The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014.

2 June 2017

Norman Broadbent plc

("Norman Broadbent", the "Company" or the "Group")

Final Results and Annual Accounts

The board (the "Board") of Norman Broadbent (AIM: NBB) - a provider of Talent Acquisition and Advisory Services, consisting of board and executive search, senior interim management, leadership consulting and assessment, and mezzanine level search – is pleased to announce its final results and annual accounts for the year ended 31 December 2016.

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CEO's Review for the year ended 31 December 2016

RESULTS FOR THE FINANCIAL YEAR

The table below summarises the results of the Group:

	Year ended 31 December 2016 £000	Re-Presented **Year ended 31 December 2015 £000**
CONTINUING OPERATIONS		
REVENUE	**5,661**	**8,274**
Cost of sales	(735)	(1,747)
GROSS PROFIT	**4,926**	**6,527**
Operating expenses	(6,149)	(6,626)
GROUP OPERATING LOSS	**(1,223)**	**(99)**
Net finance cost	(54)	(41)
Exceptional Items	-	(194)
LOSS BEFORE TAX	**(1,277)**	**(334)**
Income tax	-	-
Profit/(Loss) from discontinued operation	279	(151)
LOSS AFTER TAX	**(998)**	**(485)**

As the table above shows 2016 was a challenging year, in particular the second half due to a noticeable slowdown in trading post Brexit, coupled with the exiting of a number of employees and investment in strategically important new hires. 2016 was also a year of major long lasting change in all parts of the business and included the disposal of its non-core interest in Social Media Search ("SMS") at the year end.

Strategic review and fundraising

Following my appointment as Group CEO in April 2016 we carried out a granular review of each business within the Group, the services we provided and those who delivered them. This review focused on defining the Group's core brands on a sector-by-sector and function-by-function basis and examined how the Group's brands can develop complementary business practices, synergies and create cross selling opportunities.

The Group raised £2.3m of new equity (before expenses) in September 2016 from both existing and new institutional shareholders (the "Subscription"). This growth capital was predominately raised to hire additional fee generating staff across the Group, repay £350,000 of secured loan notes, and to stabilise our working capital position.

During 2016 and the early part of 2017 we significantly restructured the business in line with the outcome of the review. This has involved the recruitment and promotion of high quality leaders for our brands and has also resulted in circa 30 members of staff exiting the Group. These new appointments include an entire new Leadership Team consisting of the:

- Managing Partner of Norman Broadbent Executive Search
- Managing Director of Norman Broadbent Interim
- Group Head of Business Development
- Group Head of Research & Insight

The fully integrated Leadership Team consisting of the heads of each business (as detailed above) plus myself, the Group CFO/COO, the Managing Director of Norman Broadbent Solutions (NBS) and the long-standing Head of our Board Practice now operationally runs the Group.

2016 trading and business review

In light of the fundamental changes which have been made right across the business there has inevitably been a short-term impact on the Group's revenue streams. Overall net revenues after associate and interim costs in the continuing businesses declined to £4,926,000 (2015: £6,527,000). Whilst operating expenses declined by 7% to £6,149,000 (2015: £6,626,000), the operating losses from continued operations increased to £1,223,000 (2015: Loss £99,000).

Of this operating loss, circa £300,000 can be directly attributed to the cost of leavers (notice periods). In addition, although difficult to accurately quantify in monetary terms, typically there is a delay in new joiners starting to bill reflecting the impact of up to 6 months restrictive covenants applicable to senior movers in the industry.

Note 3 of the Consolidated Financial Statements in the report and accounts provides a detailed segmental breakdown of the 2016 Group results.

The overall loss was reduced by the £279,000 profit arising on the disposal of SMS on 31 December 2016. Note 9 of the Consolidated Financial Statements in the report and accounts provides further detail regarding the disposal.

Norman Broadbent Executive Search ("NBES")

NBES, which provides Board and Executive search services saw revenue decline by 18% to £4,005,000 (2015: £4,885,000), resulting in a £328,000 loss before tax (2015: Profit £326,000). This decline reflected the significant personnel restructuring required to ensure that our team in the traditional core of the Group became more agile and better equipped to meet and exploit the changes, challenges and opportunities available to it. Along with the recruitment of the new head of NBES, we have raised – and will continue to raise – the bar significantly within NBES. The implementation of our strategy is seeing a significant reshaping of the NBES team.

Norman Broadbent Leadership Consulting ("NBLC")

NBLC revenues (after associate costs) were £252,000 (2015: £473,000), resulting in a loss before tax of £56,000 (2015: profit of £70,000). NBLC is an important part of our Group portfolio and offering going forward as clients seek to assess their existing talent, understand team dynamics, shape culture and de-risk new hires.

Norman Broadbent Solutions ("NBS")

NBS is our mezzanine-level search business. Formerly known as AGP, NBS was significantly restructured, repositioned and rebranded at the half year with the departure of the then business head and a number of senior staff. We have now reshaped the team by selectively promoting from within and attracting new talent from competitors. In light of the disruption from the staff changes revenue declined to £577,000 (2015: £993,000) with a loss before tax of £357,000 (2015: Loss £100,000).

