share – continuing operations			
– Basic	10	**(2.25p)**	(8.64p)
– Diluted		**(2.25p)**	(8.64p)
Adjusted loss per share – continuing operations			
– Basic		**(2.25p)**	(8.50p)
– Diluted	10	**(2.25p)**	(8.50p)

2014 re-presented to show the discontinued operation separately from continued operations as required by IFRS 5.

The accompanying notes form an integral part of these financial statements.

NB • NORMAN BROADBENT

Consolidated Statement of Financial Position

as at 31 December 2015

	Notes	2015 £000	2014 £000
Non-current assets			
Intangible assets	12	**1,363**	1,363
Property, plant and equipment	13	**82**	105
Deferred tax assets	6	**69**	69
Total non-current assets		**1,514**	1,537
Current assets			
Trade and other receivables	15	**2,172**	1,963
Cash and cash equivalents	16	**448**	506
Total current assets		**2,620**	2,469
Total assets		**4,134**	4,006
Current liabilities			
Trade and other payables	17	**1,536**	1,518
Bank overdraft and interest bearing loans	18	**918**	673
Corporation tax liability		**–**	–
Total current liabilities		**2,454**	2,191
Net current assets		**166**	278
Non-current liabilities			
Loan notes	18	**350**	–
Provisions	23	**125**	125
Total liabilities		**2,929**	2,316
Total assets less total liabilities		**1,205**	1,690
Equity			
Issued share capital	20	**5,901**	5,901
Share premium account	20	**10,699**	10,699
Retained earnings		**(15,101)**	(14,649)
Equity attributable to owners of the Company		**1,499**	1,951
Non-controlling interests		**(294)**	(261)
Total equity		**1,205**	1,690

These financial statements were approved by the Board of Directors on 2 June 2016.
Signed on behalf of the Board of Directors

S Bentley
Director

J Webber
Director

Company No 00318267

The accompanying notes form an integral part of these financial statements.

Company Statement of Financial Position

as at 31 December 2015

	Notes	2015 £000	2014 £000
Non-current assets			
Investments	14	**1,876**	1,876
Total non-current assets		**1,876**	1,876
Current assets			
Trade and other receivables	15	**3,689**	3,397
Cash and cash equivalents	16	**173**	221
Total current assets		**3,862**	3,618
Total assets		**5,738**	5,494
Current liabilities			
Trade and other payables	17	**1,435**	1,422
Total current liabilities		**1,435**	1,422
Net current assets		**2,427**	2,196
Non-current liabilities			
Loan notes	18	**350**	–
Total liabilities		**1,785**	1,422
Total assets less total liabilities		**3,953**	4,072
Equity			
Issued share capital	20	**5,901**	5,901
Share premium account	20	**10,699**	10,699
Retained earnings		**(12,647)**	(12,528)
Total equity		**3,953**	4,072

These financial statements were approved by the Board of Directors on 2 June 2016.
Signed on behalf of the Board of Directors

S Bentley
Director

J Webber
Director

Company No 00318267

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2015

	Attributable to owners of the Company					
	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000	Non-controlling interests £000	Total equity £000
Balance at 1 January 2014	**5,875**	**10,238**	**(13,356)**	**2,757**	**43**	**2,800**
Loss for the year	–	–	(1,489)	(1,489)	(219)	(1,708)
Adjustment for discontinued operation	–	–	–	–	70	70
Total other comprehensive income	–	–	21	21	–	21
Total comprehensive income for the year	**–**	**–**	**(1,468)**	**(1,468)**	**(149)**	**(1,617)**
Transactions with owners of the Company, recognised directly in equity:						
Issue of ordinary shares	26	461	–	487	–	487
Credit to equity for share based payments	–	–	20	20	–	20
Total transactions with owners of the Company, recognised directly in equity	**26**	**461**	**20**	**507**	**–**	**507**
Changes in ownership interest in subsidiaries						
Disposal of non-controlling interests with change of control	–	–	155	155	(155)	–
Total transactions with owners of the Company	**26**	**461**	**175**	**662**	**(155)**	**507**
Balance at 31 December 2014	**5,901**	**10,699**	**(14,649)**	**1,951**	**(261)**	**1,690**
Balance at 1 January 2015						
Loss for the year	–	–	(452)	(452)	(33)	(485)
Adjustment for discontinued operation	–	–	–	–	–	–
Total other comprehensive income	–	–	–	–	–	–
Total comprehensive income for the year	**–**	**–**	**(452)**	**(452)**	**(33)**	**(485)**
Transactions with owners of the Company, recognised directly in equity:						
Issue of ordinary shares	–	–	–	–	–	–
Credit to equity for share based payments	–	–	–	–	–	–
Total transactions with owners of the Company, recognised directly in equity	**–**	**–**	**–**	**–**	**–**	**–**
Total transactions with owners of the Company	**–**	**–**	**–**	**–**	**–**	**–**
Balance at 31 December 2015	**5,901**	**10,699**	**(15,101)**	**1,499**	**(294)**	**1,205**

Share capital

This represents the nominal value of shares that have been issued by the company.

Share premium

This reserve records the amount above the nominal value received for shares issued by the company. Share premium may only be utilised to write-off any expenses incurred or commissions paid on the issue of those shares, or to pay up new shares to be allotted to members as fully paid bonus shares.

Retained earnings

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the company's shareholders.

The accompanying notes form an integral part of these financial statements.

Company Statement of Changes in Equity

for the year ended 31 December 2015

	Attributable to owners of the Company			
	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
Balance at 1 January 2014	**5,875**	**10,238**	**(12,164)**	**3,949**
Loss for the year	–	–	(364)	(364)
Total comprehensive income for the year	**–**	**–**	**(12,528)**	**3,585**
Transactions with owners of the Company, recognised directly in equity:				
Issue of ordinary shares	26	461	–	487
Balance at 31 December 2014	**5,901**	**10,699**	**(12,528)**	**4,072**
Balance at 1 January 2015				
Loss for the year	–	–	(119)	(119)
Total comprehensive income for the year	**–**	**–**	**(119)**	**(119)**
Transactions with owners of the Company, recognised directly in equity:				
Issue of ordinary shares	–	–	–	–
Balance at 31 December 2015	**5,901**	**10,699**	**(12,647)**	**3,953**

Share capital

This represents the nominal value of shares that have been issued by the company.

Share premium

This reserve records the amount above the nominal value received for shares issued by the company. Share premium may only be utilised to write-off any expenses incurred or commissions paid on the issue of those shares, or to pay up new shares to be allotted to members as fully paid bonus shares.

Retained earnings

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to the company's shareholders.

The accompanying notes form an integral part of these financial statements.

