

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

Norman Broadbent (AIM: NBB) - a provider of time efficient, cost effective Board & Executive Search, Senior Interim Management, Solutions, Insight and Leadership Consulting services to companies ranging from established corporations to high-growth innovators - today announces its unaudited interim results for the six months ended 30 June 2016.

**Highlights**

- Appointment of Mike Brennan as Group CEO in April 2016
- Continued focus on restructuring of all businesses in H1 2016 with a resulting decrease in net fee income to £3,214,000 (H1 2015: £3,794,000)
- Operating expenses decreased by 12% to £3,287,000 (H1 2015: £3,732,000)
- Group net loss decreased to £106,000 (H1 2015: £134,000), in comparison to a Group net loss of £351,000 for the last six months of 2015
- Since the half year, the Board has appointed a new managing director of the Norman Broadbent Interim Management division, who joins the Group in October 2016
- Since the half year, Norman Broadbent has rebranded and repositioned its mid-market business, AGP. As of 3 October 2016 this division will trade as NB:Solutions under a new managing director. NB:Solutions is now positioned to provide innovative cost effective and flexible executive level recruitment solutions
- Frank Carter joined the Board as Non-Executive Chairman, replacing Scanes Bentley, in September 2016

**Mike Brennan, CEO of Norman Broadbent, said:**

"Given the rightsizing of the cost base in recent years, we are now entering a new phase of growth underpinned by the £2.3m of new capital raised in September 2016 from both existing and new shareholders. This capital will stabilise the business from an operational perspective, has allowed us to repay expensive debt, but more importantly enable the business to scale up through the hiring of new and experienced fee earners across all of our three core offerings of Executive Search, Solutions and Interim Management. We expect to start to see the benefit of these new hires in 2017."

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**Notes to Editors**

Norman Broadbent plc is a provider of time efficient, cost effective Board & Executive Search, Senior Interim Management, Solutions, Insight and Leadership Consulting services to companies ranging from established corporations to high-growth innovators.

For further information visit [www.normanbroadbent.com](http://www.normanbroadbent.com)

## CEO Review:

### Summarised Financial Results:

The table below summarises the results for the Group.

	Six months to 30 June 2016 £000's	Six months to 30 June 2015 £000's	Year ended 31 Dec 2015 £000's
<b>Continuing operations</b>			
<b>Revenue</b>	<b>3,639</b>	4,883	8,644
Cost of sale	<b>(425)</b>	(1,089)	(1,747)
<b>Gross profit</b>	<b>3,214</b>	3,794	6,897
Operating expenses	<b>(3,287)</b>	(3,732)	(7,087)
<b>Group operating profit / (loss)</b>	<b>(73)</b>	62	(190)
Net finance cost	<b>(33)</b>	(18)	(41)
Exceptional Items	-	(125)	(194)
<b>(Loss) / profit before tax</b>	<b>(106)</b>	(81)	(425)
Income tax	-	-	-
Loss from discontinued operation	-	(53)	(60)
<b>(Loss) / profit after tax</b>	<b>(106)</b>	(134)	(485)

In the first half of 2016 management continued its focus on the necessary restructuring of the Group's businesses, resulting in a number of planned reductions in headcount. As a result of these actions, net fee income (after interim costs) declined by 16% to £3.2m (H1 2015: £3.8m), however encouragingly group losses reduced by 21% to £0.10m (H1 2015: £0.13m).

Norman Broadbent Executive Search ("NBES") revenue declined by 15% to £2.4m (H1 2015: £2.8m) reflecting the impact of planned reduction in fee generating headcount. Encouragingly, the net profit margin increased to 14% reflecting the positive impact of restructuring the business in Q3 of 2015. Moving into the second half of 2016 and 2017, our key focus will be on the recruitment of senior consultants within our existing practices as well as improving consultant productivity. Group wide productivity will be driven by our new Head of Business Development, the appointment of a Group Head of Research & Insight and a more holistic approach to account management.

