Board of Directors and Company Secretary

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Committee membership

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- E ESG Committee
- Chair of Committee

THE BOARD IS RESPONSIBLE FOR THE STRATEGIC DIRECTION, INVESTMENT DECISIONS AND EFFECTIVE CONTROL OF THE GROUP.

1. Penny Ladkin-Brand N R

Chair

Appointed July 2017 (6 years)

Penny is Non-Executive Chair, Chair of the Nomination Committee and a member of the Remuneration Committee. Penny joined Next 15 as a Non-Executive Director and Chair of the Audit Committee. In April 2020 she was appointed as Senior Independent Director and from February 2021 became Chair of the Board. Penny was a member of the Audit Committee during the year, but resigned from the Committee with effect from 1 February 2023.

Skills and experience

Penny is also Chief Financial Officer at Future plc, a global platform for specialist media, having been reappointed into the role in November 2021 following a year as Chief Strategy Officer. She was previously Chief Financial Officer at Future from August to June 2020 during which time the group's market capitalisation increased from £25m to £1.2b 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.

2. Tim Dyson

Chief Executive Officer

Appointed August 1988 (35 years)

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 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, SMG, Engine, Mach49 and Publitek in the UK. Tim has also driven the evolution of the Group from a marcom business into a growth consultancy grounded in data and technology. Outside Next 15, Tim has served on the 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.

3. Peter Harris

Chief Financial Officer

Appointed March 2014 (9 years)

Peter joined Next 15 as 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 25 years in finance roles in the media sector.

From July 2013 until December 2018, he was a Non-Executive Director of Communisis plc and Chair 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.

4. Jonathan Peachey
Chief Operating Officer
Appointed April 2022 (1 year)

Jonathan joined Next 15 in July 2018 and became Chief Operating Officer in 2019. He was appointed as an Executive Director in April 2022.

Skills and experience

Jonathan has 35 years' experience in digital transformation. At the BBC, he led the myBBC programme that introduced customer data at scale to drive better ways to commission, discover and consume content. Before the BBC, he founded and led an award-winning consultancy that specialised in using digital technology to improve government delivery. As part of that role, Jonathan launched a dedicated TV channel to support ongoing teacher development, and wrote the UK Government's digital strategy which led to the creation of gov.uk. Jonathan sold that business to The Engine Group where he subsequently became Chief Operating Officer. Jonathan qualified as a Chartered Accountant with PwC before moving into management consultancy and subsequently working in commercial television delivering some of the first interactive services.

Jonathan is heavily involved in the UK tech start-up scene, having founded a number of companies and invested in or mentored numerous others.

5. Helen Hunter
A N R
Non-Executive Director, Senior Independent Director
Appointed June 2019 (4 years)

As a Non-Executive Director of Next 15, Helen chairs the Remuneration Committee and is a member of the Nomination and Audit Committees. From 1 February 2023, Helen was appointed as Senior Independent Director.

Skills and experience

Helen is Chief Product and Analytics Officer for Customer and Data at Sainsbury's plc, where her remit is to (i) build and run the Tech underpinning Sainsbury's eCommerce propositions (Grocery online, Argos, Tu, and Habitat) and in-store digital customer propositions e.g. Smartshop; (ii) build and run the Tech used to communicate with customers, in Contact Centres and in Marketing; and (iii) to maximise the value of the Group's data asset: democratising access and finding creative ways to unlock its insight potential in support of Sainsbury's strategy to be connected to customers. Previously, Helen led the creation of the new Nectar digital loyalty scheme (Food), Sainsbury's Customer Permissions Management Tool (multi-brand), Omni-channel coupons (Food), Sainsbury's Brand Match (Food), and SCV (Food). Before joining Sainsbury's, Helen held a variety of commercial and marketing roles at Home Retail Group, Woolworths Group, and Kingfisher Group. Helen is also currently a Governor of Lancing College.