NB • NORMAN BROADBENT

Consolidated Statement of Cash Flow

for the year ended 31 December 2015

	Notes	2015 £000	Re-presented 2014 £000
Net cash used in operating activities	(i)	**(590)**	(453)
Cash flows from investing activities and servicing of finance			
Net finance cost		**(41)**	(32)
Payments to acquire tangible fixed assets	13	**(22)**	(17)
Disposal of subsidiary, inclusive of cash disposed of	9	**–**	(15)
Net cash inflow from disposal of investments		**–**	92
Net cash used in investing activities		**(63)**	28
Cash flows from financing activities			
Proceeds from borrowing	18	**350**	–
Net cash inflows from equity placing		**–**	487
Increase/(Repayment) in invoice discounting	18	**245**	(129)
Net cash from financing activities		**595**	358
Net increase in cash and cash equivalents		**(58)**	(67)
Net cash and cash equivalents at beginning of period		**506**	579
Effects of exchange rate changes on cash balances held in foreign currencies		**–**	(6)
Net cash and cash equivalents at end of period		**448**	506
Analysis of net funds			
Cash and cash equivalents		**448**	506
Borrowings due within one year		**(918)**	(673)
Net funds		**(470)**	(167)

Note (i)

Reconciliation of operating loss to net cash from operating activities	2015 £000	2014 £000
Operating loss from continued operations	**(190)**	(823)
Operating profit/(loss) from discontinued operations (note 9)	**(56)**	(212)
Depreciation/impairment of property, plant and equipment	**45**	62
Exceptional items	**(194)**	–
Share based payment charge	**–**	20
(Increase)/Decrease in trade and other receivables	**(209)**	199
Increase in trade and other payables	**18**	328
Taxation paid	**(4)**	(27)
Net cash used in operating activities	**(590)**	(453)

The accompanying notes form an integral part of these financial statements.

Company Statement of Cash Flow

for the year ended 31 December 2015

	Notes	2015 £000	2014 £000
Net cash used in operating activities	(i)	**(398)**	(761)
Cash flows from investing activities and servicing of finance			
Disposal of investments	14	**–**	120
Net cash used in investing activities		**–**	120
Cash flows from financing activities			
Proceeds from borrowing	18	**350**	–
Net cash inflows from equity placing	20	**–**	487
Net cash from financing activities		**350**	487
Net decrease in cash and cash equivalents		**(48)**	(154)
Net cash and cash equivalents at beginning of period		**221**	375
Net cash and cash equivalents at end of period		**173**	221
Analysis of net funds			
Cash and cash equivalents		**173**	221
Net funds		**173**	221

Note (i)

Reconciliation of operating loss to net cash from operating activities	2015 £000	2014 £000
Operating loss	**(119)**	(364)
Increase in trade and other receivables	**(292)**	(661)
Increase in trade and other payables	**13**	135
Profit on disposal of investment	**–**	129
Net cash used in operating activities	**(398)**	(761)

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

for the year ended 31 December 2015

1. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to both years presented unless otherwise stated.

1.1 Basis of preparation

The consolidated financial statements of Norman Broadbent plc ("Norman Broadbent" or "the Company") have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to Companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss. The consolidated financial statements are presented in pounds and all values are rounded to the nearest thousand (£000), except when otherwise indicated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 1.21.

1.1.1 Going concern

The Group reported an operating loss from continued operations in the year to 31 December 2015 of £0.2m compared with an operating loss of £0.8m in 2014. Although still loss making, 2015 was a further positive step in the turnaround of the Group with the expectation of returning to operating profitability in 2016. Losses in the non-search subsidiaries are dramatically reduced from the c. £1m in 2014, to £0.2m in 2015. Encouragingly both NBES & NBLC had a profitable 2015.

The Consolidated Statement of Financial Position shows a net asset position at 31 December 2015 of £1.2m (2014: £1.7m) with cash at bank of £0.4m (2015: £0.5m). At the date that these financial statements were approved the Group had no overdraft facility and the only debt was the £350k loan note (existing institutional shareholders) and its receivable finance (Leumi ABL) which is 100% secured by the Group's trade receivables.

In light of the current financial position of the Group and on consideration of the business' forecasts and projections, taking account of possible changes in trading performance, the directors have a reasonable expectation that the Group has adequate available resources to continue as a going concern for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing their annual report and financial statements.

1.1.2 Changes in accounting policy and disclosures

(a) **New and amended standards adopted by the Group**

The following have been applied for the first time from 1 January 2015 but did not have a material impact on the financial statements:

- Annual improvements to IFRSs 2011-2013 cycle

(b) **Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group**

Mandatory for accounting periods commencing on or after 1 January 2016:

- Amendments to IAS 16 and IAS 38 – Classification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IFRS 11 – Accounting for Acquisition of interest in Joint Operations
- Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants
- Amendments to IAS 27 – Equity Method in Separate Financial Statements
- Annual Improvements to IFRSs IFRS 2012-2014 cycle
- Amendments to IAS 1 – Disclosure Initiative

Notes to the Financial Statements

continued

1. Significant accounting policies continued

(b) **Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group** continued

Date of implementation in the European Union not yet known:

- IFRS 9 – Financial Instruments
- IFRS 15 – Revenue from Contract with Customers
- IFRS 16 – Leases
- Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception
- Amendments to IAs 12 – Recognition of Deferred Tax Assets for Unrealised Losses
- Amendments to IAS 7 – Disclosure Initiative

The directors do not expect that the adoption of the Standards and Interpretations listed above will have a material impact on the financial statements of the Group in future periods, except that IFRS 9 will impact both the measurement and disclosure of Financial Instruments.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

1.2 Basis of consolidation and business combinations

1.2.1 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date – i.e. when control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

The subsidiaries financial statements were not prepared under IFRS but adjustments were made to bring all the accounting policies in line with IFRS.

1.2.2 Non-controlling interests

For each business combination, the Group elects to measure any non-controlling interests in the acquiree either at fair value or at their proportionate share of the acquiree's identifiable net assets, which are generally at fair value.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

Notes to the Financial Statements

continued

1. Significant accounting policies continued

1.2 Basis of consolidation and business combinations continued

1.2.3 Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing if the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated.

1.3 Goodwill

Goodwill arising on acquisition of subsidiaries is included in the Consolidated Statement of Financial Position as an asset at cost less impairment. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently where there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

1.4 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

1.5 Financial assets and liabilities

Financial assets and liabilities are recognised initially at their fair value and are subsequently measured at amortised cost. For trade receivables, trade payables and other short-term financial liabilities this generally equates to original transaction value.

1.6 Property, plant and equipment

The cost of property, plant and equipment is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of the assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Office and computer equipment	25%-33% per annum on cost
Fixtures and fittings	25%-33% per annum on cost
Motor vehicles	20% per annum on cost
Land and buildings – leasehold	over 3-5 years straight line

1.7 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Notes to the Financial Statements

continued

1. Significant accounting policies continued

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

1.9 Investments

Fixed asset investments are stated at cost less provision for any impairment in value. Investments are tested annually for impairment and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable an impairment loss is recognised immediately for the amount by which the investment's carrying amount exceeds its recoverable value.

1.10 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is recognised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

1.11 Invoice discounting facility

The terms of this arrangement are judged to be such that the risk and rewards of ownership of the trade receivables do not pass to the finance provider. As such the receivables are not derecognised on draw-down of funds against this facility. This facility is recognised as a liability for the amount drawn.

1.12 Trade payables

Trade payables are non-interest bearing and are stated at their fair value and then subsequently at amortised cost.

1.13 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Committee that makes strategic decisions.

1.14 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in sterling, which is the company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'net finance income'. All other foreign exchange gains and losses are presented in the income statement within 'operating expenses'.