Unusually for a business operating at this level, NBS now operates on a fully retained basis. NBS is well positioned with a revitalised and focused team and a much closer working relationship with other businesses in the Group. As with NBES, we see significant opportunities in this part of the market as we blend service lines within our portfolio to provide optimal client solutions ranging from single hires through to longer-term team builds.

Norman Broadbent Interim Management ("NBIM")

NBIM operates in the senior interim management market and is complimentary to NBES. NBIM generated net revenues (after interim costs) of £191,000 (2015: £394,000), resulting in a profit before tax of £60,000 (2015: Loss £124,000).

NBIM was relaunched in October 2016 with the appointment of a new Managing Director. Following the hiring of an entire new team, NBIM is now positioned to trade across most of our key areas of market and functional specialisations. Unlike many Interim providers NBIM is increasingly operating in high margin markets and in the change/transformation space.

Research and Insight

We have invested in Research & Insight, which, in addition to serving our own internal requirements, has started to provide complimentary client services alongside NBES, NBS, NBIM and NBLC. Clients can be provided with research and market insight which enables them to make more informed 'people', organisational or business decisions. We see this as an exciting addition to our portfolio and it is a service we are increasingly offering to executive search clients.

Financial position

As at 31 December 2016, consolidated net assets were £2,434,000 (2015: £1,205,000) with net current assets increasing to £825,000 from £166,000 in 2015. Group cash amounted to £963,000 (2015: £448,000).

Net cash outflow from operations in 2016 was £797,000 (2015: £590,000). Net cash inflow from financing activities amounted to £1,404,000 (2015: £595,000) relating primarily to the net funds received from the 2016 Subscription offset by the repayment of the Secured Loan Notes and reduced utilisation of the invoice discounting facility.

At 31 December 2016 the Group had £444,000 of funds drawn down against the revolving invoice discounting facility (2015: £918,000) against UK trade receivables of £634,000 (2015: £1,264,000). Encouragingly, debtor days have reduced to 43 (2015: 67).

Current trading

Our strategic objective is the creation of multiple revenue streams (including some recurring/contractual revenue which is deemed to be of higher value) and reducing our over reliance on 'lumpy' one-off search fees. This blend of fee-income should allow for a re-rating giving added value to the Group.

I am pleased to report that in the first quarter of 2017 overall Group revenue was ahead of the Board's plan. Trading was down in April in part due to the greater than anticipated impact of Easter. The Group has however experienced a recovery in May trading in line with the Board's plan.

NBLC in particular has performed exceptionally well, exceeding its annual budget in the first four months of 2017, whilst NBIM was ahead of plan. NBS performed in line with our expectations in Q1 however like NBES trading was down in April. The business has performed strongly in May with the most retainer wins so far this year, and encouragingly we are seeing a noticeable increase in the level of referrals from our executive search business.

Disappointingly NBES has underperformed against plan. As a result, the Board has taken decisive action which has resulted in a further significant restructure in Q1 2017 with a number of execution consultants leaving the business. We have started the process of replacing those consultants with fee generating consultants. Since the start of the year 3 new fee generating consultants have joined NBES (including the new Managing Partner in February). NBES has now been stabilised and is focussed on growth through the continued hiring of high calibre fee earners in Q2, and encouragingly new retainer wins in May are the highest so far this year.

The benefit of the many new hires made across the Group in Q4 2016 and Q1 2017 is expected to be realised during the second half of 2017.

Mike Brennan

Group Chief Executive

2 June 2017

Strategic Report for the year ended 31 December 2016

The business model

Norman Broadbent plc is a provider of Talent Acquisition and Advisory Services, consisting of board and executive search, senior interim management, leadership consulting and assessment, and mezzanine level search.

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 Groups strategy is focussed on further developing and strengthening its diverse portfolio of Talent Acquisition and Advisory businesses by further selective hires and concentrating on driving synergies via cross selling.

Results for the financial year

Group revenue from continued operations decreased in the year by 31% to £5,661,000 (2015: £8,274,000), with gross profit of £4,926,000 (2015: £6,527,000). NBES fees declined by 18% to £4,005,000 (2015: £4,885,000) reflecting the reduction in fee generating headcount due to restructure. Net revenues from NBLC, NBS and NBIM were £1,013,000 (£1,655,000), reflecting the significant restructuring of NBI and NBS during 2016.

Operating expenditure decreased to £6,149,000 (2015: £6,626,000), reflecting the impact of the restructuring that took place in all businesses during 2016.

The Group reported an operating loss from continued operations in 2016 of £1,223,000 (2015: £99,000) and a retained loss of £998,000 (2015: £485,000).

Cash flow and balance sheet

Net cash outflow from operations in 2016 was £797,000 (2015: £590,000). Group debtor days have decreased to 43 days with net trade receivables at the year-end standing at £697,000 (2015: £1,570,000). Management continue to monitor this Key Performance Indicator and aim to maintain debtor days at a level which is no higher than 60.

