Board of Directors and Company Secretary

Penny Ladkin-Brand

A R

Chair

Appointed July 2017

Penny is Non-Executive Chair and a member of the Audit and Remuneration Committees.

Penny joined Next 15 as a Non-Executive Director and chair of the Audit Committee. In April 2020 she was also appointed as Senior Independent Director and from February 2021 became Chair of the Board.

Skills and experience

Penny is also Chief Strategy Officer at Future plc, a global platform for specialist media. She was previously Chief Financial Officer at Future during which time the group's market capitalisation increased from £25m to £1.2bn and entered the FTSE 250 as it became a digital led business. Prior to that, Penny was Commercial Director at Auto Trader Group plc responsible for digital monetisation. Penny brings considerable experience of digital transformation and M&A to the Board. Penny qualified as a Chartered Accountant with PwC before moving into corporate finance. Penny is a NED and Chair of the Audit Committee at ATG plc.

Tim Dyson

Chief Executive Officer

Appointed August 1988

Tim joined the Group in 1984 straight from Loughborough University and became CEO in 1992.

Skills and experience

As one of the early pioneers of tech PR, he has worked on major corporate and product campaigns with such companies as Cisco, Microsoft, IBM, Sun and Intel. Tim moved from London to set up the Group's first US business in 1995 in Seattle and is now based in California. Tim oversaw the flotation of the Company on the London Stock Exchange and has managed a string of successful acquisitions by the Group including The Outcast Agency, M Booth, Activate and The Blueshirt Group in the US as well as Morar (now Savanta), Elvis, Velocity, Planning-inc and Publitek in the UK.

Outside Next 15, Tim has served on advisory boards of a number of emerging technology companies. Tim was named an Emerging Power Player by PR Week US and subsequently in PR Week's Power Book. Tim was also recognised on the Holmes Report's In2's Innovator 25, which recognises individuals who have contributed ideas that set the bar for the industry.

Peter Harris

Chief Financial Officer

Appointed March 2014

Peter joined Next 15 as its Chief Financial Officer in November 2013 and was appointed as an Executive Director in March 2014.

Skills and experience

Peter's financial experience spans 30 years and he has extensive media experience, having spent the last 20 years in finance roles in the media sector. From July 2013 until December 2018, he was a Non-Executive Director of Communisis plc and Chairman of its Audit Committee. He was previously the Interim Finance Director at Centaur Media plc, Interim CFO of Bell Pottinger LLP, CFO of the Engine Group, and CFO of 19 Entertainment. Prior to that, he was Group Finance Director of Capital Radio plc. Peter has considerable experience in UK and US-listed companies, with international exposure.

Helen Hunter

A R

Non-Executive Director

Appointed June 2019

As a Non-Executive Director of Next 15, Helen chairs the Remuneration Committee and is a member of the Audit Committee.

Skills and experience

Helen is Chief Data and Analytics Officer at J Sainsbury plc where her remit is to maximise the value of the Group's data assets: democratising access and finding creative ways to unlock its insight potential in support of Sainsbury's strategy. Over the last nine years at Sainsbury's in roles including Director of Innovation, Director of Marketing Strategy & Innovation, and Director of Customer Data & Relationships, she has developed products and propositions such as Sainsbury's Brand Match and digital Nectar. Helen is also currently a Governor of Lancing College. Before joining Sainsbury's, she held roles at emnos, Home Retail Group, Woolworths Group, and Kingfisher.

Robyn Perriss

A R

Non-Executive Director

Appointed November 2020

Robyn joined Next 15 as a Non-Executive Director and member of the Audit and Remuneration Committees. From February 2021 she was appointed Chair of the Audit Committee.

Skills and experience

Robyn has significant experience in both the technology and media industries, having served as Finance Director at Rightmove plc, the UK's largest property portal, until June 2020. Robyn previously held senior roles at Rightmove, including as Financial Controller and Company Secretary. Before joining Rightmove, Robyn was Group Financial Controller at Auto Trader, another media sector disruptor. Robyn joined Softcat plc, a leading provider of IT infrastructure to the corporate and public sectors, as a Non-Executive Director and Chair of the Audit Committee in July 2019. She is also a Non-Executive Director and chair of the Audit Committee for Dr Martens plc. Robyn qualified as a Chartered Accountant in South Africa with KPMG and worked in both audit and transaction services.

Mark Sanford

General Counsel and Company Secretary

Appointed February 2021

Skills and experience

Having qualified as a solicitor at Eversheds, Mark worked in their Corporate team before moving to his first in-house role at Premier Farnell plc. Mark first joined Next 15 in 2003 as General Counsel and Company Secretary. In 2009 he set up his own boutique law firm Baker Sanford LLP while continuing to provide an outsourced legal and company secretarial function to Next 15. In 2017 Mark became General Counsel and Company Secretary of Ebiquity plc, an AIM-listed media consultancy business. He re-joined Next 15 in February 2021.

Key

- Chair of Committee
- A Audit Committee
- R Remuneration Committee

Corporate governance statement


Penny Ladkin-Brand
Chair

"I look forward to building on Richard Eyre's successful tenure as Chair and to working with the Board to progress continual improvements of our board effectiveness and governance framework to promote the long-term success of the Group."

An introduction from our Chair

On behalf of the Board I am pleased to present the corporate governance report for the year ended 31 January 2021.

The Directors recognise that shareholders look to the Board to promote the long-term success of the Company and I recognise that effective governance is crucial to achieving this. In this section of our report we have set out our approach to governance and provided further detail on how the Board and its Committees operate.

The Board has continued to apply the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code'). The corporate governance framework which the Group operates, including Board leadership and effectiveness, Board remuneration, and internal controls is based upon practices which the Board believes are proportional to the size, risks, complexity and operations of the businesses within the Group.

During the year, we concluded the orderly transition of the Board Chair role from Richard Eyre to me and refreshed and added further diversity to the Board with the appointment of Robyn Perriss as a Non-Executive Director and Chair of the Audit Committee. In addition, we undertook a comprehensive independent evaluation of the Board's and Committees' effectiveness with an external specialist board evaluation firm. This robust exercise revealed a positive picture of a Board that is working well across the key areas of board effectiveness, governance and performance. We have embraced the recommendations from the external board evaluation and have developed a roadmap to implement these as part of our strong focus on our governance framework.

As Chair I am responsible for leading the Board and for its governance of the Group. I look forward to building on Richard Eyre's successful tenure as Chair and to working with the Board to progress continual improvements of our board effectiveness and governance framework to promote the long-term success of the Group.

We welcome feedback from our shareholders at all times and I encourage all to participate in our AGM.

Penny Ladkin-Brand
Chair
12 April 2021

Statement of compliance

Next 15 has adopted the QCA Code and is compliant with all of its principles. Disclosures required by the QCA Code have been made both in this annual report and on our website. Further information on the Company's compliance with the QCA Code can be found on the Group's website at www.next15.com, on the AIM Rule 26 page.

The Composition of the Board

The Board is responsible for the strategic direction, investment decisions and effective control of the Group. During the year ended 31 January 2021 the Board comprised two Executive Directors, a Non-Executive Chairman and three Non-Executive Directors.

On 7 May 2020, the Company announced that Richard Eyre CBE would complete nine years as Chairman of the Board on 11 May 2020 and Penny Ladkin-Brand, who chaired the Audit Committee from July 2017, would become Chair of the Board with effect from 1 February 2021. Penny became Senior Independent Director with effect from 7 May 2020 and Richard agreed to continue in post to the end of the financial year, to support a smooth transition. During that time, Penny Ladkin-Brand stepped down from the position of Chief Financial Officer and as an Executive Director of Future plc, a global platform for specialist media, and took up the role of Chief Strategy Officer at Future plc. Richard retired from the Board on 31 January 2021 and Penny succeeded him as Chair of the Board from that date, and stepped down as Senior Independent Director and Chair of the Audit Committee.

Robyn Perriss joined the Board on 12 November 2020, as a Non-Executive Director and member of the Audit and Remuneration Committees. From February 2021 she was appointed Chair of the Audit Committee. Robyn brings significant expertise of growth through digital disruption as well as governance and strategic oversight, making her a valuable addition to the Board as Next 15 continues its progress in technology-driven marketing. Robyn served as Finance Director at Rightmove plc, the UK's largest property portal until 30 June 2020 and previously held senior roles at Rightmove, including as Financial Controller and Company Secretary. Before joining Rightmove, Robyn was Group Financial Controller at Auto Trader, another media sector disruptor. Robyn joined Softcat plc, a leading provider of IT infrastructure to the corporate and public sectors, as a Non-Executive Director and Chair of the Audit Committee in July 2019 and in January 2021 was appointed to the board of Dr Martens Limited, as a Non-Executive Director, on its floatation on the London Stock Exchange.

Biographies of each of the Board Directors, including the Committees on which they serve and chair, are shown on pages 24 and 25.

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and knowledge, including a range of financial, commercial and entrepreneurial experience. The Board is also satisfied that it has a suitable balance between independence (of character and judgement) and knowledge of the Company to enable it to discharge its duties and responsibilities effectively. The Non-Executive Directors are considered to be independent. No single Director is dominant in the decision-making process.

The Board aims to convene nine times a year, with additional meetings being held as required. The Covid-19 pandemic has meant that there were more meetings than usual and all meetings have been held virtually during the year. It is anticipated that following the change to adopt virtual working, and as Tim Dyson is located in California, that around half of the Board meetings will continue to be held virtually going forward. Details of Board and Committee meetings held during the financial year and the attendance records of individual Directors can be found on page 28.

The Board meets once a year to discuss the Group's strategy. This year, the Board participated in workshops with representatives from the Group's businesses focusing on the future of the Group and how it could serve its stakeholders better.

Prior to their appointment, the Company informed each Director of the nature of their role, their responsibilities and duties to the Company, and the time commitment involved. On appointment each Director confirmed that, taking into account all of their other commitments, they were able to allocate sufficient time to the Company to discharge their role effectively. The Board is satisfied that the Chair and the Non-Executive Directors each devote sufficient time to the Company and that there have been no significant changes to their other commitments.

Corporate governance statement continued

Board and Committee attendance for the year ended 31 January 2021

Attendance records for the Board and Committee meetings held during the year are shown below. These include both scheduled Board, Audit Committee and Remuneration Committee meetings and further meetings that were convened as required throughout the year. In particular, the Board met more frequently as the Covid-19 situation developed, in order to assess and respond to the uncertainty, challenges and opportunities which this created for the business. Additional Committees of the Board were also constituted to review and approve certain acquisitions, and regulatory news announcements. Other members of the senior management and brand management teams, as well as advisers, attended Board and Committee meetings by invitation as appropriate throughout the year.

	Board	Audit	Remuneration
Richard Eyre CBE	14 of 14	6 of 6	10 of 10
Tim Dyson	14 of 14	—	—
Peter Harris	14 of 14	—	—
Penny Ladkin-Brand	14 of 14	6 of 6	10 of 10
Helen Hunter	13 of 14	6 of 6	10 of 10
Robyn Perriss[1]	2 of 2	1 of 1	1 of 2

1 Robyn Perriss joined the Board on 12 November 2020.

The Board's responsibilities and processes

The principal matters considered by the Board during the period included:

- the Group's strategy, budget and financial resources;
- the Group's performance and outlook, including that of individual brands;
- the Group's financial results for the interim and year end;
- Information Security Management System ('ISMS') arrangements across the Group including cyber security;
- assessing and responding to the uncertainty, challenges and opportunities from the Covid-19 pandemic and Brexit;
- review of the Group's risk management and internal controls;
- review of opportunities to expand by acquisition;
- post-integration monitoring of acquisitions; and
- corporate governance matters including QCA Code compliance Board evaluation outcomes and succession planning.