Norman Broadbent Leadership Consulting ("NBLC") had a slow first six months of 2016 with revenues excluding associate costs of £0.2m (H1 2015: £0.4m). The decline was in part due to a large assessment project with a FTSE 100 business being put on hold. The NBLC business operates using an associate model, therefore if revenues decrease then the associated operating costs will also fall. The business was marginally loss making in H1 2016, however this loss includes the cost of two employees who left the business in Q2 2016. Despite the small revenue contribution to the Group, NBLC has a high quality product range which through better account management can be sold more effectively across the Group.

Encouragingly AGP, which will be rebranded to NB Solutions ("NBS"), increased gross profit by 26% to £0.4m (H1 2015: £0.3m), however, disappointingly the business was still loss making. As a result, the business was restructured with a number of staff leaving in Q2 2016. Since the restructure we have appointed a new divisional managing director, re-defined NBS' proposition and are in the process of re-building the team to enable NBS to leverage the NBES business more effectively.

The Group has been missing a high value interim executive offering of significant scale since the business was restructured in 2015. Such a business gives clients flexibility during periods of economic uncertainty, and can also be effectively cross-sold by the Group. In light of this the Board is delighted to announce that we have appointed a new divisional managing director who will join the Group from a well-regarded competitor at the beginning of October 2016.

Social Media Search ("SMS") has been restructured significantly in recent years and its core offering refined. The business is now underpinned by long term annuity contracts and encouragingly revenues increased by 46% to £0.3m (H1 2015: £0.2m), however the business was marginally loss making. This loss, however, includes the cost of two underperforming consultants who were exited from the business in June 2016.

## **Financial Position**

Equity shareholders' funds were £1.1m as at 30 June 2016 (£1.2m at 31 December 2015), with net current assets of £0.1m (£0.2m at 31 December 2015). Cash and cash equivalents at 30 June 2016 stood at £0.3m, down from £0.4m at 31 December 2015, reflecting the continued investment in the new businesses (most notably AGP). The balance on the Group's revolving invoice discounting facility was £0.6m (£0.9m at 31 December 2015), reflecting a trade receivables balance of £0.9m (£1.2m at 31 December 2015).

## **Board Changes**

As highlighted in the 2015 full year results, I joined the Company as Group CEO in April 2016. Following my appointment and the £2.3m equity raise in September 2016, Frank Carter has joined the business as Non-Executive Chairman, taking over from Scanes Bentley. Frank has been an adviser to the Company since June 2016. Frank has most recently worked as a Senior Adviser to KPMG, following 18 years as a Senior Partner in the firm's Corporate Finance business. Frank is a highly experienced corporate adviser with over 25 years' experience advising at board level on a range of strategic matters and transactions across a wide variety of sectors. He has worked in the UK, Europe and the US with major corporates, listed and private companies, financial sponsors and the public sector.

Finally, Richard Robinson announced his retirement as a Non-Executive Director of the Company on the 19th September 2016. The Board wishes to express its gratitude to Richard for his considerable contribution to the business over many years. In the short term, Richard will remain in his role as Company Secretary.

## **Current Trading**

Since the period end, we have concentrated on investing in hiring new talent across our three brands and on further reductions in costs including exiting poor performers. This investment in our staff will continue into 2017 and beyond.

Monday 3rd October will see the formal launch of the rebranded business units Norman Broadbent Interim Management and NB: Solutions under new and revitalised leadership.

We anticipate that the refocussing and repositioning of the business and the refreshment of our brands will result in an improved financial performance with the benefits coming through during the second half of 2017.

**Mike Brennan**  
Group CEO

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the six month period ended 30 June 2016**