Notes to the Financial Statements

continued

1. Significant accounting policies continued

1.15 Taxation

Taxation currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all material taxable timing differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from an initial recognition of goodwill or from the initial recognition (other than in the business combination) of other assets and liabilities in the transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.16 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below.

(a) **Executive search services (NBES, AGP)**

Executive Search services are provided on a retained basis and the Group generally invoices the client at pre-specified milestones agreed in advance. Typically this will be in three stages; retainer, shortlist and completion fee. Revenue is recognised on completion of defined stages of work during the recruitment process including the completion of a candidate shortlist and placement of a candidate. Revenue is deferred for any invoices raised but unearned at the year end.

(b) **Contingent recruitment (AGP)**

AGP do a small proportion of work on a purely contingent basis. Revenue from permanent placements is based on a percentage of the candidate's remuneration package and is recognised when a candidate signs the contract.

(c) **Short-term contract and interim business**

Revenue is recognised as services are rendered, validated by receipt of a client approved timesheet or equivalent.

(d) **Assessment, career coaching and talent management**

Revenue is recognised in line with delivery. Where revenue is generated by contracts covering a number of sessions then revenue is recognised over the contract term based on the average number of sessions taken up.

(e) **Social media search and consulting**

Revenue is recognised in line with delivery. Where revenue is generated by contracts covering a number of sessions then revenue is recognised over the contract term based on the average number of sessions taken up.

Notes to the Financial Statements

continued

1. Significant accounting policies continued

1.16 Revenue recognition continued

(f) **Interest income**
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(g) **Dividend income**
Dividend income is recognised when the right to receive payment is established.

(h) **Royalty income**
Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

1.17 Pensions

The Group operates a number of defined contribution funded pension schemes for the benefit of certain employees. The costs of the pension schemes are charged to the income statement as incurred.

1.18 Leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

1.19 Profit or loss from discontinued operations

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations. Profit or loss from discontinued operations, including prior year components of profit or loss, is presented in a single amount in the income statement. This amount comprises the post-tax profit or loss of discontinued operations. The disclosures for discontinued operations in the prior year relate to all operations that have been discontinued by the reporting date of the latest period presented.

1.20 Share Option Schemes

For equity-settled share-based payment transactions the Group, in accordance with IFRS2, measures their value and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The fair value of those equity instruments is measured at grant date, using the trinomial method. The expense is apportioned over the vesting period of the financial instrument and is based on the numbers which are expected to vest and the fair value of those financial instruments at the date of grant. If the equity instruments granted vest immediately, the expense is recognised in full.

1.21 Critical accounting judgements and estimates

(a) Impairment of goodwill – determining whether goodwill is impaired requires an estimation of the value in use of cash-generating units (CGUs) to which goodwill has been allocated. The value in use calculation requires an estimation of the future profitability expected to arise from the CGU and a suitable discount rate in order to calculate present value.

(b) Share Options – fair value of options granted is determined using the trinomial valuation model. The significant inputs into the model are share price at grant date, expected price, expected option life and risk free rate.

(c) Revenue recognition – revenue is recognised based on estimated timing of delivery of services based on the assignment structure and historical experience. Were these estimates to change then the amount of revenue recognised would vary.

Notes to the Financial Statements

continued

2. Financial risk management

The financial risks that the Group is exposed to through its operations are interest rate risk, liquidity risk and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

There have been no substantive changes in the Group's exposure to financial risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods, unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's Executive Committee.

The Board receives monthly reports from the Group Chief Financial Officer, through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible, without unduly affecting the Group's competitiveness and flexibility. Further details regarding specific policies are set out below:

2.1 Interest rate risk

The Group's interest rate risk arises from short term borrowings issued at a variable interest rate. At 31 December 2015 the balance outstanding on the invoice discounting facility was £0.9 million (2014: £0.7 million) and this balance increases and decreases in line with the outstanding trade receivables. The Group has a 2 year loan note (expiring in October 2017) which is a fixed interest rate of 12% p.a. which limits its exposure to material increases in interest rates over the mid to long term.

2.2 Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the Group monitors its requirements on a rolling monthly basis. The Board receives cash flow projections as well as monthly information regarding cash balances. At the balance sheet date, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

2.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, to assess the credit risk of new customers before entering contracts.

Each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Board determines concentrations of credit risk by reviewing the trade receivables' ageing analysis.

The Board monitors the ageing of credit sales regularly and at the reporting date does not expect any losses from non-performance by the counterparties other than those specifically provided for (see Note 15). The Directors are confident about the recoverability of receivables based on the blue chip nature of its customers, their credit ratings and the very low levels of default in the past.

2.4 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Notes to the Financial Statements

continued

3. Segmental analysis

Management has determined the operating segments based on the reports reviewed regularly by the Board for use in deciding how to allocate resources and in assessing performance. The Board considers Group operations from both a class of business and geographic perspective.

Each class of business derives its revenues from the supply of a particular recruitment related service, from retained executive search through to executive assessment and coaching. Business segment results are reviewed primarily to operating profit level, which includes employee costs, marketing, office and accommodation costs and appropriate recharges for management time.

Group revenues are primarily driven from UK operations, however when revenue is derived from overseas business the results are presented to the Board by geographic region to identify potential areas for growth or those posing potential risks to the Group.

(i) Class of Business

The analysis by class of business of the Group's turnover and profit before taxation is set out below:

2015	Executive Search £000	Overseas Royalties £000	NBLC £000	AGP £000	SMS £000	NBIM £000	Disc. Operation £000	Un-allocated £000	Total £000
	BUSINESS SEGMENTS								
Revenue	4,885	–	601	993	370	1,791	118	4	8,762
Cost of sales	(17)	–	(128)	(205)	–	(1,397)	–	–	(1,747)
Gross profit	**4,868**	**–**	**473**	**788**	**370**	**394**	**118**	**4**	**7,015**
Operating expenses	(4,417)	–	(403)	(879)	(457)	(510)	(173)	(377)	(7,216)
Depreciation and amort.	(35)	–	–	(5)	(4)	–	(1)	–	(45)
Finance costs	(22)	–	–	(4)	–	(8)	–	(7)	(41)
Exceptional items	(68)	–	–	–	–	–	–	(126)	(194)
Profit/(Loss) on disposal of investment	–	–	–	–	–	–	–	–	–
Profit/(Loss) before tax	**326**	**–**	**70**	**(100)**	**(91)**	**(124)**	**(56)**	**(506)**	**(481)**

As re-presented

2014	Executive Search £000	Overseas Royalties £000	NBLC £000	AGP £000	SMS £000	NBIM £000	Disc. Operation £000	Un-allocated £000	Total £000
	BUSINESS SEGMENTS								
Revenue	5,041	76	473	1,077	526	203	324	–	7,720
Cost of sales	(44)	–	(37)	(292)	(5)	(134)	(55)	–	(567)
Gross profit	**4,997**	**76**	**436**	**785**	**521**	**69**	**269**	**–**	**7,153**
Operating expenses	(4,397)	(11)	(578)	(1,305)	(831)	(95)	(477)	(432)	(8,126)
Depreciation and amort.	(49)	–	–	(5)	(4)	–	(4)	–	(62)
Finance costs	(26)	–	–	(6)	–	–	–	–	(32)
Exceptional items	–	–	–	–	–	–	(41)	(559)	(600)
Profit/(Loss) on disposal of investment	–	–	–	–	–	–	–	(33)	(33)
Profit/(Loss) before tax	**525**	**65**	**(142)**	**(531)**	**(314)**	**(26)**	**(253)**	**(1,024)**	**(1,700)**