There is a schedule of matters specifically reserved for decision by the Board which is regularly reviewed and available from the Group's website at www.next15.com.

At each Board meeting, the Chief Executive Officer provides a business review and the Chief Financial Officer provides a financial review. Board members receive monthly trading results, together with detailed commentary. Each Director receives a Board pack in advance of each meeting which includes a formal agenda together with supporting papers for items to be discussed at the meeting.

All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are followed and that the Company complies with all applicable rules, regulations and obligations. Directors may take independent professional advice at the Company's expense, as and when necessary to support the performance of their duties as Directors of the Company. Appropriate induction and training for new and existing Directors is provided where required.

Appointment, election and re-election of Directors

Appointments to the Board are the responsibility of the Board as a whole. From February 2021, the Board has re-established a Nomination Committee comprising all the Non-Executive Directors.

The Directors' service agreements, the terms and conditions of appointment of Non-Executive Directors and Directors' deeds of indemnity are available for inspection at the Company's registered office during normal business hours.

The Company's Articles of Association provide that a Director appointed by the Board shall retire and offer themselves for re-election at the first AGM following their appointment and that, at each AGM of the Company one-third of the Directors in addition to any new appointment must retire by rotation. Robyn Perriss having been appointed since the last AGM, will be subject to election, and Penny Ladkin-Brand and Peter Harris will offer themselves for re-election by the shareholders at the forthcoming AGM.

With regard to the Directors who are offering themselves for re-election at the next AGM, the Board was delighted to welcome Robyn Perriss to Next 15 during the year. Robyn brings with her extensive experience in the technology and media industries which complement the existing skills and expertise of the Board. The Board is further satisfied that the contributions of both Penny Ladkin-Brand and Peter Harris continue to be effective and demonstrate sufficient time commitment to their respective roles. The Board believes that each Director standing for re-election is independent in character and judgement. The Board therefore recommends that the Company and its shareholders support the election and re-election of each of these Directors.

Richard Eyre CBE stepped down as Chairman of the Board on 31 January 2021 and Penny Ladkin-Brand, who had been Chair of the Audit Committee and Senior Independent Director, became Chair of the Board with effect from that date. Following Penny's appointment as Chair of the Board, Robyn Perriss has been appointed Chair of the Audit Committee.

Biographical details of each Director standing for election and re-election can be found on pages 24 and 25 of this report.

The roles of the Chair and Chief Executive

Richard Eyre CBE held the position of the Chairman of the Board until he stepped down from the Board in January 2021. During the year, he led the Board in the determination of its strategy and in achieving its objectives. The Chair is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda, and is also responsible for effective communication with the Group's shareholders. At the time of his appointment as Chairman, Richard Eyre CBE was considered independent as defined by the UK Code and in accordance with the principles of the QCA Code. Penny Ladkin-Brand was appointed as Chair of the Board on 1 February 2021 and is considered to be independent as defined by the UK Code and in accordance with the principles of the QCA Code.

The Chief Executive Officer, Tim Dyson, oversees the Group on a day-to-day basis and is accountable to the Board for the financial and operational performance of the Group. The Chief Executive Officer has responsibility for implementing the agreed strategy and policies of the Board.

Board performance evaluation, succession planning and diversity

The performance of the Board is key to the Company's success. The performance of the Board and its Committees is evaluated regularly, and the evaluations are conducted with the aim of improving their effectiveness.

During the year ended 31 January 2021, the Company engaged the services of Board Excellence to carry out a detailed and independent review of the Board and Board Committee processes, procedures and effectiveness. Board Excellence is a specialist board evaluation firm and has no other connection with the Company. The process consisted of completion by the Board and senior executives of a searching questionnaire of the board dynamics, effectiveness and governance, a review of the last 12 months of all Board, Committee and governance related materials and confidential one-to-one interviews of all the board members and senior executives. This culminated in a detailed report assessing the board's effectiveness, governance and performance across 20 key categories, assessing compliance with the QCA Code and the Financial Reporting Council (FRC) Guidance on Board Effectiveness (2018), comparison with international best practices and recommendations on driving sustained improvement in the board effectiveness. By way of overview, the evaluation concluded that the board is working effectively, balancing strong oversight, debate and challenge with the independent non-executive directors adding strategic value. The evaluation also concluded that there was strong compliance with the QCA Code and a deep commitment by the board to employee engagement and Environment, Social and Governance (ESG).

The principal findings of the independent evaluation and recommendations that are endorsed by the Board for implementation are to:

- Enhance the strategic framework at board/executive level to incorporate agile approaches in the light of market disruption and emerging opportunities.
- Streamline the individual brand executive reporting at board level.
- Expand the focus on ESG at board and committee level.

The Board believes in the importance of diverse Board membership. Our Board has 60% female representation which exceeds the recommendation set out by Lord Davies, supported by the Hampton-Alexander Review, for a minimum of 33% female representation (applicable to FTSE 350 boards) by 2020. The Board considers that gender is not the only diversity factor and is mindful of a range of other factors when assessing the balance of the Board and welcomed a finding of Board Excellence that the Board is also diverse in terms of thinking styles, age and reflective of the Groups' customer demographics. We set out our Group-wide approach to diversity and inclusion in our Corporate Governance Statement on page 33.

In place of having a separate Nomination Committee, during the year ended 31 January 2021 the Board as a whole lead the Board recruitment and appointment processes. It also has responsibility for reviewing the balance of the Board to ensure that, collectively, the Board: has a good range of skills, knowledge and experience; comprises diverse individuals who can bring different perspectives to the Board's discussions; has oversight of senior management and Board succession plans; and makes recommendations on matters such as Directors' independence and commitment.

Directors' conflicts of interest

Directors have a statutory duty to avoid conflicts of interest with the Company. The Company's Articles of Association allow the Directors to authorise conflicts of interest and the Board has adopted a policy for managing and, where appropriate, approving potential conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported by the Directors. A review of Directors' conflicts of interest is conducted annually.

Corporate governance statement continued

Committees of the Board

The Board is supported by the Audit and Remuneration Committees. The Board appoints the Committee members. The reports of these Committees can be found on pages 36 to 39 and 40 to 57 respectively.

Each Committee has access to such external advice as it may consider appropriate. The Company Secretary or his nominee acts as Secretary to the Committees. The terms of reference of each Committee are reviewed regularly, updated as necessary to ensure ongoing compliance with best practice guidelines and referred to the Board for approval. Copies of the Committees' terms of reference are available from the Group's website at www.next15.com.

The Audit Committee currently comprises three Non-Executive Directors: Penny Ladkin-Brand (Chair up to 31 January 2021), Robyn Perriss (Chair from 1 February 2021), Richard Eyre CBE (up to 31 January 2021) and Helen Hunter. Peter Harris also attends most meetings at the invitation of the Chair of the Audit Committee. Broadly, the Audit Committee is responsible for reviewing financial reporting, oversight of the Internal Audit function, the relationship with the External Auditor, internal controls, and oversight of the effectiveness of risk and risk management systems.

The Remuneration Committee comprises three Non-Executive Directors: Helen Hunter (Chair), Penny Ladkin-Brand, Robyn Perriss (from 12 November 2020) and Richard Eyre CBE (up to 31 January 2021). The Executive Directors also attend these Committee meetings at the invitation of the Chair of the Remuneration Committee, except when discussing matters of their own remuneration. The Remuneration Committee is responsible for reviewing and approving executive remuneration policies and practices, taking account of pay practices and policies across the Group's workforce.

Nomination matters, such as Board recruitment and the appointment process as described on page 28, were dealt with by the Board as a whole during the year ended 31 January 2021. However, from February 2021 the Board has resolved to reconstitute a Nomination Committee comprised of the three Non-Executive Directors: Penny Ladkin-Brand (Chair), Helen Hunter and Robyn Perriss.

Risk

Our approach to risk management is set out on page 16, and the principal risks to our business, and the actions we have taken to mitigate them, are set out on pages 17 to 20.

Corporate culture

We have a strong corporate culture based on entrepreneurial spirit, taking personal responsibility and treating all stakeholders fairly and equitably. Businesses within the Group are given a high degree of autonomy in line with the Group's emphasis on personal responsibility, with the centre acting as enablers and teachers. However, the Board and its Committees set a high standard for ethical behaviour and ensure the Group complies with applicable laws and regulations, and the executive team work to embed a corporate conscience that runs throughout Group initiatives and practices.

The Group determines that ethical values and behaviours are recognised and respected through:

- the emphasis on the 'who' before the 'what' during due diligence when the Group evaluates acquiring new businesses;
- presentations by each business to the Board throughout the year focusing on all areas of their responsibility including people, clients and sustainable growth;
- quarterly Executive Committee meetings with the CEO and senior management; and
- HR policies and practices, reviews and objective setting, and training within each business in the areas they require the most development.

Environmental and social impact

Recent global events, such as the Covid-19 pandemic and the Black Lives Matter movement have reinforced the necessity of environmental and social sustainability to our future resilience and prosperity. The Group remains passionate about using business as a force for good for our people, communities, customers, environment and shareholders.

Building on our work last year, we are using the internationally recognised B Corp framework to focus our strategy on people, planet and profit. Using this framework, we have begun work on a number of important initiatives including:

Environment

- We engaged an external partner, Green Element, to measure our scope 1&2 emissions for UK Head Office and Savanta, see SECR reporting on page 32. We have also begun measuring our global scope 1-3 carbon emissions (including electricity usage, water usage, waste and travel) with a view to setting robust targets.
- We consolidated office space in the UK and US to reduce our environmental footprint, with our people expected to work from home more often post-pandemic. We are also increasing renewable energy usage in our offices as well as implementing more energy-efficient lighting and appliances and environmentally friendly waste management.

People

- We implemented several Diversity, Equity and Inclusion (DE&I) initiatives including DE&I audits, a DE&I Council and measuring our employee diversity. Further detail is provided in the Diversity, Equity and Inclusion section on page 33.
- We implemented a program called Next4Me, which helps smooth the transition for those made unavoidably redundant and retains their details in our databases for future opportunities.

- We continuously monitored employee health and wellbeing during a year of heightened emotional and physical strain, further detail can be found in the employee engagement section on page 33.
- We are rolling out standardised progressive policy sets and training.
- We are benchmarking brands and setting standards for fair remuneration and succession planning.

Customers
- We established an ethics group to ensure we only work with clients aligned with our values.
- We started tracking revenue from contentious sources so that we can hold ourselves to account and disclose these revenues separately in future reporting.
- As part of acquisition due diligence, we have been asking all targets about their approach to ESG to ensure we are buying values-aligned businesses.

Communities
- We have repaid all UK government furlough support received during the Covid-19 pandemic.
- We are measuring how local, diverse and compliant with laws & regulations our suppliers are. This is with a view to setting targets and highlighting any suppliers who are not aligned to our social and environmental values with a view to replacing them if they fail to make progress.

Governance
- We are in the process of implementing standardised social and environmental non-financial KPIs from Board level down.
- We will continue to increase our ESG disclosure in order to act as a role model for change.