Net cash inflow from financing activities amounted to £1,404,000 (2015: £595,000) relating primarily to the net funds received from the fundraising in September 2016. At 31 December 2016, the Group had £444,000 of funds drawn down against the revolving invoice discounting facility (2015: £918,000) against UK trade receivables of £634,000 (2015: £1,264,000).

Earnings per share

The retained loss for 2016 has resulted in a reported loss per share of 5.36 pence (2015: loss per share 2.59 pence). After adding back the cost of share based payments the adjusted loss per share was 5.32 pence (2015: loss per share 2.59 pence).

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	**2016**	**2015**
Revenue (continued operations)	£5,661,000	£8,274,000
Operating loss	£(1,223,000)	£(99,000)
Revenue from new clients *	37%	26%
Debtor days	43 days	67 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. Further, given the significant investment in new headcount in NBES, NBS and NBI 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 the adequacy of working capital, 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 the report and accounts.

In September 2016, the Group raised £2,300,000 (before expenses) from existing and new institutional shareholders. This followed successful share placings in November 2014, October 2013, November 2012 and May 2011, raising gross amounts of £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.

The business is in the later stages of the turnaround process and is budgeted to be self-funding. In turnarounds there is always a risk that the process could take longer than anticipated which could lead to short term working capital pressures. In the event of such an occurrence the company anticipates working closely with its supportive shareholders to access short term working capital funding.

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 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.

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.

Mike Brennan

Director

2 June 2017

James Webber

Director

2 June 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Note	2016 £000	Re-presented 2015 £000
CONTINUING OPERATIONS			
Revenue	1/2	**5,661**	8,274
Cost of sales		**(735)**	(1,747)
Gross profit	2	**4,926**	6,527
Operating expenses		**(6,149)**	(6,626)
Operating loss from continued operations		**(1,223)**	(99)
Net finance cost	6	**(54)**	(41)
Non-recurring exceptional Items	7	**-**	(194)
LOSS ON ORDINARY ACTIVITIES BEFORE INCOME TAX	3	**(1,277)**	(334)
Income tax expense	5	**-**	-
LOSS FROM CONTINUING OPERATIONS		**(1,277)**	(334)
DISCONTINUED OPERATIONS			
Profit/(Loss) from discontinued operation	8	**279**	(151)
LOSS FOR THE PERIOD		**(998)**	(485)
OTHER COMPREHENSIVE INCOME			
Foreign currency translation differences – foreign operations		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(998)**	(485)
Loss attributable to:			
- Owners of the Company		**(1,304)**	(452)
- Non-controlling interests		**306**	(33)
Loss for the year		**(998)**	(485)
Total comprehensive income attributable to:			
- Owners of the Company		**(1,304)**	(452)
- Non-controlling interests		**306**	(33)
Total comprehensive income for the year		**(998)**	(485)
Loss per share			
- Basic	9	**(5.36)p**	(2.59)p
- Diluted		**(5.36)p**	(2.59)p
Adjusted loss per share			
- Basic	9	**(5.32)p**	(2.59)p
- Diluted		**(5.32)p**	(2.59)p
Loss per share – continuing operations			
- Basic	9	**(5.25)p**	(1.92)p

- Diluted		**(5.25)p**	(1.92)p
Adjusted loss per share – continuing operations			
- Basic		**(5.21)p**	(1.92)p
- Diluted	9	**(5.21)p**	(1.92)p

2015 re-presented to show the discontinued operation separately from continued operations as required by IFRS 5.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Notes	2016 £000	2015 £000
Non-Current Assets			
Intangible assets	11	**1,363**	1,363
Property, plant and equipment	12	**68**	82
Trade and other receivables	14	**234**	-
Deferred tax assets	5	**69**	69
TOTAL NON-CURRENT ASSETS		**1,734**	1,514
Current Assets			
Trade and other receivables	14	**1,347**	2,172
Cash and cash equivalents	15	**963**	448
TOTAL CURRENT ASSETS		**2,310**	2,620
TOTAL ASSETS		**4,044**	4,134
Current Liabilities			
Trade and other payables	16	**1,041**	1,536
Bank overdraft and interest bearing loans	17	**444**	918
Corporation tax liability		**-**	-
TOTAL CURRENT LIABILITIES		**1,485**	2,454
NET CURRENT ASSETS		**825**	166
Non-Current Liabilities			
Loan notes	17	**-**	350
Provisions	22	**125**	125
TOTAL LIABILITIES		**1,610**	2,929
TOTAL ASSETS LESS TOTAL LIABILITIES		**2,434**	1,205
EQUITY			
Issued share capital	19	**6,143**	5,901
Share premium account	19	**12,685**	10,699
Retained earnings		**(16,394)**	(15,101)
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**2,434**	1,499
Non-controlling interests		**-**	(294)
TOTAL EQUITY		**2,434**	1,205