(ii) Revenue and gross profit by geography

	Revenue 2015 £000	Revenue 2014 £000	**Gross Profit 2015 £000**	Gross Profit 2014 £000
United Kingdom	**8,607**	7,396	**6,859**	6,884
Rest of the world	**155**	324	**153**	269
Total	**8,762**	7,720	**7,012**	7,153

Notes to the Financial Statements

continued

4. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2015 £000	2014 £000
Depreciation and impairment of property, plant and equipment	45	62
Gain on foreign currency exchange	–	(4)
Staff costs (see note 5)	5,554	5,796
Operating lease rentals:		
Land and buildings	424	424
Auditors' remuneration:		
Audit work	49	43
Non-audit work	–	–

The Company audit fee in the year was £12,000 (2014: £12,000).

5. Staff costs

The average number of full time equivalent persons (including directors) employed by the Group during the period was as follows:

	2015 Number	2014 Number
Sales and related services	46	38
Administration	21	46
	67	84

Staff costs (for the above persons):

	£000	£000
Wages and salaries	4,883	5,026
Social security costs	502	540
Defined contribution pension cost	169	210
Share based payment expense	–	20
	5,554	5,796

The emoluments of the directors are disclosed as required by the Companies Act 2006 on page 13 in the Directors' Remuneration Report. The table of directors' emoluments has been audited and forms part of these financial statements. This also includes details of the highest paid director.

6. Tax expense

(a) Tax charged in the income statement

Taxation is based on the loss for the year and comprises:

	2015 £000	2014 £000
Current tax		
United Kingdom corporation tax at 20.25% (2014: 21.5%) based on loss for the year	–	8
Foreign Tax	4	–
Adjustment in respect of prior years	–	–
Total current tax	4	8
Deferred tax		
Origination and reversal of temporary differences	–	–
Tax charge/(credit)	4	8

Notes to the Financial Statements

continued

6. Tax expense continued

(b) Reconciliation of the total tax charge

The difference between the current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2015 £000	2014 £000
Loss on ordinary activities before taxation	**(481)**	(1,700)
Tax on loss on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.5%)	**(363)**	(252)
Effects of:		
Expenses not deductible	**19**	159
Foreign tax suffered	**4**	–
Non-taxable income	**–**	7
Capital allowances in excess of depreciation	**6**	8
Utilisation of ACT	**–**	(2)
Pension accrual movement	**(1)**	–
Adjustment to losses carried forward	**74**	202
Current tax charge for the year	**4**	8

(c) Deferred tax

	Tax losses £000	Total £000
At 1 January 2014	(69)	(69)
Credited to the income statement in 2014	–	–
At 31 December 2014	(69)	(69)
Credited to the income statement in 2015	–	–
At 31 December 2015	**(69)**	**(69)**

At 31 December 2015 the Group had capital losses carried forward of £8,130,000 (2014: £8,130,000). A deferred tax asset has not been recognised for the capital losses as the recoverability in the near future is uncertain. The Group also has £11,812,042 (2014: £11,531,767) trading losses carried forward, which includes £8,987,000 losses transferred from BNB Recruitment Consultancy Ltd in 2011. A deferred tax asset of £1,355,756 (2014: £1,424,000) has not been recognised in the financial statements due to the inherent uncertainty as to the quantum and timing of its utilisation.

The analysis of deferred tax in the consolidated balance sheet is as follows:

Deferred tax assets	**2015 £000**	2014 £000
Tax losses carried forward	**69**	69
Total	**69**	69

7. Net finance cost

	2015 £000	2014 £000
Interest payable on bank loans and overdrafts	**41**	32
Total	**41**	32

Notes to the Financial Statements

continued

8. Non-recurring exceptional items

	2015 £000	2014 £000
Goodwill disposal Norman Broadbent SPRL	–	112
Goodwill impairment NB Norman Broadbent SA	–	447
Personnel	**194**	–
Balance at end of period	**194**	559

Non-recurring exceptional items in 2015 comprised costs and contractual payments incurred by the Group in relation to the restructuring of the Board. This included the retirement of P Casey and S O'Brien and J Cameron leaving the Group. They are highlighted in the consolidated statement of comprehensive income because separate disclosure is considered appropriate in understanding the underlying performance of the business. In 2014, the Group disposed of Norman Broadbent SPRL for £120,000 on 8 May 2014, resulting in a disposal of goodwill of £112,000 in the Consolidated Statement of Financial Position, and a loss on disposal of £128,000 in the Company Statement of Financial Position. On 27 May 2014, the Group sold its 20 % stake in NBS Norman Broadbent SA for £92,000, which completed on 30 July 2014. The sale resulted in an impairment to goodwill of £446,946 in the Consolidated Statement of Financial Position and a profit of £92,000.

9. Discontinued operation

During 2015, the Group ceased its operations in both Singapore and the USA. These two segments were not a discontinued operation or classified as held for sale at 31 December 2014 and the comparative consolidated statement of comprehensive income has been re-presented to show the discontinued operation separately from continued operations.

	2015 £000	Re-presented 2014 £000
Results from discontinued operation		
Revenue	**118**	324
Operating expenses	**(174)**	(536)
Results from operating activities	**(56)**	(212)
Net finance cost	–	–
Exceptional items	–	(41)
Tax	**(4)**	–
Results from operating activities, net of tax	**(60)**	(253)
Minority Interest	–	70
Loss for the period	**(60)**	(183)
Loss per share		
– Basic	**(0.34p)**	(1.21p)
– Diluted	**(0.34p)**	(1.21p)

Effect of disposal on the financial position of the Group	2015 £000	2014 £000
Property, plant and equipment	–	23
Trade and other receivables	–	126
Cash and cash equivalents*	–	135
Trade and other payables	–	(48)
Net assets and liabilities	–	236
Consideration received, satisfied in cash	–	120
Cash and cash equivalents disposed of	–	(135)
Net cash outflow	–	(15)

*Excludes cash balance of £8,000 from the liquidated position of Norman Broadbent SAS.

Notes to the Financial Statements

continued

10. Earnings per share

(i) Basic earnings per share

This is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period:

	2015	2014
Loss attributable to owners of the company	**£(452,000)**	£(1,489,000)
Weighted average number of ordinary shares	**17,416,487**	15,121,429

(ii) Diluted earnings per share

This is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options and warrants. For these options and warrants, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding warrants and options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2015	2014
Loss attributable to owners of the company	**£(452,000)**	£(1,489,000)
Weighted average number of ordinary shares	**17,416,487**	15,121,429
– assumed conversion of share options	**–**	–
– assumed conversion of warrants	**–**	–
Total	**17,416,487**	15,121,429

(iii) Adjusted earnings per share

An adjusted earnings per share has also been calculated in addition to the basic and diluted earnings per share and is based on earnings adjusted to eliminate the effects of charges for share based payments. It has been calculated to allow shareholders to gain a clearer understanding of the trading performance of the Group.

