

This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

27 September 2021

Norman Broadbent plc
("Norman Broadbent", "NBB", "the Company" or "the Group")
Interim Results

The Board of Norman Broadbent plc (AIM: NBB) (the "Board") - a leading London quoted Professional Services firm offering a diversified portfolio of integrated Leadership Acquisition & Advisory Services - is pleased to announce the Group's unaudited interim results for the six months ended 30 June 2021.

Highlights

- Positive EBITDA for H1 2021
- Improvement in debtor days at end of H1 2021 to 54 (31 Dec 2020: 57 days)
- Reduction of operating expenses by 17% compared to same period last year
- Continued disruption due to the Covid-19 pandemic has impacted NFI, which reduced by 30% to £3.1m, however cost focus from the business resulted in the Company remaining EBITDA positive.

Post Interim period end

- Kevin Davidson appointed as CEO and engaged in accelerated growth plan
- Board strengthened with appointment of Angela Hickmore as non-executive director
- In order to strengthen the Company's cash position, the Company intends to raise c.£297,000 by way of subscription, supported by the Company's existing shareholders

Norman Broadbent Group Executive Chairman, Peter Searle said:

"These are a solid set of results and it's pleasing to see positive EBITDA in the first half of 2021 despite the continued disruption due to the Covid-19 pandemic. We now have the leadership team in place to begin leveraging the full potential of the Norman Broadbent brand which remains highly respected across executive search and interim markets. ."

Steve Smith, Norman Broadbent Group CFO/COO, added:

"During the first half of 2021, the Group replaced it's back office systems and simplified it's structure. Additionally, leases on our offices in London and Knutsford were renewed at significantly improved terms. These initiatives have secured capacity for considerable growth whilst also reducing our fixed cost base, enabling increased investment across our fee earning teams "

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About Norman Broadbent plc:

Norman Broadbent plc (AIM: NBB) is a leading Professional Services firm focusing on Talent Acquisition & Advisory Services. Since its formation nearly 40 years ago, Norman Broadbent has developed a portfolio of complementary services centered on Executive Search Solutions, Senior Interim Management, Research & Insight, and Leadership Consulting & Assessment. Unusually, Norman Broadbent is one of the few businesses of its type offering clients integrated Executive Search and Interim Management Solutions. This innovative approach gives clients immediate access to business-critical executive-level Talent, meeting both short and longer-term needs.

Information on Subscription:

As noted above, the Company announces its intention to raise approximately £297,380 before expenses by way of a subscription of 4,405,635 ordinary shares ("Ordinary Shares") at 6.75 pence per Ordinary Share (the "Issue Price") ("the Subscription Shares") (the "Subscription").

The Issue Price represents a discount of approximately 2.7 per cent to the closing mid-market price of NBB's existing Ordinary Shares on 24 September 2021 (being the last business day prior to this Announcement).

The funds will be used for general working capital purposes, as well as investment in new fee earners scheduled to join the business from October 2021 onwards.

The Subscription is not being underwritten and is conditional on admission of the Subscription Shares to trading on AIM. The Subscription is being conducted pursuant to the existing authorities granted to the Directors of the Company at its annual general meeting on 25 June 2021. The Company will announce the results of the Subscription to the market in due course.

The Company continues to monitor its working capital position, as well as its requirement for funding to pursue its growth strategy. The Company has had discussions with significant shareholders with regards to further funding options in addition to the Subscription, and the Board will update shareholders when appropriate.

Financial Statements:

CFO Review:

In the six months to 30 June 2021, the Group reported positive EBITDA of £6,000 (H1 2020: £11,000) on turnover of £3,095,000 (H1 2020: £4,430,000). We are pleased with this result which has been achieved during a period of continued disruption due to the Covid-19 pandemic.

The Group continues to provide a more balanced service providing clients with an integrated range of relevant, complementary, progressive, and sophisticated offerings. This not only helps us serve our clients better, but also enables us to differentiate ourselves in what is becoming an increasingly transactional and commoditised traditional executive search market.

Our aim is to continue strategically scaling all business units. As we continue to grow, we will maintain our focus on innovation, client-service, enhancing our established brand, the growth of high-quality recurring revenues, and continued profitability. Despite the pandemic, we have not been deflected from pursuing our long-term strategy. This has seen us transition the Group over the past few years to a business which is structured around specific industry and functional hubs and away from individual teams focussing on their own service line. This strong client focus benefits our customers and, in turn, benefits the company as evidenced by the record levels of internal referrals of work. By making this change we are no longer a traditional, siloed, pure-play executive search business but something much broader, more progressive, and relevant in today's market. Increasingly our clients see us for what we now are – a problem-solving business partner offering bespoke solutions incorporating Consulting, Interim, Research & Insight, and high-quality fully retained Search Solutions.