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

CONSOLIDATED GROUP	**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 2015	**5,901**	**10,699**	**(14,649)**	**1,951**	**(261)**	**1,690**
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**
Balance at 1 January 2016						
Loss for the year	-	-	(1,304)	(1,304)	306	(998)
Adjustment for discontinued operation	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**(1,304)**	**(1,304)**	**306**	**(998)**
Transactions with owners of the Company, recognised directly in equity:						
Issue of ordinary shares	242	1,986	-	2,228	-	2,228
Credit to equity for share based payments	-	-	11	11	-	11
Total transactions with owners of the Company, recognised directly in equity	**242**	**1,986**	**11**	**2,239**	**-**	**2,239**
Change in ownership interest in subsidiaries						
Disposal of non-controlling interest with change of control	-	-	-	-	(12)	(12)
Total transaction with owners of the Company	**242**	**1,986**	**11**	**2,239**	**(12)**	**2,227**
Balance at 31 December 2016	**6,143**	**12,685**	**(16,394)**	**2,434**	**-**	**2,434**

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.

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31 December 2016

	Notes	2016 £000	Re-presented 2015 £000
Net cash used in operating activities	(i)	**(797)**	(590)
Cash flows from investing activities and servicing of finance			
Net finance cost		**(54)**	(41)
Payments to acquire tangible fixed assets	12	**(24)**	(22)
Disposal of subsidiary, inclusive of cash disposed of	8	**(15)**	-
Net cash used in investing activities		**(93)**	(63)
Cash flows from financing activities			
(Repayment)/Proceeds of borrowings	17	**(350)**	350
Net cash inflows from equity placing	19	**2,228**	-
Increase/(Repayment) in invoice discounting	17	**(474)**	245
Net cash from financing activities		**1,404**	595
Net increase in cash and cash equivalents		**514**	(58)
Net cash and cash equivalents at beginning of period		**448**	506
Effects of exchange rate changes on cash balances held in foreign currencies		**1**	-
Net cash and cash equivalents at end of period		**963**	448
Analysis of net funds			
Cash and cash equivalents		**963**	448
Borrowings due within one year		**(444)**	(918)
Net funds		**(519)**	(470)

Note (i)

Reconciliation of operating loss to net cash from operating activities	**2016 £000**	2015 £000
Operating loss from continued operations	**(914)**	(99)
Operating loss from discontinued operations (note 8)	**(30)**	(147)
Depreciation/impairment of property, plant and equipment	**38**	45
Exceptional items	**-**	(194)
Share based payment charge	**11**	-
Decrease/(Increase) in trade and other receivables	**871**	(209)
Profit on sale of Investment	**(309)**	-
(Decrease)/Increase in trade and other payables	**(464)**	18
Taxation paid	**-**	(4)
Net cash used in operating activities	**(797)**	(590)

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 of the report and accounts.

1.1.1 Going concern

The Group reported an operating loss from continued operations in the year to 31 December 2016 of £1.2m compared with an operating loss of £0.1m in 2015. In September 2016 the Group raised £2.3m of new equity (before expenses) from both existing and new institutional shareholders which has enabled the business to restructure further, to hire additional fee generating staff across the Group and to provide a more stable working capital position.

The Consolidated Statement of Financial Position shows a net asset position at 31 December 2016 of £2.4m (2015: £1.2m) with cash at bank of £1.0m (2015: £0.4m). At the date that these financial statements were approved the Group had no overdraft facility, and the only borrowings were 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.

2. 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:

2016	Executive Search £000	NBLC £000	NBS £000	NBIM £000	Disc. Operation £000	Un-allocated £000	Total £000
Revenue	4,005	293	577	786	470	-	6,131
Cost of sales	(92)	(41)	(7)	(595)	-	-	(735)
Gross profit	**3,913**	**252**	**570**	**191**	**470**	**-**	**5,396**
Operating expenses	(4,195)	(308)	(918)	(127)	(497)	(566)	(6,611)
Depreciation and amort.	(29)	-	(6)	-	(3)	-	(38)

Finance costs	(17)	-	(3)	(4)	-	(30)	(54)
Profit / (Loss) on disposal of investment	-	-	-	-	309	-	309
Profit/(Loss) before tax	**(328)**	**(56)**	**(357)**	**60**	**279**	**(596)**	**(998)**

2015	**Executive Search £000**	**NBLC £000**	**NBS £000**	**NBIM £000**	**Disc. Operation £000**	**Un-allocated £000**	**Total £000**
Revenue	4,885	601	993	1,791	488	4	8,762
Cost of sales	(17)	(128)	(205)	(1,397)	-	-	(1,747)
Gross profit	**4,868**	**473**	**788**	**394**	**488**	**4**	**7,015**
Operating expenses	(4,417)	(403)	(879)	(510)	(630)	(377)	(7,216)
Depreciation and amort.	(35)	-	(5)	-	(5)	-	(45)
Finance costs	(22)	-	(4)	(8)	-	(7)	(41)
Exceptional items	(68)	-	-	-	-	(126)	(194)
Profit/(Loss) before tax	**326**	**70**	**(100)**	**(124)**	**(147)**	**(506)**	**(481)**

ii) Revenue and gross profit by geography

	Revenue 2016 £000	Revenue 2015 £000	**Gross Profit 2016 £000**	Gross Profit 2015 £000
United Kingdom	6,030	8,607	5,295	6,859
Rest of the world	101	155	101	156
Total	**6,131**	**8,762**	**5,396**	**7,015**