	£000	**2015 Basic pence per share**	**Diluted pence per share**	£000	2014 Basic pence per share	Diluted pence per share
Basic earnings						
Loss after tax	**(452)**	**(2.59)**	**(2.59)**	(1,489)	(9.85)	(9.85)
Adjustments						
Share based payment charge	**–**	**–**	**–**	20	0.14	0.14
Adjusted earnings	**(452)**	**(2.59)**	**(2.59)**	(1,469)	(9.71)	(9.71)

11. Profit of parent company

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these accounts. The parent company's loss for the year amounted to £119,000 (2014: £364,000).

Notes to the Financial Statements

continued

12. Intangible assets

	Goodwill arising on consolidation £000
Cost	
Balance at 1 January 2014	3,802
Balance at 31 December 2014	3,690
Balance at 31 December 2015	**3,690**
Provision for impairment	
Balance at 1 January 2014	1,880
Balance at 31 December 2014	2,327
Balance at 31 December 2015	**2,327**
Net book value	
At 1 January 2014	1,922
At 31 December 2014	1,363
At 31 December 2015	**1,363**

Goodwill acquired through business combinations is allocated to cash-generating units (CGU) identified at entity level. The carrying value of intangibles allocated by CGU is shown below:

	Norman Broadbent £000	Human Asset Development International £000	Total £000
At 1 January 2014	1,303	60	1,363
At 31 December 2014	1,303	60	1,363
At 31 December 2015	**1,303**	**60**	**1,363**

In line with International Financial Reporting Standards, goodwill has not been amortised from the transition date, but has instead been subject to an impairment review by the directors of the Group. As set out in accounting policy note 1 on page 23, the directors test the goodwill for impairment annually. The recoverable amount of the Group's CGUs are calculated on the present value of their respective expected future cash flows, applying a weighted average cost of capital in line with businesses in the same sector. Pre-tax future cash flows for the next five years are derived from the approved forecasts for the 2016 financial year.

The key assumption applied to the forecasts for the business is that return on sales for Norman Broadbent is expected to be a minimum of 15% per annum for the foreseeable future (2014: 13%) and 9% for Human Asset Development International (2014: 9%). Return on sales defined as the expected profit before tax on net revenue. There are only minimal non cash flows included in profit before tax. The rate used to discount the forecast cash flows is 12% which is the interest rate on the secured loan notes (2014: 9%).

The five year forecasts have been prepared using conservative revenue growth rates to reflect the uncertainty that is still present in the economy. Based on the above assumptions, at 31 December 2015 the recoverable value of the Norman Broadbent CGU is £2,800,000 and the Human Asset Development International CGU is £468,000. Return on sales would need to fall below 7% for the Norman Broadbent goodwill to be impaired and below 4% for Human Asset Development International goodwill to be impaired.

Notes to the Financial Statements

continued

13. Property, plant and equipment

	Land and buildings – leasehold £000	Office and computer equipment £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost					
Balance at 1 January 2014	84	175	64	13	336
Additions	–	17	–	–	17
Disposals	–	(8)	(17)	(13)	(38)
Balance at 31 December 2014	84	184	47	–	315
Additions	–	22	–	–	22
Disposals	–	–	–	–	–
Balance at 31 December 2015	**84**	**206**	**47**	**–**	**337**
Accumulated depreciation					
Balance at 1 January 2014	15	98	44	7	164
Charge for the year	15	40	4	3	62
Disposals	–	(3)	(3)	(10)	(16)
Balance at 31 December 2014	30	135	45	–	210
Charge for the year	16	28	1	–	45
Disposals	–	–	–	–	–
Balance at 31 December 2015	**46**	**163**	**46**	**–**	**255**
Net book value					
At 1 January 2014	69	77	20	6	172
At 31 December 2014	54	49	2	–	105
At 31 December 2015	**38**	**43**	**1**	**–**	**82**

The Group had no capital commitments as at 31 December 2015 (2014: £Nil).

The above assets are owned by Group companies; the Company has no fixed assets.

Notes to the Financial Statements

continued

14. Investments

Company	Shares in subsidiary undertakings £000
Cost	
Balance at 1 January 2014	6,051
Disposals (see note below)	(249)
Balance at 31 December 2014	5,802
Balance at 31 December 2015	**5,802**
Provision for impairment	
Balance at 1 January 2014	3,926
Balance at 31 December 2014	3,926
Balance at 31 December 2015	**3,926**
Net book value	
At 1 January 2014	2,125
At 31 December 2014	1,876
At 31 December 2015	**1,876**

In 2012, the Company acquired a 51% interest in Acker Deboeck and Company for a total consideration of £249,000. The Group disposed of Norman Broadbent SPRL (formally Acker Deboeck and Company) for £120,000 on 8 May 2014 (see note 9). In 2014, the company disposed of Norman Broadbent SPRL for £120,000 (see note 9).

At 31 December 2015 the Company held the following ownership interests:

Principal Group investments	Country of incorporation or registration and operation	Principal activities	Description and proportion of shares held by the Company
Norman Broadbent Executive Search Ltd	England and Wales	Executive search	100% ordinary shares
Norman Broadbent Overseas Ltd	England and Wales	Executive search	100% ordinary shares
Norman Broadbent Leadership Consulting Limited	England and Wales	Assessment, coaching and talent mgmt.	100% ordinary shares
AGP NB Ltd	England and Wales	Mezzanine level search	88% ordinary shares
Norman Broadbent Inc**	United States of America	Executive search	100% ordinary shares
The NB Consultancy (Singapore) Pte. Ltd**	Singapore	Executive search	100% ordinary shares
Connecting Corporates Ltd	England and Wales	Social Media Search & Consulting	51% ordinary shares
Social Media Search Ltd**	Scotland	Dormant	100% ordinary shares
Bancomm Ltd**	England and Wales	Dormant	100% ordinary shares
Norman Broadbent Ireland Ltd* **	Republic of Ireland	Dormant	100% ordinary shares
Norman Broadbent Interim Management Ltd	England and Wales	Interim Management	100% ordinary shares

*100% of the issued share capital of this company is owned by Norman Broadbent Overseas Ltd.

**These companies are exempt from audit under by virtue of provisions in the Companies Act 2006. Where required limited assurance procedures have been completed.

Notes to the Financial Statements

continued

15. Trade and other receivables

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Trade receivables	**1,642**	1,519	**–**	–
Less: provision for impairment	**(72)**	(180)	**–**	–
Trade receivables – net	**1,570**	1,339	**–**	–
Other debtors	**335**	339	**6**	6
Prepayments and accrued income	**267**	285	**10**	10
Due from Group undertakings	**–**	–	**3,673**	3,381
Total	**2,172**	1,963	**3,689**	3,397

As at 31 December 2015, Group trade receivables of £1,111,000 (2014: £995,000) were past their due date but not impaired. They relate to customers with no default history. The aging profile of these receivables is as follows:

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Up to 3 months	**1,097**	943	**–**	–
3 to 6 months	**14**	31	**–**	–
6 to 12 months	**–**	21	**–**	–
Total	**1,111**	995	**–**	–

The largest amount due from a single debtor at 31 December 2015 represents 11% (2014: 8.9%) of the total trade receivables balance outstanding.