Streamlined Energy and Carbon Reporting 2020/21

Next 15 has reported Scope 1 and 2 (and associated Scope 3) greenhouse gas (GHG) emissions in accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR). This includes emissions for the first mandatory reporting financial year, the 12 months to 31 January 2021.

Methodology

Responsibilities of Next 15 and Green Element

Next 15 were responsible for the internal management controls governing the data collection process. Green Element was responsible for data collection, data aggregation, GHG calculations and the emissions statements. Emissions were calculated according to the Greenhouse Gas Protocol Corporate Greenhouse Gas Accounting and Reporting Standard. Data was gathered from exact information where possible, with some information based on pro-rata extrapolation where verifiable data was not available.

Scope and Subject Matter

The report includes sources of environmental impacts under the operational control of the Next 15 Group in the UK. This includes two UK organisations in 2020:

- Next 15
- Savanta

In accordance with the UK Government's Environmental Reporting Guidelines, these companies meet the mandatory reporting requirements and others within the Next 15 group have not been included.

GHG sources included in the process:

- Scope 1: Natural gas for energy generation (there was no gas usage in either Next 15 or Savanta offices).
- Scope 2: Purchased electricity (location-based method)
- Scope 3: Business travel in employee owned or hired vehicles (there was no reported business travel in employee owned or hired vehicles).

Types of GHG included, as applicable: CO_2, NO_2, CH_4. The figures were calculated using DEFRA conversion factors, expressed as tonnes of carbon dioxide equivalent (tCO_2e).

Corporate governance statement continued

Energy Efficiency Action

During the reporting period, we have focused on ensuring our offices are using a low base load of energy during periods of low occupation. This has involved installing PIR motion sensor lighting and low energy bulbs. In addition, we have installed modern efficient appliances in our kitchens and programmed laptops to apply standby power when not in use.

Next 15 Streamlined Energy and Carbon Reporting (SECR) 2020/21 mandatory reporting, as follows:

Streamlined Energy and Carbon Reporting (SECR)	**UK 2020/21**
Energy consumption used: (kWh)	
Electricity (kWh)	99,545.9
Gas (kWh)	—
Transport fuel (kWh)	—
Other energy sources (kWh)	—
TOTAL	99,545.9
Emissions (tCO_2e*)	
Scope 1	
Emissions from combustion of gas	—
Emissions from combustion of fuel for transport purposes	—
Scope 2	
Emissions from purchased electricity – location based**	23.2
Emissions from purchased electricity – market based	—
Scope 1 & 2	
Total Scope 1+2 emissions (location-based method)	23.2

Streamlined Energy and Carbon Reporting (SECR)	**UK 2020/21**
Total Scope 1+2 emissions (market-based method)	—
Scope 3	
Emissions from business travel in rental cars or employee vehicles where company is responsible for purchasing the fuel	—
Emissions from upstream transport and distribution losses and excavation and transport of fuels – location based	5.5
Total location based tCO_2e	28.7
Intensity Ratios:	
Number of full-time employees within financial year (FTE)	302
Intensity ratio: tCO_2e from Scope 1, 2 and 3 (fuel for business travel only) / FTE (Location Based)	0.09
Methodology	GHG Protocol Corporate Accounting and Reporting Standard
Certification	Calculated as accurate by Green Element Limited and Compare Your Footprint Limited, UK

* tCO_2e is tonnes of carbon dioxide equivalent gases.

** Location-based electricity (Scope 2) emissions using the average grid fuel mix in the region or country where the electricity was purchased and consumed. For SECR, location based is mandatory.

Our shareholders

The Board recognises the importance of maintaining an effective dialogue with its shareholders, to ensure that its strategy and performance are clearly understood. We communicate with our shareholders through our annual report and accounts, full-year and half-year results announcements, trading updates, AGMs and face-to-face meetings. A range of corporate information is available from the Group's website at www.next15.com (including copies of presentations, announcements, historical annual reports, historical notices of general meetings, AGM voting records, and other governance-related materials).

In early 2021, we engaged directly with our institutional shareholders on changes to the remuneration packages for both Executive and Non-Executive Directors, to better align the packages to market levels and Next 15's longer-term strategy. Further details of these changes are set out in the Remuneration Report from page 40.

Ordinarily the Board would be available to take questions from shareholders at the AGM. In accordance with current UK government measures, shareholders may not be able to attend the AGM in person. If the restrictions on public gatherings remain in place and shareholders are unable to attend the AGM, in order to ensure that shareholders have adequate access to the Board, we will ensure that the Board is able to meet shareholders and respond to their questions by way of an interactive webcast. Details of this and any other changes to the AGM arrangements will be published on the Group's website. We strongly encourage all shareholders to vote on all resolutions by completing an online proxy appointment form in advance of the meeting, appointing the chair of the meeting as your proxy. Proxy votes will be counted at the meeting for each shareholder resolution and are subsequently published on the Group's website at www.next15.com. In the event of a significant proportion of votes ever being received against a particular resolution, the Board would take steps to understand shareholder concerns and consider what action they might want to take in response. Shareholders are also encouraged to submit questions to the Board throughout the year via the Company Secretary to cosec@next15.com. More information concerning the arrangements for the AGM can be found on page 59.

The Board is happy to enter into dialogue with institutional shareholders based on a mutual understanding of objectives, subject to its duties regarding equal treatment of shareholders and the dissemination of inside information. The Chief Executive Officer and the Chief Financial Officer meet institutional shareholders on a regular basis.

The Board as a whole is kept informed of the views and concerns of the major shareholders. When requested to do so, the Non-Executive Directors will attend meetings with major shareholders and are prepared to contact individual shareholders should any specific area of concern or enquiry be raised.

Our people

We talk about the "who" and not the "what". We talk about our people being our greatest asset. Today, we are not only competing for great talent, but we're also competing to stand out in the market as a great place to work. Our goal is to create a work environment where all our people can bring their whole selves to work every day. Where inclusivity is a behaviour; a mindset that runs through the group.

2020 was a year that saw society unite and divide, to fight a common enemy, start movements, and force action across the globe. The world of work has changed because of the events of 2020 and that compelled us to not only reflect on our practices as employers and as corporate citizens, but to interrogate our thinking. It highlighted the need for us as an organisation to focus and take action to embed change across the business. By making these key changes, we take the first step to changing the societies we operate in.

Diversity, equity and inclusion

We recognise that we have fundamental changes to make within the business, however this journey started many years ago when we set out to ensure our board was gender balanced. We currently have a majority female board including a female Chair. Taking the events of 2020 into consideration we have embarked on the next stage of our journey where we have started to work more holistically as a group, to create new frameworks that underpin all our businesses and embed the changes we need to make.

During the year we took the decision to audit our current state as a starting point. We engaged with an external partner, Bold Culture, to conduct Diversity, Equity and Inclusion audits on all of our brands which will be completed by the end of May 2021. We intend to use the data to develop a more informed strategy tailored to the needs of the organisation and our people. This strategy will be kept under continuous review by way of direct engagement with our employees, and leverage feedback to create a work environment, including benefits and policies, that aligns with our culture and best practice.

We built a cross brand affinity group to collaborate, share best practice and help each other improve. We also formed a DE&I Council in August 2020 comprised of 20 people from across the brands representing all levels of business and industry experience, and provides diversity of thought, race, ethnicity, gender, sexual orientation and disability. The DE&I Council will act as our internal indicator of change, reporting on activity and measuring the adoption of new processes and programs.

M Booth appointed Eric Winkfield as Head of DE&I, the first appointment of its kind for the Group. In addition to his responsibilities at M Booth, Eric works with Next 15 to help with Group and Brand guidance on inclusion, and consults with clients on diversity, equity and inclusion. Inclusive hiring training has been carried out at the Next 15 level and is being conducted within the Brands as they complete their audits. In the coming months, a group strategy to embed inclusivity across the Group will be created as the full set of audit data becomes available.

We have taken significant steps to understand the Group by utilising new software that provides us with understandable analysis of our own data. We have taken the opportunity to look at our diversity at a Group level, the aggregate data is shown in the charts on page 34. This data is now used to populate the "People Dashboard" which is kept up to date in real time and reviewed by the Board at every meeting. This data also allows us to create stronger strategic people plans and highlight areas of risk as well as develop benchmarks for best practice.

Employee engagement

Our employees are key to the Group's success and we rely on a committed workforce to help us achieve our short-term and long-term objectives. It is right that our employees share in the success of Next 15. Accordingly, a number of incentive arrangements operate across the Group to reward colleagues for the contribution they are making, as a result of their efforts to grow the business, towards generating the rewards which our investors enjoy. We are always reviewing our incentives to ensure that they drive the right behaviours within our businesses. In addition, the Group regularly keeps employees apprised of the Group's financial performance, through a combination of meetings and collaborative communication.

Knowing what our people think and feel is key to our growth as a Group. Our businesses monitor engagement and act on feedback in a variety of different ways, including yearly engagement surveys, pulse surveys, 360-degree appraisals and central reporting of HR issues. We have worked to centralise data and reporting so we can correlate people trends with other business metrics. These trends and issues are reported to our Chief Executive Officer at quarterly Executive Committee meetings of senior management.

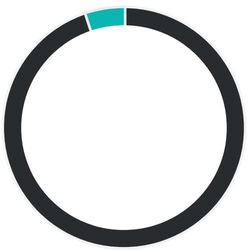
Corporate governance statement continued

EEO Classification

- White/Caucasian **50.71%**
- Asian –any other Asian background **14.61%**
- Do not wish to comment **13.95%**
- Asian –Indian **6.22%**
- Two or more races/mixed race **3.11%**
- White/British **2.64%**
- LatinX **1.98%**
- Black –Caribbean **<1%**
- Arab –Middle Eastern **<1%**
- Asian – Pakistani **<1%**
- Mixed/multiple ethic groups **<1%**
- White (Other) **<1%**
- Arab – North African **<1%**
- Pacific Islander **<1%**
- Native Hawaiian **<1%**

Gender breakdown

- Female **57.21%**
- Male **41.52%**
- Prefer not to classify **1.27%**



Active employee by contract type

- Full-time **95.28%**
- Part-time **4.72%**

Our customers

Client focus is critical to the success of each of our businesses. By their nature our businesses work in collaboration with their clients: we embed teams within client organisations, use agile processes, and build businesses to better serve client needs based on what they tell us.

Our suppliers

Because of the nature of our business, our long-term success as a Group is not dependent on any one supplier; nevertheless, we believe in treating our suppliers fairly, for example by ensuring that we pay our suppliers promptly in accordance with the prevailing terms of business.

The Group has a zero-tolerance approach to practices which are at odds with our values and culture, for example corruption, bribery and modern slavery. We are committed to acting ethically and with integrity in all business dealings and relationships and to implementing and enforcing effective systems and controls to ensure such practices are not taking place anywhere in our businesses or supply chain.

Financial reporting and going concern statement

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The Directors have made this assessment in light of reviewing the Group's budget and cash requirements for a period in excess of one year from the date of signing of the annual report and considered outline plans for the Group thereafter.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on pages 1 to 23. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 10 to 15.

In addition, note 19 to the financial statements includes: the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Directors' Responsibilities Statement in respect of the financial statements is set out on page 61.

Audit Committee report

"The Committee plays a vital role in helping the Board to fulfil its oversight obligation."