6. Robyn Perriss
A E N
Non-Executive Director
Appointed November 2020 (3 years)

As a Non-Executive Director of Next 15, Robyn chairs the Audit Committee and is a member of the Nomination and ESG Committees.

Skills and experience

Robyn has extensive experience in both the technology and media industries, together with core skills in finance, having served as Finance Director at Rightmove plc (a FTSE 100 business), 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 is currently a Non-Executive Director and Chair of the Audit Committee at Softcat plc, a leading provider of IT infrastructure services and solutions. She is also a Non-Executive Director and Chair of the Audit Committee at Dr Martens plc, an iconic British consumer brand and a Non-Executive Director of the nutrition brand Huel. Robyn qualified as a Chartered Accountant in South Africa with KPMG and worked in both audit and transaction services.

7. Dianna Jones
E N R
Non-Executive Director
Appointed April 2022 (1 year)

As a Non-Executive Director of Next 15, Dianna chairs the ESG Committee and is a member of the Nomination and Remuneration Committees.

Skills and experience

With nearly 20 years of experience spanning the energy and technology industries, Dianna brings expertise in global ethics and legal compliance, business risk mitigation in both mature and scaling environments, and ESG. Dianna is Director of Legal Compliance at Uber Technologies, Inc. She was previously Regional Compliance Counsel – Western Hemisphere at John Wood Group plc, a global leader in engineering and technical consulting services for the energy and infrastructure industries. Prior to that, she was with the international law firm, Greenberg Traurig, LLP, where she advised national and multinational companies on complex M&A transactions, reorganisations and restructurings. Dianna is licensed by the State Bar of Texas and registered with the State Bar of California.

8. Paul Butler
A E N
Non-Executive Director
Appointed June 2022 (1 year)

Paul joined Next 15 as a Non-Executive Director and is a member of the Audit, Nomination and ESG Committees. Paul is also Next 15's Non-Executive Director responsible for workforce engagement.

Skills and experience

Paul is an expert in business development, strategy, and operations, with more than 20 years of experience in the media, entertainment, and consulting industries. He is currently President & Chief Transformation Officer at New America, a US-based think tank founded in 1999. Before this, he was Chief Operating Officer at sparks & honey, the Omnicom-owned cultural intelligence consultancy.

9. Mark Sanford
General Counsel and Company Secretary
Appointed February 2021 (2 years)

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.

Introduction

A STRONG CORPORATE GOVERNANCE FRAMEWORK IS CRUCIAL TO ACHIEVING LONG-TERM SUCCESS.

Penny Ladkin-Brand
Chair

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 2023.

The Directors recognise that shareholders look to the Board to deliver growth and long-term shareholder value and I recognise that an efficient, effective and dynamic governance framework is crucial to achieving this. By focusing on the long term we will protect other stakeholders such as employees, customers, suppliers and the wider community, and will also demonstrate that we care about, and plan to mitigate, our impact on the environment.

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.

The Board is committed to ensuring that it is diverse and dynamic, and regularly reviews its composition to ensure it retains a balance of skills, experience and diversity to determine how the strategy and business should evolve.

During the year, we added Jonathan Peachey as an Executive Director and Dianna Jones and Paul Butler as Non-Executive Directors. These appointments reflect the continued growth of the Group and adds complementary experience in consultancy and transformation, particularly in the US market. Biographies of the Directors are set out on page 68.

As Chair I am responsible for leading the Board and for its governance of the Group. I work with the Board to ensure continual improvements to the Group's governance in order to promote its continued long-term success.

On behalf of the Board and shareholders, I would like to thank all our employees for their contributions to our growth and success. We welcome feedback from our shareholders at all times and I encourage all to participate in our AGM.

Penny Ladkin-Brand
Chair
24 April 2023

Corporate governance statement

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.

Company purpose

The Company's purpose is to strive constantly to make our people and our customers the best versions of themselves they can possibly be. This purpose drives everything we do including our annual strategy creation process, our ESG strategy and the way we manage our brands.

Governance framework

Below is a summary of the Group's governance structure.