	Note	Six months ended 30 June 2016 (unaudited)	Six months ended 30 June 2015 (unaudited)	Year ended 31 December 2015 (audited)
		£000	£000	£000
<b>Continuing operations</b>				
<b>Revenue</b>		<b>3,639</b>	4,883	8,644
Cost of Sales		<b>(425)</b>	(1,089)	(1,747)
<b>Gross profit</b>		<b>3,214</b>	3,794	6,897
Operating expenses		<b>(3,287)</b>	(3,732)	(7,087)
<b>Group operating profit / (loss)</b>		<b>(73)</b>	62	(190)
Net finance cost		<b>(33)</b>	(18)	(41)
Exceptional Items	6	-	(125)	(194)
Loss on disposal of investment		-	-	-
<b>Loss on ordinary activities before income tax</b>		<b>(106)</b>	(81)	(425)
Income tax expense		-	-	-
<b>Loss from continuing operations</b>		<b>(106)</b>	(81)	(425)
<b>Discontinued operations</b>				
Loss from discontinued operation	7	-	(53)	(60)
<b>Loss for the period</b>		<b>(106)</b>	(134)	(485)
<b>Other comprehensive income</b>				
Foreign currency translation differences – foreign operations		2	4	-
<b>Total comprehensive loss</b>		<b>(104)</b>	(130)	(485)
<b>Loss attributable to:</b>				
Owners of the Company		<b>(104)</b>	(105)	(452)
Non-controlling interests		<b>(2)</b>	(29)	(33)
<b>Loss for the period</b>		<b>(106)</b>	(134)	(485)
<b>Total comprehensive loss attributable to:</b>				
Owners of the Company		<b>(102)</b>	(101)	(452)
Non-controlling interests		<b>(2)</b>	(29)	(33)
<b>Total comprehensive loss for the period</b>		<b>(104)</b>	(130)	(485)
Loss per share	4			
- Basic		<b>(0.60p)</b>	(0.60)p	(2.59)p
- Diluted		<b>(0.60p)</b>	(0.60)p	(2.59)p
Adjusted loss per share				
- Basic		<b>(0.60p)</b>	(0.58)p	(2.59)p
- Diluted		<b>(0.60p)</b>	(0.58)p	(2.59)p
Loss per share – continuing operations	4			
- Basic		<b>(0.60p)</b>	(0.30)p	(2.25)p
- Diluted		<b>(0.60p)</b>	(0.30)p	(2.25)p
Adjusted loss per share – continuing operations				
- Basic		<b>(0.60p)</b>	(0.27)p	(2.25)p
- Diluted		<b>(0.60p)</b>	(0.27)p	(2.25)p

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2016**

	Note	As at 30 June 2016 (unaudited) £000	As at 30 June 2015 (unaudited) £000	As at 31 December 2015 (audited) £000
<b>Non-current assets</b>				
Intangible assets		1,363	1,363	1,363
Property, plant and equipment		62	90	82
Deferred tax		69	69	69
<b>Total non-current assets</b>		<u>1,494</u>	<u>1,522</u>	<u>1,514</u>
<b>Current assets</b>				
Trade and other receivables		1,707	2,722	2,172
Cash and cash equivalents		263	374	448
<b>Total current assets</b>		<u>1,970</u>	<u>3,096</u>	<u>2,620</u>
<b>Total assets</b>		<u>3,464</u>	<u>4,618</u>	<u>4,134</u>
<b>Current Liabilities</b>				
Trade and other payables		(1,243)	(1,888)	(1,536)
Bank overdraft and interest bearing loans		(645)	(1,042)	(918)
<b>Total current liabilities</b>		<u>(1,888)</u>	<u>(2,930)</u>	<u>(2,454)</u>
<b>Net current assets</b>		82	166	166
<b>Non-current liabilities</b>				
Provisions	5	(125)	(125)	(125)
Loan Note		(350)		(350)
<b>Total liabilities</b>		<u>(2,363)</u>	<u>(3,055)</u>	<u>(2,929)</u>
<b>Total assets less total liabilities</b>		<u>1,101</u>	<u>1,563</u>	<u>1,205</u>
<b>Equity</b>				
Issued share capital		5,901	5,901	5,901
Share premium account		10,699	10,699	10,699
Retained earnings		(15,203)	(14,747)	(15,101)
<b>Equity attributable to owners of the Company</b>		<u>1,397</u>	<u>1,853</u>	<u>1,499</u>
<b>Non-controlling interests</b>		(296)	(290)	(294)
<b>Total equity</b>		<u>1,101</u>	<u>1,563</u>	<u>1,205</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the six month period ended 30 June 2016**