I am pleased to present my first report as Chair of the Audit Committee (the 'Committee') following my appointment as Committee Chair on 1 February 2021. I would like to thank Penny Ladkin-Brand, who served as Committee Chair until that date.

I had a detailed induction to the Next 15 Group following my appointment as a Non-Executive Director in November 2020 with additional emphasis and tailoring in relation to my responsibilities as Chair of the Committee. My induction included:

- meetings with the CFO and the Group's finance team;
- meetings with Deloitte LLP, our External Auditors and with the Group's Internal Audit function;
- a meeting with Numis Securities Ltd, the Group's corporate broker to get a capital markets perspective of the Group;
- a review of the key reporting and areas of significant judgement in the prior financial year; and
- a review of the minutes, reports and papers submitted to the Committee in the 2020 financial year.

This was very helpful in getting quickly up to speed with key financial reporting and control matters and I'd like to thank all of those who provided assistance during my induction.

The Committee plays a vital role in helping the Board to fulfil its oversight obligation by monitoring and reviewing the financial reporting process, ensuring the integrity of the financial information provided to our shareholders, overseeing the development and maintenance of the Group's risk management and internal control environment. It is important that we as a Committee continue to independently assess how the internal control environment and relevant processes and systems ensure that the Next 15 Group is effective, robust and sustainable for the long term whilst also maintaining the agility and entrepreneurial spirit of the Group companies. This has been a key focus for the year together with regular monitoring of the impact of Covid-19 on our business. You will find important detail on this in other sections of the Annual Report.

I will be happy to answer any questions about the work of the Committee at the forthcoming AGM.

Robyn Perriss
Audit Committee Chair
12 April 2021

Membership and Attendance

The current members of the Committee are the Chair of the Committee and two Non-Executive Directors, all of whom are independent. The membership of the Committee has been selected with the aim of providing a range of financial and commercial expertise necessary to meet its responsibilities under the QCA Code. The Committee Chair and Penny Ladkin-Brand have both recently stepped down as Chief Financial Officers of premium listed FTSE businesses and both are qualified accountants and thus the Board considers their financial experience to be recent and relevant to discharge their duty to the Committee and its stakeholders.

The Company Secretary, or his nominee, attends all meetings as Secretary to the Committee and, by invitation, they are attended by the Chief Executive Officer, Chief Financial Officer, the External Audit Partner and the Head of Internal Audit. From time-to-time other senior managers are invited to present on the executive team's behalf.

The Committee met six times during the year, with three extra meetings to consider and monitor the impact of Covid-19. In prior years, the Committee met at least three times a year. Following a review of the Committee's workload and duties and taking into account feedback from the recent Board evaluation, it was agreed that one additional meeting would be added to the calendar to ensure the Committee meets at least every quarter going forward. A summary of members attendance can be found on page 28.

Role and Responsibilities

The Committee's role is to assist the Board in fulfilling its oversight responsibilities. The Committee monitors and reviews the integrity of the Group's financial reporting and other announcements relating to its financial reporting and manages the relationships between the Company and its Internal and External Audit functions. The Committee makes recommendations to the Board based on its activities, all of which were accepted during the year. The Committee's responsibilities are set out in its Terms of Reference on the Company's website at **www.next15.com**.

Risk and Internal control

The Company's system of internal control, along with its design and operating effectiveness, is subject to review by the Committee. The Board has overall responsibility for setting the Group's risk appetite and ensuring that there is an effective risk management framework. The Committee supports the Board and the Internal Auditor in reviewing systems of risk management and the effectiveness of internal controls. The Chief Executive Officer has overall accountability for the control and management of the risks the Company faces. More information on how we manage our risk can be found on page 16.

Key activities during the year

Key area	Activity during the year
Financial reporting	• Considered the Group's accounting policies and practices, application of accounting standards and significant judgements and estimates, adjusting items, tax matters, goodwill impairment, earn-out liabilities, and accounting for new acquisitions. • Reviewed the Annual Report and Accounts as a whole including the clarity of the disclosures and that the narrative in the front section reflected the performance as detailed in the Group financial statements. • Reviewed the Going Concern Statement included in the Annual Report; in assessing going concern the Committee has considered the Group's latest budget and three-year plan, cash-flow forecast and corresponding sensitivities together with potential downside scenarios. • Reviewed the half-year accounts, including the material judgements and estimates. • Reviewed the External Auditor's report on the full-year audit. • Reviewed the half-year and full-year results announcements and trading statements. The significant financial judgements considered in relation to the Annual Report and Accounts are detailed on page 39.
Internal Audit	• Approved the annual Internal Audit plan, including its alignment to the principal risks, emerging areas of risk, coverage across the Group and continuing review of the Group's processes and controls. • Monitoring the remit and resourcing of the Group's Internal Audit function. • Assisting the Board in its assessment of the Group's risk environment, internal controls and risk management processes. • Keeping under review the effectiveness of the Group's internal control and risk management systems. • Reviewed key findings from Internal Audit activities during the year.
External audit	• Reviewed the External Auditor's independence, objectivity, and the effectiveness of the external audit process. • Considered the re-appointment of the External Auditor. • Considered External Auditor fees and terms of engagement. • Reviewed and approved changes to the Non-Audit Services Policy. • Reviewed the External Auditor non-audit services and fees.
Other matters	• Discussed the impact of upcoming changes to accounting standards and legal, tax and regulatory requirements. • Carried out a review of the Committee's terms of reference.

Audit Committee report continued

Areas of focus for the coming year

The Committee intends to continue to focus on strengthening the systems of internal control through a number of initiatives such as supporting management in continuing to improve the Group's information security controls and embedding continuous controls monitoring. In light of the Covid-19 pandemic and the fundamental changes to how our people work, we will continue to be alert to the risk of fraud and ensuring that people are working safely remotely and that our data is protected. A key area of focus for the Committee over the coming year will include our Group cyber posture and a review of our GDPR compliance across key brands. The Committee has recently launched a governance improvement project to include a review of the quality of reporting from the Group into the Committee and the Committee's terms of reference have been recently refreshed. Over the coming year the Committee also plans to review the operation of both the whistleblowing policy and anti-bribery and corruption procedures.

Internal Audit

The Group has an independent and objective internal audit function which supports the Board in assessing and ensuring that risks are appropriately managed in line with the Board's risk appetite, and that the internal controls are operating effectively. Internal audit achieves this by assessing whether all significant risks are identified and appropriately reported to the Board, assessing whether they are adequately controlled and assisting management to improve the effectiveness of governance, risk management and internal controls.

Internal audit focuses on controls and related activities (including policies, procedures and systems) which are in place to ensure:

- Proper identification and management of risk;
- Reliability and integrity of information;
- Compliance with policies, plans, procedures, laws and regulations;
- Safeguarding of assets;
- Economical and efficient use of resources; and
- Accomplishment of established objectives and goals.

Internal audit may perform consulting and advisory services relating to governance, risk management and control as appropriate for Next 15. It may also evaluate within the independence requirements, specific operations at the request of the Board, Audit Committee, or management as appropriate. To provide for the independence of the function, the function is run by the Head of Internal Audit, who reports administratively to the Chief Operations Officer of the Group and functionally to the Audit Committee. The Audit Committee provides final approval of the department's Charter and annual internal audit plan. The Head of Internal Audit is responsible for providing the Audit Committee with a self-assessment on internal audit activity, its consistency with the Audit Charter and performance relative to its plan at least every two years.

The Internal Audit Plan for FY22 was approved by the Committee in December 2020 with areas of focus over the coming year including:

- End user IT asset management and bring your own device controls. This is particularly relevant in light of Next 15 employees working remotely from home since late March as a result of Covid-19;
- An update on the implementation of GDPR across the Group;
- Financial controls and health check reviews with a particular focus on recent acquisitions; and
- Development of a continuous controls monitoring dashboard which provides a centralised view of the control environment of Next 15 brands and facilitates investigation by exception, together with benchmarking and sharing of best practice.

Auditor independence, objectivity and fees

The External Auditor, Deloitte LLP, was first appointed in 2014, for the financial year ended 31 January 2015. The Board is satisfied that the Company/Group has adequate policies and safeguards in place to ensure that Deloitte maintain their objectivity and independence. The External Auditor reports annually on its independence from the Company/Group and in accordance with Deloitte's partner rotation rules, a new senior audit partner, Peter McDermott, was appointed with effect from 1 February 2020.

The Group has a formal policy on the engagement of the External Auditor for non-audit services. The objective of the policy is to ensure that the provision of non-audit services by the External Auditor does not impair, or is not perceived to impair, the External Auditor's independence or objectivity. The policy sets out monetary limits and imposes guidance on the areas of work that the External Auditor may be asked to undertake and those assignments where the External Auditor should not be involved. The policy is reviewed regularly, and its application is monitored by the Committee. The fees paid to Deloitte in respect of non-audit services are shown in note 4 to the financial statements. This work is not considered to affect the independence or objectivity of the External Auditor. The non-audit services policy was updated in the year to comply with the FRC Revised Ethical Standards for periods commencing on or after 15 March 2020. The Audit Committee has confirmed no services were provided outside of the updated policy.

External audit effectiveness

The Committee places great importance on ensuring that the external audit is a high quality and effective. The Committee met with Deloitte throughout the year including at times without management present, to discuss their remit and any issues arising from their work as auditor The Committee plans to evaluate the effectiveness of the audit process more formally this year using a questionnaire, together with input from management at the end of the audit cycle.

In relation to the 2021 financial year, the Committee was satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and concluded that Deloitte remained independent and objective in relation to audit. The Committee has made a recommendation to the Board to re-appoint Deloitte LLP as the Company's auditor for the 2021/22 financial year. Accordingly, a resolution proposing their re-appointment will be proposed at the AGM in June 2021.

Significant Judgements

Issue	Explanation	How it was addressed
Accounting for acquisitions	Under IFRS 3 the Group must identify and value the intangibles it has acquired. The identification of the intangibles acquired, such as customer relationships, brand names or intellectual property, requires judgement following an assessment of the acquired business. Furthermore, it relies on forecasting future performance of the business which, depending on the size of the acquiree, could be materially sensitive to changes in growth rate or profitability assumptions.	During the year the material acquisitions for the Group were CRE and Mach49. The Committee considered the proposed acquisition accounting for both businesses from management, which included the valuation of the acquired intangibles. Due to the nature of Mach49, the assumptions used for revenue growth rate and profitability were particularly sensitive in calculating the contingent consideration. The Committee discussed the sensitivity of those assumptions, and the basis of the assumptions used as well. At the year-end, the External Auditor's work was also discussed. The Committee concluded that the assumptions used were appropriate.
Changes in estimates relating to acquisition-related liabilities	The Group has material earn-out liabilities, with some payments dependent on performance in up to four years from the 31 January 2021. The estimates are sensitive to changes in revenue growth rates and profitability assumptions, as well as the discount rate used. If incorrect assumptions are used this could result in a material adjustment to the value of the liabilities within future financial years.	The Committee considered the earn-out liabilities recognised at the half-year and year-end split by brand, how they had changed over the last 6 or 12 months, and the key assumptions made. Further detail was discussed for the most sensitive liabilities alongside management's rationale for those assumptions and relevant sensitivity analysis. At the year-end the External Auditor's testing thereof was also discussed and following due consideration the Committee concluded it was satisfied with management's assumptions and judgements.
Presentation of Alternative Performance Measures	The identification of adjusting items and the presentation of Alternative Performance Measures ("APMs") is a judgement in terms of which costs or credits are not associated with the underlying trading of the Group or otherwise impact the comparability of the Group's results year on year. The Group's adjusting items include the amortisation of acquired intangibles, the change in estimate and unwinding of discount on acquisition-related liabilities, deal costs, growth share charges, employment-related acquisition costs, property related impairment, and Covid-19 related restructuring costs.	For both the half-year and full year results the Committee considered the adjusting items, including explanations of why they were either not related to the performance of the business or impacted the comparability of the Group's results year-on-year. The Committee also reviewed the FRC's guidance, considered adjusting items used by the Group's peers and the External Auditor's assessment of the adjusting items. The Committee reviewed the narrative for the adjusting items within the Annual Report to ensure it gave adequate detail on why the items were adjusted. The Committee concluded it was satisfied with the adjusting items included in the Group's results and that appropriate disclosure of those items has been included in the Annual Report.