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2016 £000	2015 £000
Loss on ordinary activities before taxation is stated after charging:		
Depreciation and impairment of property, plant and equipment	**38**	45
Gain on foreign currency exchange	**-**	**-**
Staff costs (see note 4)	**4,734**	5,554
Operating lease rentals:		
Land and buildings	**424**	424
Auditors' remuneration:		
Audit work	**49**	49
Non-audit work	**-**	-

The Company audit fee in the year was £12,500 (2015: £12,000).

4. STAFF COSTS

The average number of full time equivalent persons (including directors) employed by the Group during the period was as follows:	2016 Number	2015 Number
Sales and related services	45	46
Administration	18	21
	63	67

Staff costs (for the above persons):	£000	£000
Wages and salaries	**4,136**	**4,883**
Social security costs	**450**	**502**
Defined contribution pension cost	**137**	**169**
Share based payment expense	**11**	**-**
	4,734	**5,554**

The emoluments of the directors are disclosed as required by the Companies Act 2006 on page 14 in the Directors' Remuneration Report in the report and accounts. The table of directors' emoluments has been audited and forms part of these financial statements. This also includes details of the highest paid director.

5. TAX EXPENSE

(a) Tax charged in the income statement

Taxation is based on the loss for the year and comprises:	2016 £000	2015 £000
Current tax:		
United Kingdom corporation tax at 20% (2014: 20.25%) based on loss for the year	-	-
Foreign Tax	-	4
Total current tax	**-**	4
Deferred tax:		
Origination and reversal of temporary differences	**-**	-
Tax charge/(credit)	**-**	4

(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:

	2016	2015

	£000	£000
Loss on ordinary activities before taxation	**(998)**	(481)
Tax on loss on ordinary activities at standard UK corporation tax rate of 20% (2015: 20.25%)	(199)	(98)
Effects of:		
Expenses not deductible	27	19
Foreign tax suffered	-	4
Substantial shareholding exemption	(62)	-
Capital allowances in excess of depreciation	4	6
Intercompany loan write off	66	-
Pension accrual movement	3	(1)
Adjustment to losses carried forward	161	74
Current tax charge for the year	**-**	**4**

(c) Deferred tax

	Tax losses £000	**Total £000**
At 1 January 2015	(69)	(69)
Credited to the income statement in 2015	-	-
At 31 December 2015	(69)	(69)
Credited to the income statement in 2016	-	-
At 31 December 2016	**(69)**	**(69)**

At 31 December 2016 the Group had capital losses carried forward of £8,130,000 (2015: £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 £11,761,103 (2015: £11,812,042) trading losses carried forward, which includes £8,987,000 losses transferred from BNB Recruitment Consultancy Ltd in 2011. A deferred tax asset of £1,357,834 (2015: £1,355,756) 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:	**2016 £000**	2015 £000
Tax losses carried forward	**69**	69
Total	**69**	69

6. NET FINANCE COST

	2016 £000	2015 £000
Interest payable on bank loans and overdrafts	**54**	41
Total	**54**	41

7. NON-RECURRING EXCEPTIONAL ITEMS

	2016 £000	2015 £000

Personnel	**-**	**194**
Balance at end of period	**-**	**194**

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.

8. DISCONTINUED OPERATION

During 2016, the Group sold its 51% stake in Social Media Search Limited. This segment was not a discontinued operation or classified as held for sale at 31 December 2015 and the comparative consolidated statement of comprehensive income has been re-presented to show the discontinued operation separately from continued operations. Under the terms of the Sale and Purchase Agreement ("SPA"), Norman Broadbent will receive a cash consideration of £325,000 for Social Media Search. As at the end of May, the company has received £27,050 which equates to 5 payments of £5,410.