Shareholders

The Board
Responsible for providing leadership, including setting the strategic direction, Group's purpose and values, and promoting its long-term success. A full schedule of matters requiring Board approval is available at next15.com.

Committees
To ensure that it maintains an appropriate level of oversight, the Board has established committees to support it. The terms of reference for the Audit, Remuneration, Nomination and ESG Committees are available at next15.com.

Nomination Committee evaluates Board composition and ensures that there is a formal, rigorous and transparent procedure for appointment to the Board and senior management.

Audit Committee oversees external and internal audits, the Group's financial reporting and disclosure. It also oversees the Group's system of internal controls and the risk management framework.

Remuneration Committee is responsible for determining executive remuneration policies and practices, taking account of pay practices and policies across the Group's workforce.

ESG Committee oversees all ESG-related policies, procedures, practices and performance, and assists and challenges the Board on current and emerging topics.

Executive Leadership Team
oversees day-to-day operations and implements the direction of the Group's strategy as set by the Board.

Brand CEOs

Ethics Group

The Organisation

Corporate governance statement continued

Board roles and division of responsibilities

The Board sets the strategy of the Group ensuring the long-term success for customers, investors and wider stakeholders. The key responsibilities of how the executive and non-executive roles are directed are as follows:

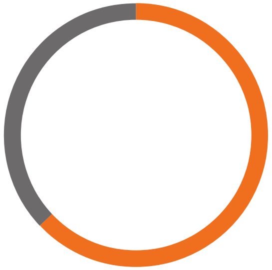
Board member	Responsibilities
Chair	• To lead the Board in the determination of its strategy and in achieving its objectives • To set the Board agenda • To promote a culture of openness and debate, encouraging effective contribution from all Non-Executive Directors • To promote good governance • To lead the Board evaluation process with the assistance of the Company Secretary • To ensure compliance with all corporate governance requirements with explanations for any non-compliance • To ensure that Directors receive accurate, timely and clear information
Chief Executive Officer	• Develops strategies to be proposed to the Board alongside the Group's Executive Leadership Team • Leads the Group on a day-to-day basis and within the authorities delegated by the Board • Together with the CFO and COO, represents the Group to external stakeholders • Ensures the Board as a whole has a clear understanding of the views of the Company's shareholders • Is accountable for the financial and operational performance of the Group • Has responsibility for implementing the agreed strategy and policies of the Board
Senior Independent Director	• Acts as a sounding board for the Chair • Is available to act as an intermediary between the shareholders and the Board • Meets with the Non-Executive Directors annually to appraise the Chair's performance
Non-Executive Directors	• Bring an external perspective to support and challenge the performance of management • Assist in developing the Company's strategy and offer specialist advice based on their skills and experience • Monitor the integrity and effectiveness of the Group's financial reporting, internal controls and risk management systems
Company Secretary	• Ensures the Board operates in accordance with the corporate governance framework and that there are good information flows between the Board and its Committees • Responsible for assisting the Board in all governance related matters • Provides support to the Board and its committees, ensuring that it has the resources required to operate effectively and organises training and induction programmes • Maintains the books and records of the Group, and prepares minutes of Board meetings

Board overview
as at 31 January 2023

Non-Executives' tenure

0–3 years	2
3–6 years	2
6+ years	1

Balance of the Board



Non-Executive	5
Executive	3

Board composition

The Board currently consists of three Executive Directors and five Non-Executive Directors. Biographies of the Board members can be found on pages 68 and 69.

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 Group 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 Directors have complementary skills and experience in terms of sectors, geography and diversity.

Conflicts of interest and external appointments

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. All potential conflicts authorised by the Board are recorded in a register, which is maintained by the Company Secretary. Directors have a continuing duty to update the Board with any changes to their conflicts of interest.