Directors' remuneration report

"The Committee keeps the remuneration framework under consistent review and is committed to ensuring it is consistent with best practice."

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 31 January 2021. The report explains the work of the Remuneration Committee (the 'Committee') during the year, the basis for the remuneration paid to Directors for FY21, and how we intend to apply the remuneration framework for FY22.

Steps taken to adjust our remuneration approach in light of the Covid-19 pandemic

I am presenting this report to you following a year of unprecedented market uncertainty and volatility, driven by the Covid-19 pandemic. The Directors recognised the need to exercise restraint early in 2020 to ensure that the Company's cash position was maximised, and that executive pay was aligned with the experience of its employees and shareholders. Recognising the need to furlough some of our staff and to suspend our dividend the Executive and Non-Executive Directors took a pre-emptive 20% pay cut, effective 1 April 2020, which was reviewed by the Committee and the full salary was re-instated in October 2020. The Executive Directors also waived their entitlement to the FY21 bonus scheme.

We delayed the FY21 long-term incentive award grants until the impact of Covid-19 was clear and meaningful targets could be set. Following adequate assessment of the Company's position, stretching targets were set and are detailed in this report.

Remuneration review

The Committee keeps the remuneration framework under consistent review and is committed to ensuring it is consistent with best practice and adequately reflects Next 15's position and performance against the current macro-economic backdrop. Having focused on the structure of our remuneration framework last year, which resulted in a significant change to the LTIP structure, the Committee has now reviewed the overall remuneration levels and structure more broadly throughout the senior executive population. Following this review and in light of the Group's ambitious growth plans, the Committee believes it is appropriate to increase the LTIP award levels from 100% to 150% of salary for both Executive Directors. Next 15 has bold growth plans for the next 5-year period and the Committee believes that a greater focus on the LTIP will provide a better alignment to this strategy. Furthermore, in determining this proposed increase, the Committee reviewed the Executive Directors' total remuneration levels against the market. The increase to the LTIP will provide a more appropriate weighting to the package between salary and performance related elements for the CEO and will ensure that the CFO's package is not too far below the mid-market level. A two-year post vest holding period will also be introduced for awards granted from FY22 onwards to increase the performance time-horizon and to bring this aspect of the framework into line with best practice. The increase to LTIP award levels will require an increase to the individual limit within the LTIP rules, which will be subject to a shareholder vote to amend the LTIP rules, at the 2021 AGM.

The Non-Executive Directors' fees were also reviewed during the year. These have remained unchanged for six years and the review indicated that the base fee levels should increase, recognising the growth and development of the business over this time and the need to recruit and retain high quality talent to support the next stage of the Company's growth. The Non-Executive Director base fee will therefore increase from £40,000 to £53,000. The fee for chairing a committee will be £7,000. The increase in fees combined with a desire to have the ability to expand the number of non-executive directors as the Group continues to grow, will also require a change to be made to the Articles of Association to increase the cap on aggregate fees payable to directors, and the approval of new Articles of Association will be subject to a separate vote at the 2021 AGM.

We are committed to having an open and constructive dialogue with investors and as such the proposals set out above were sent to our major investors for their feedback. The Committee was pleased that the overall the response was positive and investors were supportive.

Performance and pay for FY21

Notwithstanding the very challenging operating environment, it has been another year of good progress for the Group with adjusted diluted EPS and adjusted profit before income tax both increasing by 17% and 22% respectively.

The annual bonus was based on the achievement of adjusted operating profit, cash conversion, organic revenue and adjusted operating profit margin performance conditions. The formulaic outcome under the bonus would have resulted in a bonus pay-out of 100% of maximum. However, the Executive Directors made a decision early in the year to forgo any bonus, in light of the need to retain cash and spread the available bonus pool more broadly throughout the business.

We have several cycles of legacy LTIP awards that were due to vest based on performance over FY21 and tranche four of the FY18 LTIP, tranche three of the FY19 LTIP award and tranche two of the FY20 LTIP award are all eligible to vest in FY22. The awards are based 70% on an adjusted EPS performance metric and 30% on strategic KPIs. Following an assessment of performance over the year, the tranches will vest as follows:

- 100% of tranche four of FY18 LTIP;
- 100% tranche three of FY19 LTIP; and
- 82.5% of tranche two of FY20 LTIP.

Further details on the performance against targets for both the bonus and LTIP can be found later in this report.

Grant of the FY21 LTIP awards

The grant of the FY21 LTIP awards was delayed until there was better visibility for longer term business performance. These annual awards are usually granted in April of each year but given the uncertainty from the Covid-19 pandemic these were deferred and eventually granted on 30 July 2020. The three-year performance and vesting approach approved at the June 2020 AGM was adopted for these awards and in line with the current remuneration framework. For the 70% based on EPS, growth of between 10% and 20% over the three-year performance period is required for threshold and maximum vesting. 15% of the award is based on average annual organic net revenue growth and vesting requires between 0% and 5% average annual growth over the three-year performance period – this recognises that FY20 was a relatively high base line to measure this growth (pre impact of the pandemic on the business in FY21). The remaining 15% is based on operating profit margin and requires the average annual margin over the performance period to be between 16%-18% for threshold to maximum vesting. The award levels were 100% of salary.

Closing remarks

The Committee is satisfied that the remuneration framework has been applied prudently, with stretching performance conditions applied and a significant reduction in pay to align with the experience of our stakeholders. We will continue to apply the framework robustly to ensure that there is a strong link between reward and performance.

I hope this report is clear and demonstrates the robust application of our remuneration framework to ensure pay for performance at Next 15. Although we are an AIM listed company with no requirement for a shareholder vote on Directors' pay, in the spirit of full accountability, this Remuneration Report will be subject to an advisory shareholder vote at the 2021 AGM.

We look forward to continued dialogue with you, and your support at the forthcoming AGM.

Helen Hunter
Remuneration Committee Chair
12 April 2021

Directors' remuneration report continued

At a glance

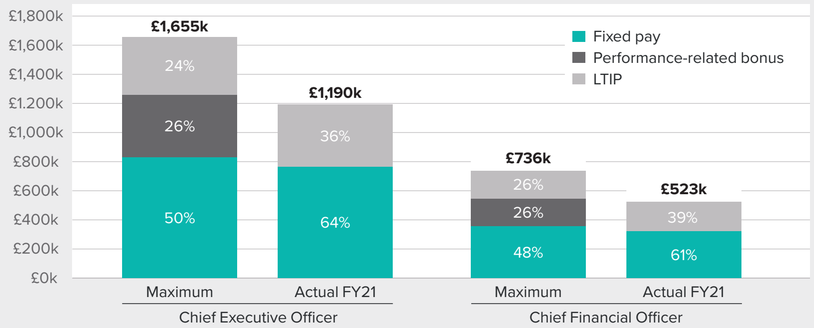
How we performed in FY21

FY21 performance-related bonus

Adjusted performance measure	Target range	Performance	Weighting	Outcome
Operating profit after lease liability interest*	£38m–£41m	£47.9m	25%	25%
Organic revenue decline	(10.5)%–(4)%	(3.4)%	25%	25%
Cash conversion ratio	90–100%	111%	25%	25%
Operating profit margin	15%–15.6%	18.5%	25%	25%
Total			**100%**	**100%**

* Excluding acquisitions made after Q1 reforecast in May 2020.

Maximum vs actual pay for FY21



LTIP tranches vesting in relation to FY21 performance

Tranche four of the FY18 LTIP award, tranche three of the FY19 LTIP award and tranche two of the FY20 LTIP award are eligible to vest in FY22, based on performance over FY21.

The awards are based 70% on an adjusted EPS performance metric and 30% on strategic KPIs. The awards have different performance criteria; performance against targets and the vesting outcomes are shown below:

FY18 and FY19 LTIP Awards

Adjusted performance measure	Weighting	Target range	Performance	FY18 tranche 4 vesting	FY19 tranche 3 vesting
Earnings per share	70%	5% – 15%	17%	70%	70%
KPIs					
Organic revenue growth/(decline)	15%	(9)% – (7)%	(3.4)%	15%	15%
Operating profit margin	15%	15% – 17%	18.5%	15%	15%
Total	**100%**			**100%**	**100%**

FY20 LTIP Awards

The performance criteria for the FY20 LTIP award were set at the date of the award for FY20 and FY21.

Adjusted performance measure	Weighting	Target range	Performance	FY20 tranche 2 vesting
Earnings per share	70%	5% – 15%	17%	70%
KPIs				
Organic revenue growth/(decline)	15%	3% – 6%	(3.4)%	0%
Operating profit margin	15%	16% – 19%	18.5%	12.5%
Total	**100%**			**82.5%**

How we will apply our remuneration framework for FY22

Element	Time horizon FY22	FY23	FY24	Application of remuneration framework for FY22
Salary				Tim Dyson, Chief Executive: $906,206. Peter Harris, Chief Financial Officer: £330,000. Salary levels reflect no salary increase for the CEO and a 2.1% increase for the CFO, in line with / less than, the average workforce increase.
Pension and benefits				Directors are entitled to receive employer contributions of up to 10% of base salary to a Group pension plan.
Annual bonus				Maximum opportunity is 60% of salary, payable in cash. Performance metrics unchanged from FY21 of operating profit, organic revenue growth, cash conversion ratio and operating profit margin.
Long-term incentives				Long-term incentive grant of 150% of salary. Performance will be measured over a single three-year period and will be based two thirds on EPS, 16.7% on revenue and 16.7% on margin. A two-year holding period will apply to the vested award.
Shareholding requirement				Executive Directors must build and maintain a holding of shares in the Company of 200% of salary. 50% of the net of tax number shares vesting under the incentive arrangements must be retained until guideline is met.

Directors' remuneration report continued

Remuneration framework

To ensure that the Group continues to grow, organically and inorganically, we must have the right remuneration framework in place.

In setting our remuneration framework the Committee considers:

- ensuring that there is a strong long-term alignment of interest between Executive Directors and our shareholders;
- the need to align the overall reward arrangements with the Group's strategy, both in the short and long term;
- the need to attract, retain and motivate Executive Directors and senior management of the right calibre, ensuring an appropriate mix between fixed and variable pay; and
- ensuring that there are coherent cascade pay and benefits arrangements elsewhere in the Group to support internal alignment of interest and succession.