	2016 **£000**	Re-presented 2015 £000
Results from discontinued operation		
Revenue	**470**	488
Operating Expenses	**(500)**	(635)
Results from operating activities	**(30)**	(147)
Net finance cost	**-**	-
Exceptional items	**655**	-
Tax	**-**	(4)
Profit/(Loss) on ordinary activities before taxation	**625**	(151)
Minority Interest	**(306)**	33
Profit/(Loss) attributable to the owners	**319**	(118)
Profit on disposal of subsidiary	**309**	-
Profit for the year from discontinued operations (attributable to the owners)	**628**	**(118)**

The profit from discontinued operations disclosed within the Consolidated Income Statement of £278,900 consists of the operating loss of £(30,000) and the profit on disposal of the subsidiary of £309,900. The exceptional item, relating to the write off of intercompany loan accounts, has been eliminated on consolidation within the Consolidated Income Statement

	2016 £000	2015 £000
Effect of disposal on the financial position of the Group		
Trade and other receivables	42	-
Cash and cash equivalents	15	-
Trade and other payables	(31)	-
Net assets and liabilities	26	-
Consideration received, satisfied in cash	-	-
Cash and Cash equivalents disposed of	(15)	-
Net cash outflow	(15)	-

9. 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:

	2016	2015
Loss attributable to owners of the company	**£(1,304,000)**	£(452,000)
Weighted average number of ordinary shares	**24,316,626**	17,416,487

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.

The grants of options in 2016 have both profitability and share price exercise criteria.

	2016	2015
Loss attributable to owners of the company	**£(1,304,000)**	£(452,000)
Weighted average number of ordinary shares	**24,316,626**	17,416,487
- assumed conversion of share options	**-**	-
- assumed conversion of warrants	**-**	-
Total	**24,316,626**	17,416,487

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.

	2016			2015		
	£000	**Basic pence per share**	**Diluted pence per share**	£000	Basic pence per share	Diluted pence per share
Basic earnings						

Loss after tax	**(1,304)**	**(5.36)**	**(5.36)**	(452)	(2.59)	(2.59)
Adjustments						
Share based payment charge	**11**	**0.04**	**0.04**	-	-	-
Adjusted earnings	**(1,293)**	**(5.32)**	**(5.32)**	(452)	(2.59)	(2.59)

10. 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 £541,000 (2015: £119,000).

11. INTANGIBLE ASSETS

	Goodwill arising on consolidation £000
Cost	
Balance at 1 January 2015	3,690
Balance at 31 December 2015	3,690
Balance at 31 December 2016	**3,690**
Provision for impairment	
Balance at 1 January 2015	2,327
Balance at 31 December 2015	2,327
Balance at 31 December 2016	**2,327**
Net book value	
At 1 January 2015	1,363
At 31 December 2015	1,363
At 31 December 2016	**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 2015	1,303	60	1,363
At 31 December 2015	1,303	60	1,363
At 31 December 2016	**1,303**	**60**	**1,363**

HADIL has been re-branded to Norman Broadbent Leadership Consulting.

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 26 of the report and accounts, 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 2017 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 9% per annum for the foreseeable future (2015: 15%) and 19% for Human Asset

Development International (2015: 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 10% (2015: 12%).

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 2016 the recoverable value of the Norman Broadbent CGU is £1,500,000 and the Human Asset Development International CGU is £611,000. Return on sales would need to fall below 8% for the Norman Broadbent goodwill to be impaired and below 2% for Human Asset Development International goodwill to be impaired.

12. 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 2015	84	184	47	-	315
Additions	-	22	-	-	22
Disposals	-	-	-	-	-
Balance at 31 December 2015	84	206	47	-	337
Additions	-	14	10	-	24
Disposals	-	(74)	-	-	(74)
Balance at 31 December 2016	**84**	**146**	**57**	**-**	**287**
Accumulated depreciation					
Balance at 1 January 2015	30	135	45	-	210
Charge for the year	16	28	1	-	45
Disposals	-	-	-	-	-
Balance at 31 December 2015	**46**	**163**	**46**	**-**	**255**
Charge for the year	16	21	1	-	38
Disposals	-	(74)	-	-	(74)
Balance at 31 December 2016	**62**	**110**	**47**	**-**	**219**
Net book value					
At 1 January 2015	54	49	2	-	105
At 31 December 2015	38	43	1	-	82
At 31 December 2016	**22**	**36**	**10**	**-**	**68**

The Group had no capital commitments as at 31 December 2016 (2015: £Nil).

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

13. INVESTMENTS

Company	**Shares in subsidiary undertakings £000**
Cost	
Balance at 1 January 2015	5,802
Disposals (see note below)	-

Balance at 31 December 2015	5,802
Balance at 31 December 2016	**5,802**
Provision for impairment	
Balance at 1 January 2015	3,926
Balance at 31 December 2015	3,926
Balance at 31 December 2016	**3,926**
Net book value	
At 1 January 2015	1,876
At 31 December 2015	1,876
At 31 December 2016	**1,876**

In 2016, the Company disposed of its 51% interest in Social Media Search Limited for a total consideration of £325,000 (see note 8).

At 31 December 2016 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
NB Solutions Ltd	England and Wales	Mezzanine level search	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	75% ordinary shares

* 100 % of the issued share capital of this company is owned by Norman Broadbent Overseas Ltd.
** These companies are exempt from audit by virtue of provisions in the Companies Act 2006. Where required limited assurance procedures have been completed.