Directors' skills matrix

Skill area	Non-Executive					Executive		
Strategy	●	●	●	●	●	●	●	●
Financial performance	●	●	●	○	○	●	●	○
Risk and compliance oversight	●	●	●	●	○	●	●	○
Executive management	●	●	●	●	○	●	●	●
Board experience	●	●	●	○	○	●	●	●
Commercial experience	●	●	●	●	●	●	●	●
M&A/business development	●	●	●	○	○	●	●	●
International experience	●	●	○	○	○	●	●	●
Strong City relationships	●	●	●	○	○	●	○	○
Capital markets	●	●	○	○	○	●	○	○
Marketing/Sales	●	●	○	○	○	○	○	○
HR/People	●	○	○	○	○	○	○	○
Executive remuneration	●	●	●	●	●	●	○	○
Technology	●	●	●	●	○	●	●	○
CIO	●	○	○	○	○	●	○	○
Business transformation	●	●	●	○	○	●	●	○
Financial	●	●	○	○	○	●	○	○
Strong network	●	●	●	○	○	●	●	●
Digital	●	●	●	●	●	●	●	●
Data	●	●	●	○	○	●	○	○
ESG	●	●	○	○	○	●	○	○

Corporate governance statement continued

How the Board spends its time

Category	Percentage
Financial matters	30%
Strategic	31%
Operations	5%
Governance	27%
Other	7%

Conflicts of interest and external appointments continued

Each Director keeps the Board informed of any significant external commitments or appointments and these are monitored to ensure that each Director has sufficient time to meet their responsibilities to the Company. The Directors' significant commitments are set out in their biographies on pages 68 to 69.

Board activities

The Board is responsible for providing leadership, including setting the strategic direction, Group's purpose and values, and promoting its long-term success.

Its responsibilities are discharged through an annual timetable of meetings, of which three were held virtually and three in person, with an additional two-day strategy meeting. Details of attendance at the scheduled meetings can be found on page 76. Additional ad hoc meetings took place throughout the year to manage matters arising outside the formal schedule of meetings.

The Chair, with support from the Company Secretary, sets each agenda primarily focused on strategy and purpose, finance, performance and operations, governance, people and accountability, and ensures that the Group's key stakeholders are considered throughout its discussions.

Board packs are distributed electronically before the meeting, and following the meeting, minutes are recorded and action items followed up. Each Director has access to independent professional advice at the Company's expense where they judge it necessary to discharge their responsibilities as Directors of the Company. Each Director also has access to the Company Secretary who is responsible for ensuring that Board procedures are complied with and advising the Board on all governance matters.

Meeting timeline

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Board of Directors		●			●	●		●	●			●
Audit Committee		●			●			●			●	
Remuneration Committee	●	●									●	
ESG Committee*												●
Nomination Committee									●		●	

* The ESG Committee was established in September 2022.

The Board's responsibilities and processes

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

Key area	Matters considered
Financial matters	• 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, as recommended by the Audit Committee. • Review the half-year accounts, including the material judgements and estimates as recommended by the Audit Committee. • Reviewed the half-year and full-year results announcements and trading statements. • Reviewed the Group FY23 budget and budget forecasts. • Reviewed the Group's application of the Treasury policy and banking relationships. • Considered the Group's performance and outlook, including that of individual brands.
Strategic matters	• Reviewed opportunities to expand by acquisition, in particular in relation to the proposed acquisition of M&C Saatchi Plc and compliance with The Takeover Code. • Reviewed and approved acquisition proposals. • Worked with management to formulate and approve new and updated strategic priorities for the Group.
Operations	• Post-integration monitoring of acquisitions. • Reviewed the Group's risk management and internal controls. • Reviewed and monitored ESG proposals and initiatives.
Governance	• Monitoring QCA code compliance and updates. • Monitoring the regulatory environment and any changes relevant to the Group. • Board and committee evaluations and outcomes. • Succession planning. • Review and approve the schedule of matters reserved for the Board. • Review and approve updated Group policies. • Review and approve the appointment of two further Non-Executive Directors and one Executive Director to the Board.
Other matters	• Monitor and review the people dashboard in support of diversity and equity targets. • Monitoring the cyber security dashboard.