**Attributable to owners of the Company**

**CONSOLIDATED GROUP**

	<b>Share Capital</b>	<b>Share Premium</b>	<b>Retained Earnings</b>	<b>Total Equity</b>	<b>Non- controlli ng interests</b>	<b>Total Equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Balance at 1 January 2015</b>	<b>5,901</b>	<b>10,699</b>	<b>(14,649)</b>	<b>1,951</b>	<b>(261)</b>	<b>1,690</b>
Loss for the period	-	-	(106)	(106)	(29)	(135)
Adjustment for discontinued operation	-	-	-	-	-	-
Total other comprehensive income	-	-	4	4	-	4
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(102)</b>	<b>(102)</b>	<b>(29)</b>	<b>(130)</b>
<b>Transactions with owners of the Company, recognised directly in equity:</b>						
Issue of ordinary shares	-	-	-	-	-	-
Credit to equity for share based payments	-	-	4	4	-	4
<b>Total transactions with owners of the Company, recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>4</b>
<b>Balance at 30 June 2015</b>	<b>5,901</b>	<b>10,699</b>	<b>(14,747)</b>	<b>1,853</b>	<b>(290)</b>	<b>1,563</b>
<b>Balance at 1 July 2015</b>	<b>5,901</b>	<b>10,699</b>	<b>(14,747)</b>	<b>1,853</b>	<b>(290)</b>	<b>1,563</b>
Loss for the period	-	-	(347)	(347)	(4)	(351)
Total other comprehensive income	-	-	(7)	(7)	-	(7)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(354)</b>	<b>(354)</b>	<b>(4)</b>	<b>(358)</b>
<b>Balance at 31 December 2015</b>	<b>5,901</b>	<b>10,699</b>	<b>(15,101)</b>	<b>1,499</b>	<b>(294)</b>	<b>1,205</b>
<b>Balance at 1 January 2016</b>	<b>5,901</b>	<b>10,699</b>	<b>(15,101)</b>	<b>1,499</b>	<b>(294)</b>	<b>1,205</b>
Loss for the period	-	-	(104)	(104)	(2)	(106)
Total other comprehensive income	-	-	2	2	-	2
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(102)</b>	<b>(102)</b>	<b>(2)</b>	<b>(104)</b>
<b>Balance at 30 June 2016</b>	<b>5,901</b>	<b>10,699</b>	<b>(15,203)</b>	<b>1,397</b>	<b>(296)</b>	<b>1,101</b>

**CONSOLIDATED STATEMENT OF CASH FLOW**  
**For the six month period ended 30 June 2016**

	Notes	<b>Six months ended 30 June 2016 (unaudited) £000</b>	Six months ended 30 June 2015 (unaudited) £000	Year ended 31 December 2015 (audited) £000
<b>Net cash used in operating activities</b>	(i)	<b>119</b>	(477)	(590)
<b>Cash flows from investing activities and servicing of finance</b>				
Net finance cost		(33)	(18)	(41)
Dividends received		-	-	-
Payments to acquire tangible fixed assets		-	(10)	(22)
Disposal of discontinued operation, net of cash disposed of	7	-	-	-
Repayment of deferred consideration		-	-	-
Net cash inflow from disposal of investments		-	-	-
<b>Net cash used in investing activities</b>		<b>(33)</b>	(28)	(63)
<b>Cash flows from financing activities</b>				
Proceeds from borrowings		-	-	350
Net cash inflows from equity placing		-	-	-
(Decrease)/increase in invoice discounting		(273)	369	245
<b>Net cash from financing activities</b>		<b>(273)</b>	369	595
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(187)</b>	(136)	(58)
<b>Net cash and cash equivalents at beginning of period</b>		<b>448</b>	506	506
Effects of exchange rate changes on cash balances held in foreign currencies		2	4	-
<b>Net cash and cash equivalents at end of period</b>		<b>263</b>	374	448
<b>Analysis of net funds</b>				
Cash and cash equivalents		263	374	448
Borrowings due within one year		(645)	(1,042)	(918)
<b>Net funds</b>		<b>(381)</b>	(668)	(470)
<b>Note (i)</b>				
<b>Reconciliation of operating profit to net cash from operating activities</b>		<b>Six months ended 30 June 2016 (unaudited)</b>	Six months ended 30 June 2015 (unaudited)	Year ended 31 December 2015 (audited)
Operating loss from continued operations		(73)	62	(190)
Operating loss from discontinued operations		-	(50)	(56)
Depreciation/ impairment of property, plant and equipment		20	25	45
Exceptional Items		-	(125)	(194)
Share based payment charge		-	4	-
Increase in trade and other receivables		465	(759)	(209)
Increase/(decrease) in trade and other payables		(293)	370	18
Taxation paid		-	(4)	(4)
<b>Net cash used in operating activities</b>		<b>119</b>	(477)	(590)