As at 31 December 2015, Group trade receivables of £72,000 (2014: £180,000) were past their due date and considered impaired. A provision for impairment for the full amount has been recognised in the financial statements. Movements on the Group's provision for impairment of trade receivables are as follows:

	2015 £000	2014 £000
At 1 January	**180**	72
Provision for receivable impairment	**72**	108
Receivables written-off as uncollectable	**(180)**	–
At 31 December	**72**	180

Other than the impairment provision provided for aged trade receivables above, there are no other material difference between the carrying value and the fair value of the Group's and parent Company's trade and other receivables.

16. Cash and cash equivalents

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Cash at bank and in hand	**448**	506	**173**	221
Total	**448**	506	**173**	221

There is no material difference between the carrying value and the fair value of the Group's and parent Company's cash at bank and in hand.

Notes to the Financial Statements

continued

17. Trade and other payables

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Trade payables	**467**	528	**32**	58
Due to Group undertakings	**–**	–	**1,360**	1,295
Other taxation and social security	**368**	226	**–**	–
Other payables	**216**	163	**–**	–
Accruals	**485**	601	**43**	69
Total	**1,536**	1,518	**1,435**	1,422

There is no material difference between the carrying value and the fair value of the Group's and parent company's trade and other payables.

18. Borrowings

Maturity profile of borrowings	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Current				
Bank overdrafts and interest bearing loans:				
Invoice discounting facility (see note (a) below)	**918**	673	**–**	–
Secured Loan notes	**350**	–	**350**	–
Total	**1,268**	673	**350**	–

The carrying amounts and fair value of the Group's borrowings, which are all denominated in sterling, are as follows:

	Carrying amount 2015 £000	Carrying amount 2014 £000	Fair value 2015 £000	Fair value 2014 £000
Bank overdrafts and interest bearing loans:				
Invoice discounting facility	**918**	673	**918**	673
Secured Loan notes	**350**	–	**350**	–
Total	**1,268**	673	**1,268**	673

(a) **Invoice discounting facility**

Norman Broadbent Executive Search Limited, AGP and NBIM operate independent invoice discounting facilities, provided by Leumi ABL Limited. Leumi ABL Ltd holds all assets debentures for each company (fixed and floating charges) and also a cross corporate guarantee and indemnity deed dated 20 July 2011. The financial terms of the facilities are outlined below:

Norman Broadbent Executive Search Limited:

Funds are available to be drawn down at an advance rate of 75% against trade receivables of Norman Broadbent Executive Search Limited that are aged less than 120 days, with the facility capped at £1,500,000. At 31 December 2015, the outstanding balance on the facility of £608,000 (2014: £508,000) was secured by trade receivables of £775,000 (2014: £682,000). Interest is charged on the drawn down funds at a rate of 2.50% (2014: 2.50%) above the bank base rate.

AGP (NB) Limited:

Funds are available to be drawn down at an advance rate of 75% against trade receivables of AGP (NB) Limited that are aged less than 120 days, with the facility capped at £750,000. At 31 December 2015, the outstanding balance on the facility of £186,000 (2014: £45,000) was secured by trade receivables of £264,000 (2014: £126,000). Interest is charged on the drawn down funds at a rate of 2.75% (2014: 2.75%) above the bank base rate.

Notes to the Financial Statements

continued

18. Borrowings continued

(a) **Invoice discounting facility** continued

Norman Broadbent Interim Management Limited:

Funds are available to be drawn down at an advance rate of 90% against trade receivables of Norman Broadbent Interim Management Limited that are aged less than 120 days, with the facility capped at £750,000. At 31 December 2015, the outstanding balance on the facility of £124,000 (2014: £120,000) was secured by trade receivables of £225,000 (2014: £191,000). Interest is charged on the drawn down funds at a rate of 2.75% (2014: 2.75%) above the bank base rate.

(b) **Secured Loan Notes**

The 2015 Loan Notes will be repayable on 31 October 2017 and bear interest at 12 per cent per annum which is payable in cash, quarterly in arrears. The Loan Notes are secured via a second floating charge over the property or undertakings of the company.

19. Financial instruments

The principle financial instruments used by the Group, from which financial instrument risk arises, are summarised below. All financial assets and liabilities are measured at amortised cost which is not considered to be materially different to fair value.

	Amortised Cost	
	2015	2014
Group	**£000**	£000
Financial assets		
Trade and other receivables	**2,172**	1,963
Cash and cash equivalents	**448**	506
Financial liabilities		
Trade and other payables	**1,536**	1,518
Secured loan notes	**350**	–
Invoice discounting facility	**918**	673
Corporation tax liability	**–**	–

	Amortised Cost	
	2015	2014
Company	**£000**	£000
Financial assets		
Trade and other receivables	**3,689**	3,397
Cash and cash equivalents	**173**	221
Financial liabilities		
Trade and other payables	**1,435**	1,422
Secured loan notes	**350**	–

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. Details on these risks and the policies set out by the Board to reduce them can be found in Note 2.

Notes to the Financial Statements

continued

20. Share capital and premium

	2015 £000	2014 £000
Allotted and fully paid		
Ordinary Shares		
17,416,487 Ordinary shares of 1.0p each (2014: 17,416,487)	**174**	174
Deferred Shares		
23,342,400 Deferred A shares of 4.0p each (2014: 23,342,400)	**934**	934
907,118,360 Deferred shares of 4.0p each (2014: 907,118,360)	**3,628**	3,628
1,043,566 Deferred B shares of 42.0p each (2014: 1,043,566)	**438**	438
2,504,610 Deferred shares of 29.0p each (2014: 2,504,610)	**727**	727
	5,727	5,727
Total	**5,901**	5,901

Deferred A Shares of 4.0p each

The Deferred A Shares carry no right to dividends or distributions or to receive notice of or attend general meetings of the company. In the event of a winding up, the shares carry a right to repayment only after the holders of Ordinary Shares have received a payment of £10,000 per Ordinary Share. The company retains the right to cancel the shares without payment to the holders thereof. The rights attaching to the shares shall not be varied by the creation or issue of shares ranking parri passu with or in priority to the Deferred A Shares.

Deferred Shares of 4.0p each

The Deferred Shares carry no right to dividends, distributions or to receive notice of or attend general meetings of the company. In the event of a winding up, the shares carry a right to repayment only after payment of capital paid up on Ordinary Shares plus a payment of £10,000 per Ordinary Share. The company retains the right to transfer or cancel the shares without payment to the holders thereof.

Deferred B Shares of 42.0p each

The Deferred B Shares carry no right to dividends or distributions or to receive notice of or attend general meetings of the company. In the event of a winding up, the shares carry the right to repayment only after the holders of Ordinary Shares have received a payment of £10 million per Ordinary Share. The company retains the right to cancel the shares without payment to the holders thereof. The rights attaching to the shares shall not be varied by the creation or issue of shares ranking parri passu with or in priority to the Deferred B Shares.