Corporate governance statement continued

Board & Committee meeting attendance at scheduled meetings during the year

Director	Board (6)	Audit (4)	Remuneration (3)	Nomination (2)	ESG (1)
Penny Ladkin-Brand	●●●●●●	●●●●	●●●	●●	
Helen Hunter	●●●●●●	●●●●	●●●	●●	
Robyn Perriss	●●●●●●	●●●●		●●	●
Dianna Jones*	●●●●●		●	●●	●
Paul Butler**	●●●●●	●●		●●	●
Tim Dyson	●●●●●●				
Peter Harris	●●●●●●				
Jonathan Peachey***	●●●●●				

* Dianna Jones appointed 6 April 2022.
** Paul Butler appointed 23 June 2022.
*** Jonathan Peachey appointed 6 April 2022.

● Attended Board
● Attended Committee

Board Representation

by gender

Male 50%
Female 50%

by ethnicity

Black or African 12.5%
Multiple ethnicities 12.5%
White 75%

Director reappointment

Appointments to the Board are the responsibility of the Board as a whole.

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. Peter Harris and Robyn Perriss will offer themselves for re-election by the shareholders at the forthcoming AGM.

Paul Butler, having been appointed since the last AGM, will stand for election for the first time at the AGM in July 2023.

The Board believes that each Director standing for election and re-election is independent in character and judgement. The Board therefore recommends that the Company and its shareholders support the re-election of each of these Directors.

Biographical details of each Director standing for election and re-election can be found on pages 68 to 69.

Board performance evaluation
The performance of the Board is key to successfully leading the Company to follow its strategic direction. Regular monitoring and review is an important factor to facilitate and improve the effectiveness of the Board and its committees. It is also a valuable feedback mechanism for improving effectiveness and maximising strengths, and highlighting areas for further development.

The Board is mindful of the Financial Reporting Council's ('FRC') recommendation that smaller companies are encouraged to consider having externally facilitated Board evaluations every three years. Having completed an external evaluation in 2021, this year, a rigorous internal evaluation was led by the Chair and undertaken by a questionnaire being sent to all Directors and a 1-2-1 follow up meeting with each Director and the Company Secretary.

The outcome from the Board evaluation concluded that overall the Board works well and effectively together, and new Directors are making valuable contributions. Some suggestions for improvement are disclosed below.

Board papers
- The Chair and Company Secretary hold regular meetings to discuss Board material and agenda items. Board packs are distributed electronically before the meeting. Ensuring Board materials are of an appropriate length is under review and it is planned to introduce a revised standardised template to contain a summary of the contents of any paper and to inform the Director what is expected of them on that issue.

Succession planning
- The Board continues to develop its succession planning framework to include the identification, mentorship and development of future candidates.

NED only meetings
- In order for the Board members to continue to build a rapport, share views and consider issues impacting the Company, it is planned that the Company Secretary schedule meetings where the Non-Executive Directors meet either by themselves or together with just the CEO with the aim of building better Board dynamics, more focused challenge and decision-making.

Equity, Diversity and Inclusion
The Board's Diversity Policy which is available on our website, www.next15.com, reinforces our belief that a diverse workforce is not just a social good, but a commercial advantage. For a Group where the 'who' comes before the 'what' it is crucial that we are drawing from the widest possible pool of talent. Next 15 is committed to supporting and setting a standard for our brands as they embrace diversity and we are committed to setting an example through our plc practices.

The Policy supports the principles of the FTSE Women Leaders and Parker Reviews on gender and ethnic diversity and, in reviewing Board composition, the Nomination Committee will consider a range of experiences, backgrounds, and characteristics that are visible and non-visible, including but not limited to: gender, gender identity, sexual preference, race, ethnicity, national origin, age, physical and cognitive ability, experience, industry and sector expertise, skill set, and geographical location. This is in order to enable it to discharge its duties and responsibilities effectively, and model diversity, equity and inclusion for the Group.