## 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 2015, 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 2016, 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 2016 and are unchanged from those disclosed in the Group's Annual Report for the year ended 31 December 2015. The interim financial statements have not been audited.

#### 1.2 Basis of consolidation and business combinations

The 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 (formerly Human Asset Development International Ltd)	England and Wales	Assessment, coaching and talent mgmt.	100 per cent ordinary shares
AGP NB Ltd (formerly NBBI Ltd)	England and Wales	Contingent Search	100 per cent ordinary shares
Norman Broadbent Interim Management Ltd	England and Wales	Executive search	100 per cent ordinary shares
The NB Consultancy (Singapore) Pte Ltd	Republic of Singapore	Executive Search	100 per cent ordinary shares
Norman Broadbent Inc	United States of America	Executive Search	100 per cent ordinary shares
Norman Broadbent (Ireland) Ltd *	Republic of Ireland	Dormant	100 per cent ordinary shares
Connecting Corporates Ltd	England and Wales	Social Media Search and Consulting	51 per cent ordinary shares
Social Media Search Ltd	Scotland	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 12 St James's Square, London, SW1Y 4LB and will shortly be available on the Company's website at [www.normanbroadbent.com](http://www.normanbroadbent.com).



### 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:

BUSINESS SEGMENTS								
Six months ended 30 June 2016	Executive Search £000	NBLC £000	AGP £000	SMS £000	NBIM £000	Disc. Operation £000	Un allocated £000	Total £000
Revenue	2,351	199	414	273	402	-	-	3,639
Cost of sales	(55)	(36)	(2)	(1)	(330)	-	-	(424)
<b>Gross profit</b>	<b>2,296</b>	<b>163</b>	<b>412</b>	<b>272</b>	<b>72</b>	-	-	<b>3,214</b>
Operating expenses	(1,943)	(167)	(533)	(282)	(57)	-	(287)	(3,269)
Other operating income	-	-	-	-	-	-	-	-
Finance costs	(10)	-	(2)	-	(2)	-	(19)	(33)
Depreciation and amort.	(14)	-	(3)	(2)	-	-	-	(19)
Restructuring costs	-	-	-	-	-	-	-	-
Exceptional items	-	-	-	-	-	-	-	-
Loss on disposal of investment	-	-	-	-	-	-	-	-
<b>Profit/(Loss) before tax</b>	<b>329</b>	<b>(4)</b>	<b>(126)</b>	<b>(12)</b>	<b>13</b>	-	<b>(306)</b>	<b>(106)</b>

BUSINESS SEGMENTS								
Six months ended 30 June 2015	Executive Search £000	NBLC £000	AGP £000	SMS £000	NBIM £000	Disc. Operation £000	Un allocated £000	Total £000
Revenue	2,781	370	499	187	1,044	118	3	5,002
Cost of sales	(3)	(83)	(173)	-	(830)	(74)	-	(1,163)
<b>Gross profit</b>	<b>2,778</b>	<b>287</b>	<b>326</b>	<b>187</b>	<b>214</b>	<b>44</b>	<b>3</b>	<b>3,839</b>
Operating expenses	(2,409)	(225)	(353)	(259)	(282)	(93)	(179)	(3,800)
Other operating income	-	-	-	-	-	-	-	-
Finance costs	(12)	-	(2)	-	(4)	-	-	(18)
Depreciation and amort.	(20)	-	(3)	(2)	-	(1)	-	(26)
Restructuring costs	-	-	-	-	-	-	(125)	(125)
Exceptional items	-	-	-	-	-	-	-	-
Loss on disposal of investment	-	-	-	-	-	-	-	-
<b>Profit/(Loss) before tax</b>	<b>337</b>	<b>62</b>	<b>(32)</b>	<b>(74)</b>	<b>(72)</b>	<b>(50)</b>	<b>(301)</b>	<b>(130)</b>