Executive Director remuneration framework

Element of remuneration	Key features	Purpose and link to strategy	Maximum opportunity	Performance measures	Malus and clawback
Base salary	Reflects external market and geography and an individual's performance and contribution. Reviewed annually, normally in February.	Attracts and retains the best talent with the necessary expertise to deliver the Group's strategy and to create shareholder value.	No prescribed maximum. Account will be taken of increases applied to employees as a whole when determining salary increases. Committee discretion to award increases when it considers it appropriate, including where base salary at outset may have been set at a relatively low level, or where there has been a substantial change in responsibilities of the role.	The Committee considers the individual's performance and contribution in the period since the last review.	N/A

Element of remuneration	Key features	Purpose and link to strategy	Maximum opportunity	Performance measures	Malus and clawback
Allowances and benefits	The Chief Executive Officer is entitled to a contribution to a deferred benefit plan; private health, dental and vision insurance; life assurance; professional adviser fees paid on his behalf; and car allowance (lease and associated fees) or cash in lieu thereof. The Chief Financial Officer is entitled to private medical insurance. The Committee may determine that other benefits may be added where appropriate.	Provides market competitive and cost-effective benefits. Provides reassurance and risk mitigation and supports personal health and wellbeing.	The value of benefits is not capped as it is determined by the cost to the Company, which may vary.	N/A	N/A
Pension	Directors are entitled to receive employer contributions to a Group pension plan.	Provides market equivalent retirement benefits.	Maximum contribution, currently 10% of base salary. In addition, Tim Dyson is entitled to receive a pension benefit under a US 401k plan.	N/A	N/A
Performance-related Bonus	Annual cash bonus plan. Targets closely aligned with the Group's strategic aims. Targets are reviewed annually by the Committee. Not pensionable.	Reinforces and rewards delivery of annual performance and strategic business priorities. Delivers value to shareholders and consistent with the delivery of the strategic plan.	The maximum bonus opportunity is 60% of salary.	The Committee chooses measures that help drive and reward the achievement of the Group's strategy. Metrics and their relative weightings are reviewed each year. The Remuneration Committee has the discretion to adjust and to override formulaic outcomes for annual bonus payment due if the Remuneration Committee considers it is not reflective of the underlying performance of the Company, as well investor experience and the employee reward outcome.	The bonus is subject to recovery and withholding provisions which may be applied in the event of a material miscalculation of a participant's entitlement, a material misstatement or restatement of the Company's financial results for the year to which the performance period relates, or material personal misconduct that would justify summary dismissal, or result in significant reputational damage to the Company, or have a material adverse effect on the Company's financial position, or reflect a significant failure of the Company's risk management or control.

Directors' remuneration report continued

Remuneration framework continued

Executive Director remuneration framework continued

Element of remuneration	Key features	Purpose and link to strategy	Maximum opportunity	Performance measures	Malus and clawback
Long-Term Incentive Plan ('LTIP')	Awards may be structured as performance share awards or nil-cost options. For awards granted during FY21 onwards, awards will be subject to a 3-year performance period. For awards granted during FY22 onwards, there will be a two-year holding period on shares acquired from vested awards. The value of dividends payable over the vesting period pay be added to the vested share awards in cash or shares.	Rewards long-term sustainable performance, in line with the Company's strategy. Focuses Executive Directors on delivering outstanding value creation for shareholders.	150% of salary.	The Committee chooses performance measures that support delivery of the Company's strategy and provide alignment between Executive Directors and shareholders. Performance metrics and their respective weightings may vary from year to year depending on financial and strategic priorities. Up to 25% vests for threshold performance. The Remuneration Committee has the discretion to adjust and to override formulaic outcomes for the LTIP vesting level if the Remuneration Committee considers it is not reflective of the underlying performance of the Company, as well investor experience and the employee reward outcome.	Same clawback and malus provisions as for the performance related bonus.
Shareholding guidelines	Executive Directors are expected to build and maintain a holding of shares in the Company of 200% of base salary.	Increases alignment between Executive Directors and shareholders and shows a clear commitment by all Executive Directors to creating value for shareholders in the longer term.	Minimum shareholding guidelines to be satisfied within five years of appointment of 200% of salary for all Executive Directors. If any Executive Director does not meet the guideline, they will be expected to retain up to 50% of the net of tax number of shares vesting under any of the Company's discretionary share incentive arrangements until the guideline is met.	N/A	Executive Directors shall not dispose of shares needed to meet their minimum shareholding requirement except as approved by the Committee. The Committee may give such approval in limited circumstances such as to comply with legal obligations or to avoid financial distress.

Non-Executive Director remuneration framework

Element of remuneration	Key features	Purpose and link to strategy	Maximum opportunity	Performance measures
Fees	Cash fees, determined by the Executive Directors, reflecting the time commitment required, the responsibility of each role, and the level of fees in comparable companies.	Supports recruitment and retention of Non-Executive Directors with the necessary breadth of skills and experience to advise and assist with establishing and monitoring the Group's strategic objectives.	The aggregate Directors' service fees (excluding salary or other remuneration) is limited to £500,000 under the Company's Articles. No entitlement to compensation for early termination.	Internal evaluation of the Board's and its Committees' effectiveness takes place periodically.

Policy on recruitment

In the case of hiring or appointing a new Executive Director, the Committee may make use of any or all of the existing components of remuneration, as described above. The Committee will take into consideration all relevant factors (including quantum, nature of remuneration and the jurisdiction from which the candidate operates) to ensure that the pay arrangements are in the best interests of the Company and its shareholders. Awards forfeited from the previous employer may be bought out like-for-like with equivalent bonus or LTIP awards over Next 15 shares.

Directors' service contracts, policy on outside appointments and payments for loss of office

Executive Directors have rolling contracts that are terminable on six months' notice. There are no contractual entitlements to compensation on termination of the employment of any of the Directors other than payment in lieu of notice at the discretion of the Company and a payment for compliance with post-termination restrictions.

	Date of current service contract	Notice period
Executive Directors		
Tim Dyson	1 June 1997	6 months
Peter Harris	25 March 2014	6 months

The Executive Directors are allowed to accept appointments and retain payments from sources outside the Group, provided such appointments are approved by the Board.

Bonus and LTIP awards normally lapse if the Executive resigns. However, for a 'good leaver', part-year bonus may be payable, pro rata, and the Executive's unvested awards may also vest subject to the achievement of the performance conditions, usually pro rata, for the proportion of the LTIP holding period employed.

Directors' remuneration report continued

Non-Executive Directors' letters of appointment

All Non-Executive Directors are engaged under letters of appointment terminable on three months' notice at any time. Non-Executive Directors are not entitled to any pension benefit or any payment in compensation for early termination of their appointment.

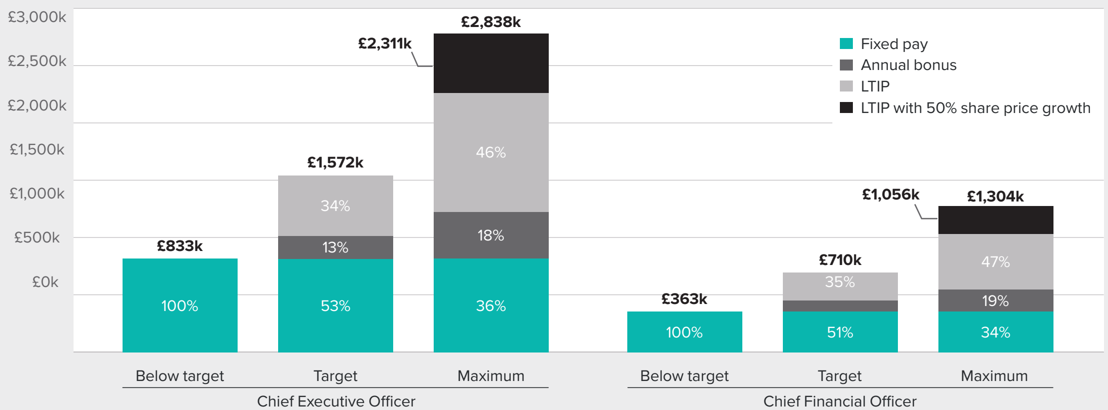
	Date of current letter of appointment	Notice period
Non-Executive Directors		
Penny Ladkin-Brand	1 February 2021	3 months
Helen Hunter	26 June 2019	3 months
Robyn Perriss	10 November 2020	3 months

Illustrative performance scenarios

These charts illustrate, under three different performance scenarios, the total value of the remuneration package receivable by the Executive Directors for FY22. The assumptions used have been set out below.

Minimum: Comprises fixed pay only using the salary for FY22, the value of benefits in FY21 and a 10% company pension contribution. Tim Dyson also receives a pension benefit under a US 401k plan.

On-Target: A bonus of 30% of salary is payable (50% of maximum) for target performance and half the LTIP awards vest (based on a grant value of 150% of salary).



Maximum: Comprises fixed pay and assumes that the maximum annual bonus is paid (60% of salary) and the FY22 LTIP grant (150% of salary) vests in full. The maximum scenario includes an additional element to represent 50% share price growth on the LTIP award from the date of grant to vesting.

Composition of the Committee and advice received

The Committee usually comprises three Non-Executive Directors: Helen Hunter the Committee Chair, Richard Eyre (until 31 January 2021), Penny Ladkin-Brand and Robyn Perriss (from 10 November 2020). The Company's Chief Executive Officer and Chief Financial Officer attend the Committee meetings by invitation and assist the Committee in its deliberations, except when issues relating to their own remuneration are discussed. No Director is involved in deciding his or her own remuneration. The Company Secretary or his nominee acts as secretary to the Committee. The Committee is authorised, where it judges it necessary to discharge its responsibilities, to obtain independent professional advice at the Company's expense.

Korn Ferry is appointed as adviser to the Committee. Korn Ferry is a signatory to the Remuneration Consultants' Code of Conduct and has confirmed to the Committee that it adheres in all respects to the terms of the Code. Fees paid to Korn Ferry during the period were £49,776 (FY20, nil). This related to advice and support to the Committee on the Long-Term Incentive Plan, shareholder consultation and general remuneration matters. The Committee is satisfied that the advice it received from Korn Ferry is objective and independent.

Terms of reference and activities in the year

The activities of the Committee are governed by its terms of reference, which are available from the Group's website at www.next15.com. The Committee had 10 scheduled meetings during the year and details of attendance can be found in the Corporate Governance Report on page 28.

The principal matters considered by the Committee during the year included:

- reviewing the remuneration framework against the Group strategy and best practice corporate governance requirements;
- undertaking the annual review of remuneration for both Executive Directors;
- setting financial targets for the annual bonus plan FY21;
- reviewing and setting appropriate stretching performance targets for the FY21 LTIP awards;
- considering the remuneration arrangements of brand senior management;
- reviewing the extent to which performance conditions have been met for both the annual and long-term incentive plans, and agreeing the cash and equity payments arising including the processes and communication to Executive Directors and senior executives;
- reviewing the design, policies and targets of the Group's equity incentive plans including their impact on dilution and headroom;
- closely reviewing changes to laws, regulations and guidelines or recommendations regarding remuneration, including in relation to tax; and
- continuing to review the Group's approach to gender pay, diversity and inclusion policies.