As at 31 January 2023 we met all diversity targets as women represented 50% of the Board (target of 40%), two ethnically diverse Directors as detailed on page 76 (target of one Director) and two Non-Executive Directors were retained in the USA (target one Non-Executive Director in the USA).

A truly diverse Board embraces the differences in our business, our society and our skill set and these differences will be a major consideration in determining the right composition of the Board. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board requires to be effective.

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.

Corporate governance statement continued

Culture continued

The Board monitors the culture of the Group through periodic updates on people, culture, inclusivity and talent provided by the Group Chief People Officer through monitoring exercises such as staff surveys and feedback from Paul Butler as the Board's workforce engagement representative.

Stakeholder engagement

Our people

Our employees and workers are considered one of the Company's principal stakeholders. The ESG report on pages 33 to 55 details the importance the Company places on its people and the steps taken to support, evolve and motivate employees. The Stakeholder re-engagement report on page 28 details how we engage with our employees. Our newest Non-Executive Director, Paul Butler, has been appointed as the Board's workforce engagement representative.

The Group's approach to EDI is set out on pages 41 to 42, and on our website at www.next15.com. Our approach to Board diversity is set out on page 77.

Our shareholders

The Board as a whole accepts its responsibility for engaging with shareholders and is kept fully informed about information in the marketplace.

Engagement with our shareholders is detailed on page 29.

Chairs of each Committee attend the AGM to address any shareholders' questions. Proxy votes are disclosed at the meeting on each shareholder resolution and are subsequently published on the Group's website at www.next15.com by completing an online proxy appointment form in advance of the meeting, appointing the chair of the meeting as your proxy.

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 107.

Our customers and suppliers

Client focus is critical to the success of each of our brands. By their nature our brands 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.

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.

More information on how we engage with our stakeholders can be found on pages 28 to 29.

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 67. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 22 to 27.

The Directors' responsibilities statement in respect of the financial statements is set out on page 108.

Nomination Committee report

THE COMMITTEE RECOMMENDED A BOARD DIVERSITY POLICY TO SET OBJECTIVES FOR DIVERSITY OF THE BOARD.

Penny Ladkin-Brand
Chair of the Nomination Committee

Role of the Committee

The Company re-established a Nomination Committee ('Committee') in 2021 and the Committee's roles and responsibilities are governed by its terms of reference which are reviewed annually by the Committee and the Board. The principal role of the Committee is:

- to ensure that there is a formal, rigorous and transparent procedure of appointments to the Board including setting criteria, identifying candidates and making recommendations to the Board;
- to ensure a succession plan is in place for the Board and senior executives which includes the identification and development of future candidates;
- to review the structure, size and composition of the Board (including skills, knowledge, experience, independence and diversity) and its committees; and
- to ensure there is a suitable Board evaluation process in place.

Committee membership

The Committee comprises all five of the Non-Executive Directors.

Activity during the year

The Committee held two meetings during the year. The Committee reviewed the current composition of the Board in terms of the number of Executive and Non-Executive Directors and the skills, experience and diversity of the Directors. In April 2022 the Board appointed Dianna Jones as a new Non-Executive Director and Jonathan Peachey as a new Executive Director.

The appointment of Dianna as a US-based Non-Executive Director was partly to add a US-based Director to reflect the geographic base of the Group's businesses and clients. To complement this appointment, a further US-based Non-Executive Director, Paul Butler, was appointed in June 2022.

Following the above appointments, the Board comprises five Non-Executive Directors and three Executive Directors. The Committee considers that the Board has the right mix of skills, experience independence and diversity and all Directors demonstrated ongoing commitment to the roles and have the necessary time to commit to the Company.

The Committee and the Board have been reviewing the Board composition to ensure that there is effective succession planning at Board level, as well as considering succession planning for key senior executives of the Group. This work is ongoing, and the Committee recognises the need to continually review succession planning and have a thorough process in place.

During the year, the Board reviewed and recommended a Board Diversity Policy which is available on the Company's website. This sets out the Board's commitment to diversity and inclusion and sets measurable objectives for achieving a suitable diverse Board.