Summarised Financial Results:

The table below summarises the results for the Group.

	Six months to 30 June 2021 £000's	Six months to 30 June 2020 £000's	Year ended 31 Dec 2020 £000's
Revenue	3,095	4,430	7,816
Cost of sale	(348)	(1,109)	(1,530)
Gross profit / Net Fee Income	2,747	3,321	6,286
Operating expenses	(2,741)	(3,310)	(6,217)
EBITDA	6	11	69
Net finance cost, depreciation and amortisation	(149)	(63)	(262)
Profit / (Loss) before tax	(143)	(52)	(193)

Income tax	-	-	-
Profit / (Loss) after tax	(143)	(52)	(193)

Financial Position

Equity shareholders' funds were £963,000 as at 30 June 2021 (31 Dec 2020: £1,106,000), with net current liabilities of £672,000 (net current liabilities 31 Dec 2020: £504,000). Cash and cash equivalents at 30 June 2021 amounted to £83,000 (31 Dec 2020: £367,000; 30 June 2020: £399,000).

Net cash outflow from operations was £149,000 (31 Dec 2020: £515,000 inflow) and net cash outflow from financing activities amounted to £116,000 (31 Dec 2020: £492,000 outflow).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the six-month period ended 30 June 2021

Note	Six months ended 30 June 2021 (unaudited)	Six months ended 30 June 2020 (unaudited)	Year ended 31 December 2020 (audited)
	£000	£000	£000
Revenue	3,095	4,430	7,816
Cost of Sales	(348)	(1,109)	(1,530)
Gross profit / Net Fee Income	2,747	3,321	6,286
Operating expenses	(2,741)	(3,310)	(6,217)
EBITDA	6	11	69
Net finance cost, depreciation and amortisation	(149)	(63)	(262)
Profit / (Loss) on ordinary activities before income tax	(143)	(52)	(193)
Income tax expense	-	-	-
Profit / (Loss) for the period	(143)	(52)	(193)
Other comprehensive income	-	-	-
Total comprehensive Profit / (Loss)	(143)	(52)	(193)
Profit / (Loss) attributable to:			
Owners of the Company	(143)	(174)	(322)
Non-controlling interests	-	122	129
Profit / (Loss) for the period	(143)	(52)	(193)
Total comprehensive profit / (loss) attributable to:			
Owners of the Company	(143)	(174)	(322)
Non-controlling interests	-	122	129

Total comprehensive profit / (loss) for the period		(143)	(52)	(193)
Profit / (Loss) per share	4			
- Basic		(0.26p)	(0.10p)	(0.59p)
- Diluted		(0.26p)	(0.10p)	(0.59p)
Adjusted profit/ (loss) per share				
- Basic		(0.26p)	(0.08p)	(0.59p)
- Diluted		(0.26p)	(0.08p)	(0.59p)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

	Note	As at 30 June 2021 (unaudited) £000	As at 30 June 2020 (unaudited) £000	As at 31 December 2020 (audited) £000
Non-current assets				
Intangible assets		1,363	1,363	1,363
Property, plant and equipment		179	77	332
Trade and other receivables		254	65	145
Deferred tax		69	69	69
Total non-current assets		1,865	1,574	1,909
Current assets				
Trade and other receivables		1,200	1,602	1,547
Cash and cash equivalents		83	399	367
Total current assets		1,283	2,001	1,914
Total assets		3,148	3,575	3,823
Current Liabilities				
Trade and other payables		(1,369)	(1,710)	(1,645)
Provisions	5	-	(95)	-
Loan Note		(20)	1	-
Bank overdraft and interest bearing loans		(461)	(449)	(577)
Obligations under Finance Leases		(105)		(196)
Total current liabilities		(1,955)	(2,253)	(2,418)
Non Current Liabilities				
Obligations under Finance Leases		-		(49)
Bank Loan		(230)	-	(250)
Total Non Current Liabilities		(230)	-	(299)
Net current assets / (liabilities)		(672)	(254)	(504)
Total liabilities		(2,185)	(2,253)	(2,717)

Total assets less total liabilities	963	1,322	1,106
Equity			
Issued share capital	6,279	6,266	6,279
Share premium account	13,763	13,706	13,763
Retained earnings	(19,079)	(18,797)	(18,936)
Equity attributable to owners of the Company	963	1,175	1,106
Non-controlling interests	-	147	-
Total equity	963	1,322	1,106