Deferred Shares of 29.0p each

The Deferred Shares carry no right to dividends or distributions or to receive notice of or attend general meetings of the company. In the event of a winding up, the shares carry the right to repayment only after the holders of Ordinary Shares have received a payment of £10,000 per Ordinary Share. The company retains the right to cancel the shares without payment to the holders thereof.

A reconciliation of the movement in share capital and share premium is presented below:

	Number of ordinary shares (000s)	Ordinary shares £000	Deferred shares £000	Share premium £000	Total £000
At 1 January 2014	**14,799**	**148**	**5,727**	**10,238**	**16,113**
Proceeds from share placing (note (a) below)	2,617	26	–	474	500
Transaction costs related to share placing	–	–	–	(13)	(13)
At 31 December 2014	**17,416**	**174**	**5,727**	**10,699**	**16,600**
Proceeds from share placing	–	–	–	–	–
Transaction costs related to share placing	–	–	–	–	–
At 31 December 2015	**17,416**	**174**	**5,727**	**10,699**	**16,600**

(a) **Share placing in November 2014**

On 21 November 2014, the Company issued 2,617,801 new ordinary 1.0p shares for a total cash consideration of £500,000. Transaction costs of £12,500 were incurred resulting in net cash proceeds of £487,500.

Notes to the Financial Statements

continued

21. Share based payments

21.1 Share Options

The Company has an approved EMI share option scheme for full time employees and directors. The exercise price of the granted options is equal to the market price of the shares on the date of the grant. The Company has no legal or constructive obligation to repurchase or settle the options or warrants in cash.

Options under the Company EMI scheme are conditional on the employee completing three years' service (the vesting period). The EMI options vest in three equal tranches on the first, second and third anniversary of the grant. The options have a contractual option term of ten years.

Movements in the number of share options and their related weighted average exercise prices are as follows:

	Approved EMI share option scheme	
	Average exercise price per share (p)	Number of options
At 1 January 2014	**61.20**	**1,003,043**
Forfeited	62.49	(271,829)
At 31 December 2014	**60.72**	**731,213**
Forfeited	59.76	(393,269)
At 31 December 2015	**61.84**	**337,944**

Share options outstanding at the end of the year have the following expiry date and exercise prices:

		Share options	
Expiry date	**Exercise price per share (p)**	**2015**	2014
2020	52.50	**95,237**	106,666
2021	65.50	**242,707**	532,782
2023	42.50	**–**	91,765
Total		**337,944**	731,213

Out of the 337,944 outstanding options (2014: 731,213), no options were exercisable at the year end (2014: None) as they were all 'underwater'.

The weighted average fair value of the share options granted in 2013, determined using the Trinomial Valuation Model, was 23.8 pence (options granted in 2011: 37.5 pence and options granted in 2010: 21.3 pence). The significant inputs into the model were weighted average share price of 42.5 pence at the grant date (2011: 65.5 pence and 2010: 52.5 pence), exercise price shown above, volatility of 75% (2011 and 2010: 75%), dividend yield of 0% (2011 and 2010: 0%), an expected option life of 10 years (2011 and 2010: 10 years) and an annual risk-free interest rate of 3.38% (2011: 3.38% and 2010: 3.65%). The expected volatility was estimated by reference to the historical volatility of the Company's share price and those of UK quoted companies in a similar business sector. The risk-free interest rate is estimated as the yield on zero coupon UK government bonds of a term consistent with the contractual life of the options granted.

Notes to the Financial Statements

continued

22. Leases

Operating leases

The Group leases all its premises. The terms of the leases vary for each property and are tenant repairing.

As at 31 December 2015, the total future value of minimum lease payments are due as follows:

	Land and buildings	
	2015 £000	2014 £000
Within one year	**273**	264
Later than one year and not later than five years	**1,056**	1,056
Total	**1,329**	1,320

23. Provisions

	Group		Company	
	2015 £000	2014 £000	**2015 £000**	2014 £000
At 1 January	**125**	125	**–**	–
Provisions made during the year	**–**	–	**–**	–
At 31 December	**125**	125	**–**	–
Current liability	**–**	–	**–**	–
Non-current liability	**125**	125	**–**	–
At 31 December	**125**	125	**–**	–

On the 6 March 2013 the Company signed a new ten year lease with a five year break for its main office in London. On signing the new lease the Company inherited the office fit-out from the previous tenant. Under the terms of the new lease the Company is obliged to return vacant possession to the landlord with the office returned to its original state. The Company has had the present cost of the future works required to return the office to its original state valued by an independent firm of advisors and this non-current liability of £125,000 is provided for in the financial period. The Company received a one-off payment of £250,000 in 2013 from the previous tenant in satisfaction of various costs and liabilities that it inherited with the new lease.

24. Pension costs

The Group operated several defined contribution pension schemes for the business. The assets of the schemes were held separately from those of the Group in independently administered funds. The pension cost represents contributions payable by the Group to the funds and amounts to £169,000 (2014: £210,000). At the year end £7,000 of contributions were outstanding (2014: £12,000).

Notes to the Financial Statements

continued

25. Related party transactions

The following transactions were carried out with related parties:

(a) Purchase of services

	2015 £000	2014 £000
Adelaide Capital Limited*	**145**	50
Anderson Barrowcliff LLP	**13**	13
Brian Stephens & Company Ltd	**30**	30
Scanes Bentley & Associates Ltd	**25**	–
Connecting Corporates Limited	**35**	24
Total	**246**	117

During the year Adelaide Capital Limited invoiced the Group for the directors' fees of P Casey £20,000, and £125,000 in relation to contractual payments due on leaving the Company (2014 total: £50,000). P Casey is a director of Adelaide Capital Limited. Brian Stephens & Company Ltd invoiced the Group for the directors' fees of B Stephens £20,000, £5,000 consultancy and business related travel costs of £5,000 (2014 total: £30,000). B Stephens is a director of Brian Stephens & Company Ltd.

*The amount paid to Adelaide Capital Limited, a wholly owned company of P Casey, is included in the total sums paid to P Casey of £175,000 for 2015 (see Directors Remuneration Report on page 10).

Taxation and company secretarial services of £13,000 (2014: £13,000) were acquired from Anderson Barrowcliff LLP, an accountancy firm of which R Robinson was a partner during the year. The remaining director fees for R Robinson were paid through PAYE £25,000 (2014 total: £33,000). Consultancy services were acquired from Scanes Bentley & Associates Ltd, S Bentley is a director of Scanes Bentley & Associates Ltd. During the year the Group acquired research services from Connecting Corporates Limited £35,000 (2014: £24,000). The Group owns a 51% stake in Connecting Corporates Limited.

All related party expenditure took place via "arms-length" transactions.

(b) Sale of services

	2015 £000	2014 £000
NBS Norman Broadbent SA	**–**	76
Connecting Corporates Limited	**17**	13
Total	**17**	89

In the prior year the Group invoiced NBS Norman Broadbent SA for royalty income £76,000. The Group sold its 20% stake in NBS Norman Broadbent SA during 2014. During the year the Group recharged group services incurred for the benefit of Connecting Corporates Limited to Connecting Corporates Limited at cost £17,000 (2014: £13,000).

All related party transactions took place at "arms-length".