Penny Ladkin-Brand
Chair of the Nomination Committee
24 April 2023

Audit Committee report

THE COMMITTEE CONTINUES TO FULFIL A VITAL ROLE IN THE GROUP'S GOVERNANCE FRAMEWORK.

Robyn Perriss
Chair of the Audit Committee

As Chair of the Audit Committee (the 'Committee'), I am pleased to present the Committee's report for the year ended 31 January 2023.

The Committee continues to fulfil a vital role in the Group's governance framework, providing independent challenge and oversight of the accounting, financial reporting and internal control processes, risk management, the Internal Audit function and the relationship with Deloitte LLP, the External Auditor. This report outlines how the Committee has discharged its responsibilities during the year, the key issues it has considered during FY23 and also areas of focus over the next financial year. Key areas of focus are detailed on page 85.

As the Group continues to mature its risk management processes and entity level control environment it has begun formalising it's approach in relation to how the brands are managed within a framework. This sets out what key processes, controls and systems are mandated centrally as well as areas where there may be more brand autonomy and optionality, providing minimum data and standards are met. The Committee is very mindful of the decentralised nature of the Group and has spent time during the year discussing the framework to ensure that it creates sufficient clarity around robust process and control expectations at a brand level together with appropriate Group oversight; whilst continuing to preserve the Group's entrepreneurial culture.

During March 2022, the Group acquired Engine UK for consideration of £67.3m. This is the largest acquisition to date by the Group and material to the Group's results in FY23 and the year-end balance sheet position. During the year, the Committee spent time reviewing the acquisition accounting and disclosures, including the identification of intangibles under IFRS 3 as well as receiving regular integration progress updates from management.

Focus areas for FY24
The Committee's priorities for the next financial year will include:

- ongoing monitoring of the integration status and financial control environment of recently acquired brands including a post-acquisition review of Engine, acquired in March 2022;
- continued focus on cyber and IT security;
- continued focus on data privacy;
- continued focus on appropriate revenue recognition and working capital management;
- continued focus on risk maturity and entity level control management; including monitoring the roll out of the framework;
- a fraud risk assessment with a focus on key financial and operational anti-fraud controls at both a Group and brand level;
- monitoring of tax processes and controls and reviewing our tax strategy; mindful that the UK component of the Group has now met the thresholds for the Senior Accounting Officer regime;
- a review of the onboarding and controls around third-party supplier management; and
- the first year of mandatory TCFD reporting requirements.

Through the activities of the Committee, described in this report, the Board confirms that it has reviewed the effectiveness of the Group's internal systems of control and risk management, covering all material controls including financial, operational and compliance controls, and that there were no material failings identified which require disclosure in this Annual Report and Accounts.

Focus areas for FY24 continued

The Committee will continue to discharge its duties as documented in the Audit Committee terms of reference.

During the year the Company received a letter from the FRC in relation to the Group's Annual Report and Accounts for the year ended 31 January 2022. The FRC is authorised periodically to review and investigate the annual accounts, strategic reports and directors' reports of public and large private companies for compliance with relevant reporting requirements.The Committee had oversight of the responses provided by management to the FRC's enquiries. Management responded to the FRC, undertaking to restate two areas in the FY22 Annual Report and Accounts which are detailed in the FY22 restatements section of the Significant Accounting Policies of the Consolidated Financial Statements on page 129. The review conducted by the FRC focused entirely on the Group's FY22 Annual Report and Accounts and did not provide any assurance that the FY22 Annual Report and Accounts are correct in all material respects: the FRC's role is not to verify information but rather to consider compliance with reporting requirements. The Committee welcomes the comments received by the FRC, has incorporated matters raised into the Annual Report and Accounts where appropriate and is supportive of the FRC's goal of increasing transparency in corporate reporting.