**BUSINESS SEGMENTS**

Year ended 31 December 2015	Executive Search £000	NBLC £000	AGP £000	SMS £000	NBIM £000	Disc. Operation £000	Un allocated £000	Total £000
Revenue	4,885	601	993	370	1,791	118	4	8,762
Cost of sales	(17)	(128)	(205)	-	(1,397)	-	-	(1,747)
<b>Gross profit</b>	<b>4,868</b>	<b>473</b>	<b>788</b>	<b>370</b>	<b>394</b>	<b>118</b>	<b>4</b>	<b>7,015</b>
Operating expenses	(4,417)	(403)	(879)	(457)	(510)	(173)	(377)	(7,216)
Other operating income	-	-	-	-	-	-	-	-
Finance costs	(22)	-	(4)	-	(8)	-	(7)	(41)
Depreciation and amort.	(35)	-	(5)	(4)	-	(1)	-	(45)
Restructuring costs	-	-	-	-	-	-	-	-
Exceptional items	(68)	-	-	-	-	-	(126)	(194)
Loss on disposal of investment	-	-	-	-	-	-	-	-
<b>Profit/(Loss) before tax</b>	<b>326</b>	<b>70</b>	<b>(100)</b>	<b>(91)</b>	<b>(124)</b>	<b>(56)</b>	<b>(506)</b>	<b>(481)</b>

**ii) Revenue and gross profit by geography:**

	Revenue £'000			Gross Profit £'000		
	Six Months Ended		Year Ended	Six Months Ended		Year Ended
	30 June 2016	30 June 2015	31 Dec 2015	30 June 2016	30 June 2015	31 Dec 2015
United Kingdom	<b>3,605</b>	4,884	8,607	<b>3,180</b>	3,795	6,862
Rest of the World	<b>34</b>	118	155	<b>34</b>	44	153
<b>Total</b>	<b>3,639</b>	5,002	8,762	<b>3,214</b>	3,839	7,015

**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 2016 (unaudited)	Six months ended 30 June 2015 (unaudited)	Year ended 31 December 2015 (audited)
(Loss)/profit attributable to shareholders	<b>(104,000)</b>	(105,000)	(452,000)
Weighted average number of ordinary shares	<b>17,416,487</b>	17,416,487	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.

	<b>Six months ended 30 June 2016 (unaudited)</b>	Six months ended 30 June 2015 (unaudited)	Year ended 31 December 2015 (audited)
(Loss)/profit attributable to shareholders	<b>(104,000)</b>	(105,000)	(452,000)
Weighted average no. of ordinary shares	<b>17,416,487</b>	17,416,487	17,416,487
- assumed conversion of share options	-	-	-
- assumed conversion of warrants	-	-	-
Weighted average number of ordinary shares for diluted earnings per share	<b>17,416,487</b>	17,416,487	17,416,487

### 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.

	<b>Six months ended 30 June 2016</b>			Six months ended 30 June 2015			Year ended 31 December 2015		
	<b>£000</b>	<b>Basic pence per share</b>	<b>Diluted pence per share</b>	£000	Basic pence per share	Diluted pence per share	£000	Basic pence per share	Diluted pence per share
<b>Basic earnings</b> (Loss)/Profit after tax	<b>(104)</b>	<b>(0.60)</b>	<b>(0.60)</b>	<b>(105)</b>	<b>(0.60)</b>	<b>(0.60)</b>	<b>(452)</b>	<b>(2.59)</b>	<b>(2.59)</b>
<b>Adjustment</b> Share based payment charge	-	-	-	4	0.02	0.02	-	-	-
<b>Adjusted earnings</b>	<b>(104)</b>	<b>(0.60)</b>	<b>(0.60)</b>	<b>(101)</b>	<b>(0.58)</b>	<b>(0.58)</b>	(452)	(2.59)	(2.59)