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six month period ended 30 June 2021

Attributable to owners of the Company

CONSOLIDATED GROUP

	Share Capital	Share Premium	Retained Earnings	Total Equity	Non-controlling interests	Total Equity
	£000	£000	£000	£000	£000	£000
Balance at 1 January 2020	6,266	13,706	(18,632)	1,340	25	1,365
Profit for the period	-	-	(172)	(172)	122	(50)
Adjustment for discontinued operation	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(172)	(172)	122	(50)
Transactions with owners of the Company, recognised directly in equity:						
Issue of ordinary shares	-	-	-	-	-	-
Credit to equity for share based payments	-	-	7	7	-	7
Total transactions with owners of the Company, recognised directly in equity	-	-	7	7	-	7
Balance at 30 June 2020	6,266	13,706	(18,797)	1,175	147	1,322
Balance at 1 July 2020	6,266	13,706	(18,797)	1,175	147	1,322
Loss for the period	-	-	(150)	(150)	7	(143)
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(150)	(150)	7	(143)
Transactions with owners of the Company recognised directly in equity:						
Issue of ordinary shares	13	57	-	70	-	70
Credit to equity for share based payments	-	-	(4)	(4)	-	(4)
Total transactions with owners of the Company, recognised directly in equity	13	57	(4)	66	-	66
Changes in ownership interest in subsidiaries	-	-	-	-	-	-
Purchase of non-controlling interests	-	-	15	15	(154)	(139)
Total transactions with owners of the Company	13	57	11	81	(154)	(73)
Balance at 31 December 2020	6,279	13,763	(18,936)	1,106	-	1,106
Balance at 1 January 2021	6,279	13,763	(18,936)	1,106	-	1,106
Profit / (Loss) for the period	-	-	(143)	(143)	-	(143)
Total other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(143)	(143)	-	(143)
Transactions with owners of the Company, recognised directly in equity:						
Credit to equity for share based payments	-	-	-	-	-	-
Balance at 30 June 2021	6,279	13,763	(19,079)	963	-	963

CONSOLIDATED STATEMENT OF CASH FLOW
For the six-month period ended 30 June 2021

	Notes	Six months ended 30 June 2021 (unaudited) £000	Six months ended 30 June 2020 (unaudited) £000	Year ended 31 December 2020 (audited) £000
Net cash generated / (used) in operating activities	(i)	(149)	629	515
Cash flows from investing activities and servicing of finance				
Net finance cost		(6)	(16)	(23)
Payments to acquire tangible fixed assets		(21)	(27)	(65)
Net cash used in investing activities		(27)	(43)	(88)
Cash flows from financing activities				
Repayment of borrowings		-	(120)	(119)
Proceeds from issue of capital		-	-	(70)
Increase / (decrease) in invoice discounting		(116)	(501)	(373)
New Loans received		-	-	250
Payment of finance lease liabilities		-	-	(180)
Net cash from financing activities		(116)	(621)	(492)
Net (decrease)/increase in cash and cash equivalents		(292)	(35)	(65)
Net cash and cash equivalents at beginning of period		367	432	432
Effects of exchange rate changes on cash balances held in foreign currencies		-	-	-
Net cash and cash equivalents at end of period		75	397	367
Analysis of net funds				
Cash and cash equivalents		83	399	367
Borrowings due within one year		(461)	(448)	(577)
Borrowings due within more than one year		(250)	-	(250)
Net funds		(628)	(49)	(460)
Note (i)				
Reconciliation of operating profit to net cash from operating activities				
		Six months ended 30 June 2021 (unaudited)	Six months ended 30 June 2020 (unaudited)	Year ended 31 December 2020 (audited)
Operating profit / (loss) from continued operations		(146)	(36)	(153)
Depreciation/ impairment of property, plant and equipment		37	37	222
Share based payment charge		-	7	7
Fixed Asset Write Off		-	-	3
(Increase)/decrease in trade and other receivables		238	1,346	1,321
Increase/(decrease) in trade and other payables		(278)	(605)	(670)
Increase/(decrease) in Provisions		-	(120)	(215)
Net cash generated / (used) in operating activities		(149)	629	515

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2020, prepared under International Financial Reporting Standards (IFRS), have been filed with the Registrar of Companies. The auditor's report on those statements was unqualified.