Directors' remuneration report continued

Key activities of the Committee for the year ahead

The principal matters for consideration by the Committee for the year ahead will include:

- keeping the remuneration framework under review;
- setting appropriate performance targets for the incentive schemes;
- consideration to the principles governing the Group's brand equity schemes and any adjustments required;
- continuing to review the Group's approach to gender pay, diversity and inclusion policies;
- monitoring and reviewing best practice corporate governance requirements, changes to laws, regulations and tax; and
- re-instate the review of remuneration structures for staff below Executive Director level.

Directors' remuneration for the 12-month period to 31 January 2021

	Salary and fees 2021 £'000	Performance-related bonus 2021 £'000	LTIP awards £'000[2]	Pension contributions 2021 £'000	Other benefits 2021 £'000	**Total 2021 £'000**	Total Fixed Pay 2021 £'000	Total Variable Pay 2021 £'000	Total 2020 £'000[3]
Executive Directors									
Tim Dyson	634	—	426	72	50	**1,182**	756	426	1,110
Peter Harris	291	—	203	29	1	**524**	321	203	482
Non-Executive Directors									
Richard Eyre	135	—	—	—	—	**135**	135	N/A	150
Penny Ladkin-Brand	45	—	—	—	—	**45**	45	N/A	46
Helen Hunter	41	—	—	—	—	**41**	41	N/A	31
Robyn Perriss[1]	8	—	—	—	—	**8**	8	N/A	—

1 Robyn Perriss joined the Board on 12 November 2020.

2 These figures comprise tranches of three LTIP awards which vest in relation to performance periods ending FY21, being those LTIP awards granted in May 2017, April 2018 and April 2019, valued using a share price of 529p, being the average share price over the last quarter of the period.

3 These figures have been restated to reflect the actual value of the LTIPs on vesting for 2020 using a share price of 365p.

Performance-related bonus

The annual bonus opportunity for FY21 was 60% of salary for both Executive Directors. Performance was based on four, equally weighted performance metrics. The formulaic outcome based on performance against targets would have resulted in a bonus pay-out of 100% of maximum as set out in the table below. As set out in the Chair's letter, the Executive Directors waived their bonuses for FY21 taking into account the performance of the business as a whole for FY21 and the overall experience of shareholders.

Performance metric	Weighting (% of max)	Target range	Actual performance	Pay-out for element (% of element)
Adjusted operating profit after lease liability interest*	25%	£38m–£41m	£47.9m	25%
Cash conversion ratio	25%	90–100%	111%	25%
Organic revenue decline	25%	(10.5)%-(4)%	(3.4%)	25%
Adjusted operating profit margin	25%	15% - 15.6%	18.5%	25%
Total bonus (% of max)				**100%**

* Excludes contribution from acquisition acquired after the reforecast in May 2020.

The bonuses for year ended 31 January 2021 were £nil ($nil) for Tim Dyson and £nil for Peter Harris.

Long-Term Incentive Plan

Awards vesting by reference to performance periods ending 31 January 2021

The historic awards granted to the Executive Directors which vested by reference to performance periods ending on 31 January 2021 are summarised below:

FY18 LTIP grant (granted 2 May 2017)

Executive Director	Number of performance shares in tranche 4	Percentage of award vesting	Number of shares vesting from tranche 4	Gain on vesting £'000
Tim Dyson	32,519	100%	32,519	172
Peter Harris	15,073	100%	15,073	80

Performance shares which vest in tranche 4 of the FY18 award will be released following the 31 January 2022 results (expected to be April 2022).

FY19 LTIP grant (granted 10 April 2018)

Executive Director	Number of performance shares in tranche 3	Percentage of award vesting	Number of shares vesting from tranche 3	Gain on vesting £'000
Tim Dyson	26,821	100%	26,821	142
Peter Harris	13,577	100%	13,577	72

Performance shares which vest in tranche 3 of the FY19 award will be released in April 2021.

Directors' remuneration report continued

Long-Term Incentive Plan continued

FY20 LTIP grant (granted 28 April 2019)

Executive Director	Number of performance shares in tranche 2	Percentage of award vesting	Number of shares vesting from tranche 2	Gain on vesting £'000
Tim Dyson	25,644	82.5%	21,156	112
Peter Harris	11,769	82.5%	9,709	51

Performance shares which vest in tranche 2 of the FY20 award will be released following the 31 January 2022 results (expected to be April 2022).

Valued using a share price of 529p, being the average share price over the last quarter of the period.

Awards granted during FY21

The FY21 awards were granted to Executive Directors on 30 July 2020. The award covers a three-year period with the performance measured as an average of the performance over the period from 1 February 2020 to 31 January 2023. The performance criteria for the award is based 70% on adjusted EPS performance and 30% on a range of financial KPIs. Subject to performance against these conditions, the award will be released following the end of FY23.

Executive Director	**Tim Dyson**	**Peter Harris**
Number of performance shares	186,423	85,174
Vesting criteria (for both Executive Directors)		
Up to 70% of maximum award	*Target*	*Proportion of award vesting*
Absolute increase in adjusted diluted earnings per share over the 3-year performance period	Less than 10%	0%
	10%	17.5%
	Between 10% and 20%	17.5%–70% (straight-line basis)
	20% or more	70% total award
Up to 30% of maximum award		
KPIs	Average annual organic net revenue growth over the 3-year performance period of 0% to 5%	0%–15%
	Average annual adjusted operating profit (after lease liability interest) margin 16% to 18%	0%–15%

Directors' interests in share plans for the year to 31 January 2021

As at 31 January 2021 the following Directors held performance share awards over Ordinary Shares of 2.5p each under the 2005 LTIP, 2015 LTIP and 2016 Share Award Agreements, as detailed below:

Executive Director	Number of performance shares at 1 February 2020	Shares lapsing during the period	Shares released during the period	Shares granted during the period	**Number of performance shares at 31 January 2021**	Grant date	End of performance period	Total gain on vesting £'000
Tim Dyson	158,694	51,772	74,404	—	**32,519**	02.05.2017	31.01.2022[1]	272
	132,496	21,350	—	—	**111,146**	10.04.2018	31.01.2023[2]	—
	128,220	20,413	—	—	**107,807**	26.04.2019	31.01.2024[3]	—
	—	—	—	186,423	**186,423**	30.07.2020	31.01.2023	—
Peter Harris	73,557	23,997	34,487	—	**15,073**	02.05.2017	31.01.2022[1]	126
	67,073	10,808	—	—	**56,265**	10.04.2018	31.01.2023[2]	—
	58,847	9,368	—	—	**49,479**	26.04.2019	31.01.2024[3]	—
	—	—	—	85,174	**85,174**	30.07.2020	31.01.2023	—

1 As reported previously, the LTIP awards under the 2015 LTIP (granted from 2017) vest on a tranche basis over a total five-year period. Tranches representing a maximum of 20% of this award will vest by reference to performance periods ending 31 January 2021 but are not released until after 31 January 2022.

2 Executive Directors will become unconditionally legally and beneficially entitled to up to 60% of the total awarded performance shares on the date on which vesting is determined in relation to the performance period ending 31 January 2021 (expected April 2021), and up to the remaining 40% on the date on which vesting is determined in relation to the performance period ending 31 January 2023 (expected April 2023).

3 Executive Directors will become unconditionally legally and beneficially entitled to up to 60% of the total awarded performance shares on the date on which vesting is determined in relation to the performance period ending 31 January 2022 (expected April 2022). The Executive Directors will become unconditionally legal and beneficially entitled to the remaining 40% of the award on the date on which vesting is determined in relation to the performance period ending 31 January 2024 (expected April 2024).

Directors' remuneration report continued

Directors' interests in the shares of Next Fifteen Communications Group plc

The interests of the Directors in the share capital of the Company at 31 January 2020 and 31 January 2021 are as follows:

	Ordinary Shares		LTIP performance shares	
	31 January 2020 (or date of appointment if later)	**31 January 2021 (or date of resignation if earlier)**	1 February 2020 (or date of appointment if later)	**31 January 2021 (or date of resignation if earlier)**
Executive Directors				
Tim Dyson	5,077,997[1]	**5,077,997[1]**	419,410[2]	**437,895[2]**
Peter Harris	354,322[1]	**371,566[1]**	199,477[2]	**205,991[2]**
Non-Executive Directors				
Richard Eyre	115,000	**120,000**	—	**—**
Penny Ladkin-Brand	20,118	**85,118**	—	**—**
Helen Hunter	—	**—**	—	**—**
Robyn Perriss	—	**—**	—	**—**

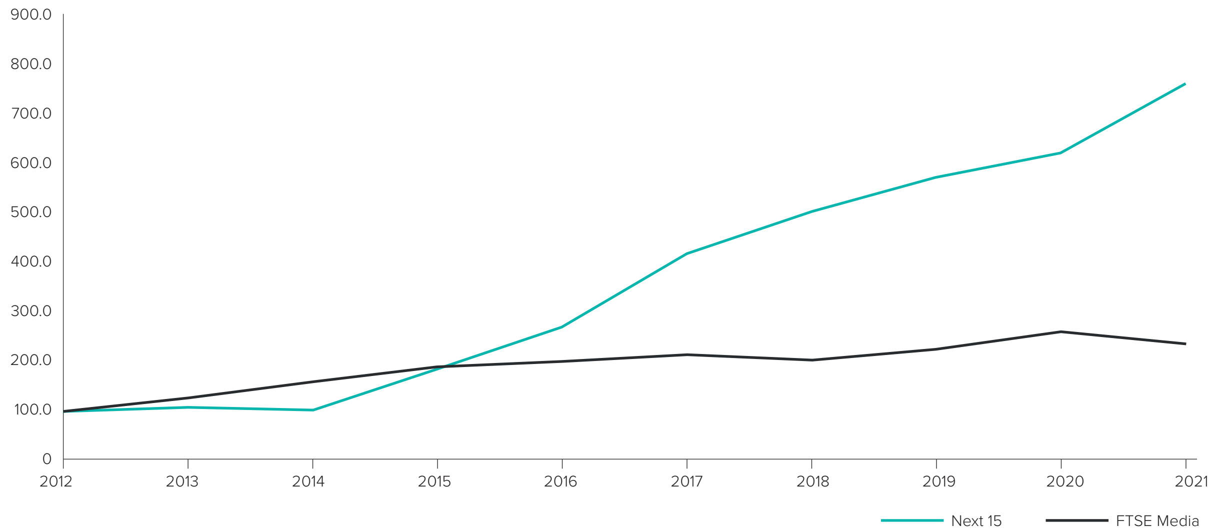
1 in last year's annual report, we included performance shares which had vested in relation to prior periods but not released. As these shares are not issued shares they are now in the LTIP performance shares column.

2 In last year's annual report, performance shares that had vested in relation to prior periods but not released were included in the 'Ordinary Shares' column. As these shares are not issued shares they are now included in these numbers.

Total shareholder return

The Directors consider that a comparison of the Company's total shareholder return to that of similar businesses on the Main Market is more relevant than a comparison with the FTSE AIM All-Share Index.

This graph shows the value on 31 January 2021 of £100 invested in the Company on 31 January 2012 compared with £100 invested in the FTSE Media Index and demonstrates the sustained and significant total shareholder return that we have delivered to shareholders over this period.



How the remuneration framework will be applied for FY22

Salary

The CEO will not receive a salary increase for FY22. The CFO will receive a salary increase of 2.1% in line with / which is less than, the average increase awarded to the workforce.