## 5. PROVISIONS

	<b>Six months ended 30 June 2016 £000</b>	Six months ended 30 June 2015 £000	Year ended 31 December 2015 £000
Balance at beginning of period	<b>125</b>	125	125
Provisions made during the period	-	-	-
<b>Balance at end of period</b>	<b>125</b>	125	125
Non-current	<b>125</b>	125	125
Current	-	-	-
	<b>125</b>	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.

## 6. EXCEPTIONAL ITEMS

	<b>Six months ended 30 June 2016 £000</b>	Six months ended 30 June 2015 £000	Year ended 31 December 2015 £000
Personnel	-	125	194
<b>Balance at end of period</b>	<b>-</b>	<b>125</b>	<b>194</b>

## 7. DISCONTINUED OPERATION

During 2015, the Group ceased its operations in both Singapore and the USA. These two segments were classified as discontinued operations as at 30 June 2015 and at 31 December 2015.

	<b>Six months ended 30 June 2016 (unaudited) £000</b>	Six months ended 30 June 2015 (unaudited) £000	Year ended 31 December 2015 (audited) £000
<b>Results from discontinued operation</b>			
Revenue	-	118	118
Operating Expenses	-	(168)	(174)
<b>Results from operating activities</b>	<b>-</b>	<b>(50)</b>	<b>(56)</b>
Exceptional items	-	-	-
Tax	-	(4)	(4)
Results from operating activities, net of tax	-	(54)	(60)
Minority Interest	-	-	-
<b>Loss/Profit for the period</b>	<b>-</b>	<b>(54)</b>	<b>(60)</b>
Loss per share			
- Basic	-	(0.31)p	(0.34)p
- Diluted	-	(0.31)p	(0.34)p

## 8. RELATED PARTY TRANSACTIONS

<b>i) Purchase of services:</b>	<b>Six months ended 30 June 2016 £000</b>	Six months ended 30 June 2015 £000	Year ended 31 December 2015 £000
Adelaide Capital Limited	-	149	145
Anderson Barrowcliff LLP	<b>14</b>	5	13
Brian Stephens & Company Limited	<b>12</b>	19	30
Connecting Corporates Limited	<b>7</b>	23	35
Scanes Bentley & Associates Limited	-	-	25
<b>Total</b>	<b>33</b>	<b>196</b>	<b>248</b>

Brian Stephens & Company Limited invoiced the Group for the directors' fees and corporate finance services of B Stephens (£10,000) and business related travel costs of £2,000. B Stephens is a director of Brian Stephens & Company Limited. Taxation services of £5,000, accounting services of £8,000 and business related travel cost of £1,000 were acquired from Anderson Barrowcliff LLP, an accountancy firm of which R Robinson was a partner in the prior year.

During the period the Group acquired research services from Connecting Corporates Limited of £7,000. The Group owns a 51 per cent stake in Connecting Corporates Limited.

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

ii) Sales of services:	<b>Six months ended 30 June 2016 £000</b>	Six months ended 30 June 2015 £000	Year ended 31 December 2015 £000
Connecting Corporates Limited	-	8	17
<b>Total</b>	<b>-</b>	<b>8</b>	<b>17</b>

During the prior period the Group recharged group services incurred for the benefit of Connecting Corporates Limited to Connecting Corporates Limited at a cost of £8,000.

iii) Period-end payables arising from the purchases of services:	<b>Six months ended 30 June 2016 £000</b>	Six months ended 30 June 2015 £000	Year ended 31 December 2015 £000
Adelaide Capital Limited	-	78	-
Anderson Barrowcliff LLP	5	4	8
Brian Stephens & Company Limited	2	10	4
Connecting Corporates Limited	30	23	-
<b>Total</b>	<b>37</b>	<b>115</b>	<b>12</b>

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