(c) Provision of loans

	2015 £000	2014 £000
Connecting Corporates Limited	**40**	305
Total	**40**	305

During the year the Group provided additional loans of £40,000 to Connecting Corporates Limited to support working capital requirements of this company (2014: £305,000). The loans are non-interest bearing and are repayable on demand. At the year end, £345,000 (2014: £305,000) was outstanding and due to the Group.

Notes to the Financial Statements
continued

25. Related party transactions continued

(d) Key management compensation

Key management includes Executive and Non-Executive Directors. The compensation paid or payable to the directors can be found in the Directors' Remuneration Report on pages 11 to 13.

(e) Year-end payables arising from the purchases of services

	2015 £000	2014 £000
Adelaide Capital Limited	**–**	12
Anderson Barrowcliff LLP	**8**	1
Brian Stephens & Company Ltd	**4**	6
Connecting Corporates Limited	**–**	24
Total	**12**	43

Payables to related parties arise from purchase transactions and are due one month after date of purchase. Payables bear no interest.

(f) Year-end receivables arising from the sale of services

	2015 £000	2014 £000
Connecting Corporates Limited	**54**	13
Total	**54**	13

Receivables owed by related parties arise from sales transactions and are due one month after date of purchase. Payables bear no interest.

26. Contingent liability

The Company is a member of the Norman Broadbent plc Group VAT scheme. As such it is jointly accountable for the combined VAT liability of the Group. The total VAT outstanding in the Group at the year-end was £211,000 (2014: £67,000).

Notice of Annual General Meeting

Notice is hereby given that the 77th Annual General Meeting ("AGM") of Norman Broadbent plc will be held at 11am at the Royal Automobile Club, 89 Pall Mall, London, SW1Y 5HS on 29 June 2016 to consider and, if thought fit, pass the following resolutions, of which resolutions 1 to 5 will be proposed as ordinary resolutions and resolution 6 will be proposed as a special resolution:

Ordinary Business

1. To receive and adopt the statement of accounts of the Company for the year ended 31 December 2015 together with the reports of the Directors and Auditors thereon.
2. To re-elect B Stephens, who is retiring by rotation in accordance with the articles of the Company and who offers himself for re-election as a Director of the Company.
3. To re-elect M Brennan, who only holds office until the date of this AGM in accordance with the articles of the Company and who automatically offers himself up for election.
4. To appoint Kreston Reeves LLP as Auditors to act as such until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors of the Company to fix their remuneration.
5. That for the purposes of section 551 of the Companies Act 2006 (and so that expressions used in this resolution shall, unless the context requires otherwise, bear the same meanings as in the said section 551):

   (a) the directors of the Company be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to a maximum nominal amount of £34,833 to such persons and at such times as they think proper, during the period expiring at the end of the next Annual General Meeting of the Company to be held after the date on which this resolution is passed (unless previously revoked or varied by the Company in general meeting); and

   (b) the Company be and is hereby authorised to make, prior to the expiry of such period, any offer or agreement which would or might require shares to be allotted or Rights to be granted after the expiry of the said period and the directors of the Company may allot shares or grant Rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution 5.

Notice of Annual General Meeting

continued

Special Business

6. That the directors of the Company (the "Directors") be and are given the general power to allot equity securities (as defined by section 560 of the Companies Act 2006) for cash, pursuant to the authority conferred by resolution 5 above, as if section 561(1) of the Companies Act 2006 did not apply to any such allotment, provided that this power shall be limited to:

    (a) the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and

    (b) the allotment (otherwise than pursuant to paragraph (a) of this resolution) of equity securities up to a maximum aggregate nominal amount of £34,833.

    The power granted by this resolution will expire at the conclusion of the Company's next Annual General Meeting (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board

R Robinson
Company Secretary

Registered Office:
12 St James's Square
London SW1Y 4LB
www.normanbroadbent.com

2 June 2016

Notice of Annual General Meeting

continued

Notes

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to exercise his rights to attend, speak and vote at the meeting instead of him/her. The proxy need not be a member of the Company. More than one proxy may be appointed to exercise the rights attaching to different shares held by the member, but a member may not appoint more than one proxy to exercise rights attached to any one share. A form of proxy is enclosed with this notice for use at the meeting.
2. In order to be valid an appointment of proxy (together with any authority under which it is executed or a copy of the authority certified notarially) must be returned by one of the following methods:
   - in hard copy form by post, by courier or by hand to the Company's registrars Capita Asset Services, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU;
   - via www.capitashareportal.com; or
   - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below and in each case must be received by the Company not less than 48 hours before the time of the meeting.

   CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment, or instruction, made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA 10) by the latest time(s) for receipt of proxy appointments specified in the Notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001. CREST members and where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy instructions. It is therefore the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
4. In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
5. Copies of all contracts of service and letters of appointment of any Director with the Company are available for inspection at the Company's registered office during business hours on any weekday (Saturdays and public holidays excluded) and will be available for inspection at the place of the meeting 30 minutes before it is held until its conclusion.

Notice of Annual General Meeting

continued

6. A copy of this notice and other information required by s311A Companies Act 2006 can be found at www.normanbroadbent.com. You may not use any electronic address provided in the Notice of AGM or any related document to communicate with the Company for any purpose other than as expressly stated.
7. The Company, pursuant to Regulation 41 of the Uncertified Securities Regulations 2001, specifies that only those shareholders registered in the register of members at close of business two days priors to the meeting shall be entitled to attend and vote, whether in person or by proxy, at the meeting, in respect of the member of ordinary shares registered in their name at that time. Changes to entries in the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting. If the meeting is adjourned, entitlements to attend and vote will be determined by reference to the register of members of the Company at close of business two days prior to the adjourned meeting.
8. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any such questions relating to the business being dealt with at the meeting but no answer needs to be given if to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information or if the answer has already been given on a website in the form of an answer to a question or, finally, if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
9. Completion and return of the form of proxy will not preclude members from attending or voting in person at the meeting if they so wish. You can also register your vote online via the registrar's website at www.capitashareportal.com.

Officers and Professional Advisers

Board of Directors

SCANES BENTLEY
Non-Executive Chairman

MIKE BRENNAN
Group CEO

JAMES WEBBER ACA
Group CFO/COO

RICHARD ROBINSON FCA
Non-Executive Director

BRIAN STEPHENS FCA
Non-Executive Director

Professional Advisers

COMPANY SECRETARY
Richard Robinson

REGISTERED OFFICE
12 St James's Square
London SW1Y 4LB

COMPANY NUMBER
00318267

NOMINATED ADVISER & BROKER
Allenby Capital Limited
3 St. Helen's Place
London EC3A 6AB

REGISTRARS
Capita Asset Services
The Registry
34 Beckenham Road
Kent BR3 4TU

SOLICITORS
Gateley PLC
1 Paternoster Square
London EC4M 7DX

PRINCIPAL BANKERS
Metro Bank plc
One Southampton Row
London WC1B 5HA

AUDITORS
Kreston Reeves LLP
Third Floor
24 Chiswell Street
London EC1Y 4YX

Shareholder Notes

Shareholder Notes

Printed by Michael Searle & Son Limited

www.normanbroadbent.com