Executive Director	Salary with effect from 1 February 2020	**Salary with effect from 1 February 2021**	Increase
Tim Dyson	$906,206	**$906,206**	0%
Peter Harris	£323,068	**£330,000**	2.1%

Directors' remuneration report continued

How the remuneration framework will be applied for FY22 continued

Non-Executive Director fees

Following the review of NED remuneration, the following increases will take effect from 1 February.

Fee	Fee with effect from 1 February 2020	**Fee with effect from 1 February 2021**	Increase
Non-Executive Chair fee	£150,000	**£150,000**	0%
Non-Executive Director base fee	£40,000	**£53,000**	32.5%
Senior Independent Director fee	£5,000	**£5,000**	0%
Audit Committee Chair fee	£6,000	**£7,000**	+16.7%
Remuneration Committee Chair fee	£6,000	**£7,000**	+16.7%

Pension and benefits

Pension will remain capped at 10% of base salary for both Executive Directors. Tim Dyson is also entitled to a small pension under a US 401k pension plan.

Benefits will operate in line with FY21.

Annual bonus

The annual bonus opportunity will remain at 60% of salary for FY22, payable in cash. Performance will be measured against adjusted operating profit, cash conversion ratio, organic revenue growth and adjusted operating profit margin, all equally weighted. The Committee considers the bonus targets to be commercially sensitive but commits to full retrospective disclosure in next year's Remuneration Report.

Long-term incentive

The Executive Directors will be granted LTIP awards of 150% of salary. Performance will be measured over a single three-year performance period to 31 January 2024. The awards will vest based on the achievement of the following performance conditions and targets over the three-year performance period:

Performance condition	Weighting (% of salary)	Threshold (25% vests)	Maximum (100% vests)
Absolute increase in adjusted diluted EPS over the performance period at a constant tax rate	100%	20%	50%
Average annual organic net revenue growth	25%	4%	7.5%
Average annual adjusted operating profit (after lease liability interest) margin	25%	18%	20%

A two-year post-vesting holding period applies to vested awards.

The Committee will have discretion to override the formulaic outcome of the incentives in certain circumstances. Clawback and malus provisions will apply.

Report of the Directors

The Directors present their Annual Report together with the audited financial statements of Next Fifteen Communications Group plc (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 January 2021.

The Group has chosen, in accordance with section 414C(11) of the Companies Act 2006, to include such matters of strategic importance to the Group in the Strategic Report which otherwise would be required to be disclosed in this Directors' Report.

Group results and dividends

The Group's results for the period are set out in the Consolidated Income Statement on page 76. The Directors recommend a final dividend of 7p per ordinary share to be paid on Friday 13 August 2021, which gives a total dividend of the period of 7p per ordinary share (2020: 2.5p). Due to the outbreak of Covid-19, the FY20 final dividend and the FY21 interim dividend were suspended.

Directors

Details of Directors who served during the year and biographies for Directors currently in office can be found on pages 24, 25 and 27.

Details of the Directors' remuneration, share options, service agreements and interests in the Company's shares are provided in the Directors' Remuneration Report on pages 40 to 57.

Except for Directors' service contracts, no Director has a material interest in any contract to which the Company or any of its subsidiaries is a party.

Directors' indemnity

In accordance with its Articles of Association the Company has entered into contractual indemnities with each of the Directors in respect of its liabilities incurred as a result of their office. In respect of those liabilities for which Directors may not be indemnified, the Company maintained a Directors' and Officers' Liability Insurance policy throughout the period. Although the Directors' defence costs may be met, neither the Company's indemnity nor the insurance policy provides cover in the event that the Director is proved to have acted dishonestly or fraudulently. No claims have been made under the indemnity or against the policy.

Acquisitions

The following is a summary of Group acquisitions made in the year to 31 January 2021, more detailed disclosure of which can be found in note 26 to the financial statements.

On 15 July 2020, Next 15 purchased the entire share capital of Implementra Limited (trading as Conversion Rate Experts) ('CRE'). The initial consideration for the acquisition was approximately £5.9m, which was settled with £4.6m of cash and the issue of 351,806 of new Ordinary Shares in Next 15. Further contingent consideration may be payable around April 2023 and April 2025 based on the EBIT performance of CRE over the next five years.

On 25 August 2020, Next 15 acquired Mach49 LLC, Mach49 Limited and Mach49 Singapore Pte Ltd, the Silicon Valley-based growth incubator for global businesses. The initial consideration for the acquisition was approximately $2m settled in full in cash, with a further $3.7m deferred. Further contingent consideration may be payable around April 2023, April 2024 and April 2025 based on the EBIT performance of Mach49. The contingent consideration that becomes payable may be satisfied by cash or up to 15% in new ordinary shares, at the option of Next 15.

On 31 October 2020, Next 15 acquired To This Day Limited and its subsidiary Marlin PR Limited. The initial consideration for the acquisition was approximately £1.9m, which was settled with £1.5m of cash and the issue of 101,777 of new Ordinary Shares in Next 15. Further contingent consideration may be payable around April 2021 and April 2022 based on the EBITDA performance of Marlin over the remaining year.

Significant post-balance sheet events

Subsequent to the year end, on 9 April 2021, Next 15 acquired Shopper Media Group Ltd ("SMG") and its subsidiaries. SMG is a UK based agency specialising in commerce marketing activation, connecting retailers and brands with shoppers at the point of purchase both online and in-store. The initial consideration is approximately £15.7m, which will be settled with £11.8m of cash and the issue of 569,181 new Ordinary Shares in Next 15. Further consideration may be payable around June 2023 and June 2025 based on the EBITDA performance of SMG in the two year periods ending 31 January 2023 and 31 January 2025.

Likely future developments in the business of the Company

The Group's priorities for 2021/22 are disclosed in the Strategic Report on pages 1 to 23.

Research & Development

During the year many of our brands undertook R&D activities as part of their work developing leading technological solutions for their clients. Several of our market research agencies have innovated to automate manually intensive research processes by developing bespoke software designed to manage the huge amount of data gathered daily by their clients.

Employees and workers

Our employees and workers are considered one of the Company's principal stakeholders as described in the Corporate Governance Report on pages 26 to 35.

Equal opportunities

The Group seeks to recruit, develop and employ throughout the organisation suitably qualified, capable and experienced people, irrespective of sex, age, race, disability, religion or belief, marital or civil partnership status or sexual orientation. The Group gives full and fair consideration to all applications for employment made by people with disabilities, having regard to their particular aptitudes and abilities.

Any candidate with a disability will not be excluded unless it is clear that the candidate is unable to perform a duty that is intrinsic to the role, having taken into account reasonable adjustments. Reasonable adjustments to the recruitment process will be made to ensure that no applicant is disadvantaged because of his or her disability. The Group's policies for training, career development and promotion do not disadvantage people with disabilities.

Diversity and inclusion

The Group's approach to diversity and inclusion is set out on page 33 and on our website at www.next15.com. Our approach to Board diversity is set out on page 29.

Health and safety

The Group recognises and accepts its responsibilities for health, safety and the environment. The Group is committed to maintaining a safe and healthy working environment in accordance with applicable requirements at all locations in the UK and overseas. The Chief Financial Officer is responsible for the implementation of the Group policy on health and safety.

Cyber security

During the year, Chris Dare joined Next 15 as our Chief Technology Officer. Since joining, Chris has conducted a thorough review of the Group's IT systems and has developed a roadmap for improvement. This has included redeveloping our Information & Cyber Security policies across the group to ensure we meet industry best practice, we have continued the rollout of group wide security systems, including to new acquisitions.

Disclosure of information to the External Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

1. so far as the Director is aware, there is no relevant audit information of which the Company's External Auditor is unaware; and
2. the Director has taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to ensure that the Company's External Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Annual General Meeting

It is our current intention to hold the Annual General Meeting (the 'AGM') of Next Fifteen Communications Group plc (the 'Company') at our offices located at 75 Bermondsey Street, London SE1 3XF on 24 June 2021 at 3.00 p.m. Because of the restrictions arising from the Covid-19 situation, arrangements for the AGM may be subject to change, possibly at short notice. Currently the measures that the UK government has put in place as a result of the Covid-19 pandemic mean that attendance at the AGM in person will not be possible and shareholders or their appointed proxies (other than the chair of the Annual General Meeting) will not be permitted entry to the AGM. should this be the case, the Company will put in place arrangements such that the legal requirements to hold the meeting can be satisfied and the meeting will proceed with only such attendees, employees and AGM support staff as are strictly required and will include only the formal business set out in the Notice of Meeting. The Company is exploring ways to engage shareholders if they are unable to attend in person, including through an online interactive webcast. Details of this and any changes to the AGM will be made available via our website. We strongly encourage you to vote on all resolutions by completing an online proxy appointment form in advance of the meeting, appointing the chair of the meeting as your proxy.

Report of the Directors continued

Annual General Meeting continued

The Notice of AGM and explanatory notes regarding the ordinary and special business to be put to the meeting will be set out in a separate circular to shareholders, which will be made available on the Group's website at www.next15.com and will be mailed to shareholders who have requested a paper copy.

Political donations

It is the Group's policy not to make donations for political purposes and, accordingly, there were no payments to political organisations during the year (2020: £Nil).

Charitable donations

During the year ended 31 January 2021, the Group donated £69,925 to various charities (2020: £56,857).

Acquisition of shares

Acquisitions of shares by the Next Fifteen Employee Trust purchased during the period are as described in note 22 to the financial statements.

Financial instruments

Information on the Group's financial risk management objectives, policies and activities and on the Group's exposure to relevant risks in respect of financial instruments is set out in note 19 and in the Strategic Report on pages 16 to 20.

External Auditor

The Board appointed Deloitte LLP to act as External Auditor for the year ended 31 January 2021. A resolution to reappoint Deloitte LLP as External Auditor of the Company and to authorise the Board to fix their remuneration will be proposed at the forthcoming AGM.

Significant shareholdings

As at 31 March 2021 the Company had received the notifications below of the following significant beneficial holdings in the issued Ordinary Share capital carrying rights to vote in all circumstances of the Company. The percentage holding is based on the Company's issued share capital at the date of the notification.

	2021	
	Total	%
Liontrust Asset Management	**12,796,223**	**14.07**
Octopus Investments	**12,739,265**	**14.05**
Aviva Investors	**10,657,356**	**11.75**
Aberdeen Standard Investments	**6,849,633**	**7.91**
Tim Dyson	**5,077,997**	**5.86**
BlackRock	**4,641,977**	**5.08**
Canaccord Genuity Wealth Management	**4,244,777**	**4.98**
Herald Investment Management	**3,841,419**	**4.44**
Slater Investments	**3,289,152**	**3.80**
Bestinver Asset Management	**3,222,169**	**3.72**

Financial reporting and going concern statement

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The Directors have made this assessment in light of reviewing the Group's budget and cash requirements for a period in excess of one year from the date of signing of the annual report and considered outline plans for the Group thereafter.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on pages 1 to 22. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 10 to 15.

In addition, note 19 to the financial statements includes: the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Directors' Responsibilities Statement in respect of the financial statements is set out on page 61.

Approved by the Board on 12 April 2021 and signed on its behalf by:

Penny Ladkin-Brand
Chair of the Board
12 April 2021.

Directors' responsibilities statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards ('IFRSs') and Article 4 of the IAS Regulation and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that period.

In preparing the parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 'Reduced Disclosure Framework' has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 12 April 2021 and is signed on its behalf by:

Peter Harris
Chief Financial Officer