14. TRADE AND OTHER RECEIVABLES

	Group		**Company**	
	2016	2015	**2016**	2015
	£000	**£000**	**£000**	**£000**
Trade receivables	**711**	1,642	**-**	-
Less: provision for impairment	**(14)**	(72)	**-**	-
Trade receivables - net	**697**	1,570	**-**	-
Other debtors	**326**	335	**6**	6
Prepayments and accrued income	**558**	267	**336**	10
Due from Group undertakings	**-**	-	**4,199**	3,673
	1,581	2,172	**4,541**	3,689

Non-Current	**234**	-	**234**	-
Current	**1,347**	2,172	**4,307**	3,689
	1,581	2,172	**4,541**	3,689

Non-current trade receivables is in relation to the cash consideration due from the sale of SMS.

As at 31 December 2016, Group trade receivables of £597,000 (2015: £1,111,000) 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		**Company**	
	2016	2015	**2016**	2014
	£000	£000	**£000**	£000
Up to 3 months	**597**	1,097	**-**	-
3 to 6 months	**-**	14	**-**	-
6 to 12 months	**-**	-	**-**	-
	597	1,111	**-**	-

The largest amount due from a single trade debtor at 31 December 2016 represents 10% (2015: 11%) of the total trade receivables balance outstanding.

As at 31 December 2016, Group trade receivables of £14,000 (2015: £72,000) 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:

	2016	2015
	£000	£000
At 1 January	**72**	180
Provision for receivable impairment	**14**	72
Receivables written-off as uncollectable	**(72)**	(180)
At 31 December	**14**	72

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.

15. CASH AND CASH EQUIVALENTS

	Group		**Company**	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
Cash at bank and in hand	**963**	448	**843**	173
Total	**963**	448	**843**	173

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.

16. TRADE AND OTHER PAYABLES

	Group		**Company**	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£000
Trade payables	**244**	467	**41**	32
Due to Group undertakings	**-**	-	**1,536**	1,360
Other taxation and social security	**322**	368	**-**	-
Other payables	**65**	216	**-**	-
Accruals	**410**	485	**33**	43

Total	**1,041**	1,536	**1,610**	1,435

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.

17. BORROWINGS

Maturity profile of borrowings	**Group**		**Company**	
	2016 £000	2015 £000	**2016 £000**	2015 £000
Current				
Bank overdrafts and interest bearing loans:				
Invoice discounting facility (see note (a) below)	**444**	918	**-**	-
Secured Loan notes	**-**	350	**-**	350
Total	**444**	1,268	**-**	350

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

	Carrying amount		**Fair value**	
	2016 £000	2015 £000	**2016 £000**	2015 £000
Bank overdrafts and interest bearing loans:				
Invoice discounting facility	**444**	918	**444**	918
Secured Loan notes	**-**	350	**-**	350
Total	**444**	1,268	**444**	1,268

a) Invoice discounting facilities:

Norman Broadbent Executive Search Limited, NBS 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 85% 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 2016, the outstanding balance on the facility of £331,000 (2015: £608,000) was secured by trade receivables of £441,000 (2015: £775,000). Interest is charged on the drawn down funds at a rate of 2.40% (2015: 2.50%) above the bank base rate.

NB Solutions Limited:

Funds are available to be drawn down at an advance rate of 85% against trade receivables of NB Solutions Limited that are aged less than 120 days, with the facility capped at £750,000. At 31 December 2016, the outstanding balance on the facility of £22,000 (2015: £186,000) was secured by trade receivables of £27,000 (2015: £264,000). Interest is charged on the drawn down funds at a rate of 2.40% (2015: 2.75%) above the bank base rate.

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 2016, the outstanding balance on the facility of £92,000 (2015: £124,000) was secured by trade receivables of £166,000 (2015: £225,000). Interest is charged on the drawn down funds at a rate of 2.40% (2015: 2.75%) above the bank base rate.

b) Secured Loan Notes

The 2015 Loan Notes were repaid in full in October 2016.

18. 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.

Group	Amortised Cost 2016 £000	2015 £000
Financial Assets		
Trade and other receivables	**1,581**	2,172
Cash and cash equivalents	**963**	448
Financial Liabilities		
Trade and other payables	**1,052**	1,536
Secured loan notes	**-**	350
Invoice discounting facility	**444**	918
Corporation tax liability	**-**	-

Company	Amortised Cost 2016 £000	2015 £000
Financial Assets		
Trade and other receivables	**4,541**	3,689
Cash and cash equivalents	**843**	173
Financial Liabilities		
Trade and other payables	**1,621**	1,435
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 of the report and accounts.