The interim financial information for the six months ended 30 June 2021, has been prepared in accordance with the AIM Rules for Companies. The Group has not elected to apply IAS 34 'Interim Financial Reporting'. The principal accounting policies used in preparing the interim results are those the Group expects to apply in its financial statements for the year ending 31 December 2021 and are unchanged from those disclosed in the Group's Annual Report for the year ended 31 December 2020. The interim financial statements have not been audited.

1.2 Basis of consolidation and business combinations

Group financial statements consolidate those of the Company and of the following subsidiary undertakings:

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 per cent ordinary shares
Norman Broadbent Overseas Ltd	England and Wales	Executive Search	100 per cent ordinary shares
Norman Broadbent Leadership Consulting Ltd	England and Wales	Assessment, coaching and Talent Mgmt.	100 per cent ordinary shares
Norman Broadbent Solutions Ltd	England and Wales	Mezzanine Level Search	100 per cent ordinary shares
Norman Broadbent Interim Management Ltd	England and Wales	Interim Management	100 per cent ordinary shares
Norman Broadbent (Ireland) Ltd *	Republic of Ireland	Dormant	100 per cent ordinary shares
Bancomm Ltd	England and Wales	Dormant	100 per cent ordinary shares

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

2. COPIES OF THE UNAUDITED INTERIM REPORT

Copies of this report are available on request from the Company's registered office at Millbank Tower, 21-24 Millbank, London SW1P 4QP and are also available on the Company's website at www.normanbroadbent.com.

3. SEGMENTAL ANALYSIS

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) Revenue and gross profit by geography:

	Revenue £'000			Gross Profit £'000		
	Six Months Ended		Year Ended	Six Months Ended		Year Ended
	30 June 2021	30 June 2020	31 Dec 2020	30 June 2021	30 June 2020	31 Dec 2020
United Kingdom	2,627	3,958	7,143	2,279	2,849	5,613

Rest of the World	468	472	673	468	472	673
Total	3,095	4,430	7,816	2,747	3,321	6,286

4. EARNINGS PER ORDINARY 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:

	Six months ended 30 June 2021 (unaudited)	Six months ended 30 June 2020 (unaudited)	Year ended 31 December 2020 (audited)
Profit / (loss) attributable to shareholders	(143,000)	(170,000)	(322,000)
Weighted average number of ordinary shares	55,218,903	53,885,570	54,217,990

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 issued share options which are potentially dilutive. 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 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.

	Six months ended 30 June 2021 (unaudited)	Six months ended 30 June 2020 (unaudited)	Year ended 31 December 2020 (audited)
Profit / (loss) attributable to shareholders	(143,000)	(170,000)	(322,000)
Weighted average no. of ordinary shares	55,218,903	53,885,570	54,217,990
- assumed conversion of share options	-	-	-
Weighted average number of ordinary shares for diluted earnings per share	55,218,903	53,885,570	54,217,990

iii) Adjusted earnings per share

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 charges for share based payments. It has been calculated to allow shareholders to gain a clearer understanding of the trading performance of the Group.

	Six months ended 30 June 2021			Six months ended 30 June 2020			Year ended 31 December 2020		
	£000	Basic pence per share	Diluted pence per share	£000	Basic pence per share	Diluted pence per share	£000	Basic pence per share	Diluted pence per share
Basic earnings (Loss)/Profit after tax	(143)	(0.26)	(0.26)	(174)	(0.32)	(0.32)	(322)	(0.59)	(0.59)
Adjustment Share based payment charge	-	-	-	7	0.01	0.01	-	-	-
Adjusted earnings	(143)	(0.26)	(0.26)	(167)	(0.31)	(0.31)	(322)	(0.59)	(0.59)

5. PROVISIONS

	Six months ended 30 June 2021 £000	Six months ended 30 June 2020 £000	Year ended 31 December 2020 £000
Balance at beginning of period	-	240	215
Provisions made during the period	-	(145)	-
Provisions utilised during the year	-	-	(215)
Balance at end of period	-	95	-
Non-Current	-	-	-
Current	-	95	-
	-	95	-

6. RELATED PARTY TRANSACTIONS

i) Purchase of services:

	Six months ended 30 June 2021 £000	Six months ended 30 June 2020 £000	Year ended 31 December 2020 £000
Brian Stephens & Company Limited	-	8	9
Total	-	8	9

ii) Period-end payables arising from the purchases of services:

	Six months ended 30 June 2021 £000	Six months ended 30 June 2020 £000	Year ended 31 December 2020 £000
Brian Stephens & Company Limited	-	1	-
Total	-	1	-