19. SHARE CAPITAL AND PREMIUM

Allotted and fully paid:	2016 £000	2015 £000
Ordinary Shares:		
41,633,320 Ordinary shares of 1.0p each (2015: 17,416,487)	**416**	174
Deferred Shares:		
23,342,400 Deferred A shares of 4.0p each (2015: 23,342,400)	**934**	934
907,118,360 Deferred shares of 4.0p each (2015: 907,118,360)	**3,628**	3,628
1,043,566 Deferred B shares of 42.0p each (2015: 1,043,566)	**438**	438
2,504,610 Deferred shares of 29.0p each (2015: 2,504,610)	**727**	727
	5,727	5,727
Total	**6,143**	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 2015	**17,416**	**174**	**5,727**	**10,699**	**16,600**
Proceeds from share placing (note (a) below)	-	-	-	-	-
Transaction costs related to share placing	-	-	-	-	-
At 31 December 2015	**17,416**	**174**	**5,727**	**10,699**	**16,600**
Proceeds from share placing	24,217	242	-	1,986	2,228
Transaction costs related to share placing	-	-	-	-	-
At 31 December 2016	**41,633**	**416**	**5,727**	**12,685**	**18,828**

a) Share placing in September 2016:

On 19 September 2016, the Company issued 24,216,833 new ordinary 1.0p shares for a total cash consideration of £2,300,599. Transaction costs of £72,599 were incurred resulting in net cash proceeds of £2,228,000.

20. SHARE BASED PAYMENTS

20.1 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 either seven or ten years.

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

	Approved EMI share option scheme	
	Avg. exercise price per share (p)	Number of options
At 1 January 2015	**60.72**	**731,213**
Forfeited	59.76	(393,269)
At 31 December 2015	**61.84**	**337,944**

Granted	13.50	4,390,550
Forfeited	23.14	(510,607)
At 31 December 2016	**16.21**	**4,217,887**

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

Expiry date	**Exercise price per share (p)**	**Share options**	
		2015	2015
2020	52.50	**95,237**	**95,237**
2021	65.50	**148,052**	**242,707**
2023	13.50	**3,974,597**	
Total		**4,217,886**	**337,944**

Out of the 4,217,886 outstanding options (2015: 337,944), no options were exercisable at the year end (2015: None) as they were all 'underwater'.

The significant inputs into the model in valuing the 2016 option grant were weighted average share price of 12 pence at the grant date, exercise price of 13.5p, volatility of 28%, 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 0.652%. 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.

21. 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 2016, the total future value of minimum lease payments due are as follows:

	Land and Buildings	
	2016	2015
	£000	£000
Within one year	**273**	273
Later than one year and not later than five years	**1,056**	1,056
Total	**1,329**	1,329

22. PROVISIONS

	Group		**Company**	
	2016	2015	**2016**	2015
	£000	£000	**£000**	£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 (2015). 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.

23. 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 £137,000 (2015: £169,000). At the year end £11,000 of contributions were outstanding (2015: £7,000).

24. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

(a) Purchase of services:

	2016 £000	2015 £000
Adelaide Capital Limited	**-**	**145**
Anderson Barrowcliff LLP	**21**	**13**
Brian Stephens & Company Ltd	**24**	**30**
Scanes Bentley & Associates Ltd	**-**	**25**
Connecting Corporates Limited	**25**	**35**
Total	**70**	**248**

Brian Stephens & Company Ltd invoiced the Group for the provision of services of B Stephens of £20,000 and business related travel costs of £4,000 (2015 total: £30,000). B Stephens is a director of Brian Stephens & Company Ltd. In the prior year consultancy services were acquired from Scanes Bentley & Associates Ltd, S Bentley is a director of Scanes Bentley & Associates Ltd. Further, in the prior year taxation and company secretarial services were acquired from Anderson Barrowcliff LLP, an accountancy firm of which R Robinson was a partner until resigning in April 2015. During the year the Group acquired research services from Connecting Corporates Limited £25,000 (2015: £35,000). The Group held a 51% stake in Connecting Corporates Limited.

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

(a) Sale of services

	2016 £000	2015 £000
Connecting Corporates Limited	**-**	17
Total	**-**	17

During the prior year the Group recharged group services incurred for the benefit of Connecting Corporates Limited to Connecting Corporates Limited at cost £17,000.

All related party transactions took place at “arms-length”.

(b) Provision of loans

	2016 £000	2015 £000
Connecting Corporates Limited	**-**	40
Total	**-**	40

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

(c) 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 page 12 to 14 of the report and accounts.

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

	2016 **£000**	2015 £000
Adelaide Capital Limited	**-**	**-**
Anderson Barrowcliff LLP	**3**	**8**
Brian Stephens & Company Ltd	**4**	**4**
Connecting Corporates Limited	**-**	**-**
Total	**7**	**12**

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

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

	2016 **£000**	2015 £000
Connecting Corporates Limited	**-**	54
Total	**-**	54

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

25. 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 £39,000 (2015: £211,000).

26. AVAILIBILITY OF ACCOUNTS AND NOTICE OF ANNUAL GENERAL MEETING

Copies of the Final Report and Annual Accounts (including the notice of Annual General Meeting) will be posted to shareholders on 5 June 2017 and will shortly be available to view on the Company's website (www.normanbroadbent.com/information/investor-relations).

Notice is hereby given that the 78th Annual General Meeting ("AGM") of Norman Broadbent plc will be held at 11am at the Clubhouse, 8 St James's Square, London, SW1Y 4JU on 28 June 2017.