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

Robyn Perriss
Chair of the Audit Committee
24 April 2023

Membership and attendance

The current members of the Committee are the Chair of the Committee and three 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 has previous experience as Chief Financial Officer of a FTSE 100 business and is a qualified accountant and thus the Board considers her financial experience to be recent and relevant to discharge the duty to the Committee and its stakeholders. This is kept under continuous review and any changes to the composition of the Committee are a matter for the Nomination Committee to finalise.

The Committee met formally four times during the year and each meeting had full attendance. Biographies of the members of the Committee are shown on pages 68 and 69 and a summary of members' attendance can be found on page 76.

The Company Secretary, or their nominee, attends all meetings as Secretary to the Committee and, by invitation, they are attended by the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, the External Audit Partner and the Head of Internal Audit. From time-to-time other senior managers and advisers are invited to present to the Committee.

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.

The chart below depicts how the Committee spent its time in FY23. The Committee is satisfied that this was the correct focus to serve the broad needs and risk profile of the business during the year. Looking forward, the Committee is mindful of the increased scale and complexity of the Group and will continue to focus on both core financial reporting controls and broader operational risks and related controls as highlighted by the range of internal audit reviews proposed in FY24 as set out on page 83.

How the Committee spends its time

Category	Percentage
Financial reporting	25%
Operations	15%
Internal Audit	24%
External Audit	24%
Governance	12%

Audit Committee report continued

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 and Accounts; 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. • Considered upcoming legislative developments relating to tax and their potential impact on the Group. • Reviewed the half-year accounts, including the material judgements and estimates. • Reviewed the half-year and full-year results announcements and trading statements. • Considered the litigation matter detailed in note 17, concluding that it is a contingent liability and therefore included the required disclosure as set out in note 17. • Considered the significant financial judgements in relation to the FY23 Annual Report and Accounts as detailed in note 1 on pages 140 and 141.
Operations	• Received updates at each meeting on the ongoing work to enhance the Group's IT, privacy and cyber security infrastructure and capabilities. • Received regular updates on the Framework, an internal control framework that sets out key processes, systems and controls that are mandated centrally, together with areas that the brands have more autonomy in relation to, providing minimum data and standards are met. • Monitored the post-acquisition integration status of brands acquired.

Key area	Activity during the year
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. • Received a detailed update on the work of the Internal Audit function at each meeting and reviewed and discussed the findings of Internal Audit reviews undertaken during the year and monitored progress of agreed remediation actions. • Monitored the remit and resourcing of the Group's Internal Audit function. • Assisted the Board in its assessment of the Group's risk environment, internal controls and risk management processes. • Kept under review the effectiveness of the Group's internal controls and risk management.
External audit	• Reviewed the External Auditor's independence, objectivity, and the effectiveness of the external audit process. • Received an update from the External Auditor on the planned approach and scope for the full-year audit. • Reviewed the External Auditor's report on the full-year audit. • Considered External Auditor fees and terms of engagement. • Reviewed the Group's policy relating to the provision on non-audit services by the External Auditor.
Governance	• Discussed the impact of upcoming changes to accounting standards and legal, tax and regulatory requirements. • Received updates on whistleblowing, anti-bribery and corruption policies and reviewed the gifts and hospitality register. • Carried out a review of the Committee's terms of reference. As part of the broader Board evaluation exercise reviewed the Committee's effectiveness, refer to page 84. • Monitored the proposed BEIS governance reforms.

Risk and internal control

The Group'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 in reviewing systems of risk management and the effectiveness of internal controls. The Executive Directors have overall accountability for the control and management of the risks the Company faces. More information on how we manage risk can be found on pages 56 to 67.

Internal audit

The Group operates a co-sourced internal audit model, with BDO LLP acting as the outsourced Head of Internal Audit, supported by a dedicated Next 15 Internal Audit team. The independent and objective Internal Audit function supports the Board in assessing and identifying risks with the Audit Committee to produce an annual plan to test the relevant controls put in place to mitigate those risks. Through testing the operating effectiveness of controls, Internal Audit report to the Audit Committee and assist management in improving 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, integrity and security of information; and
- compliance with policies, plans, procedures, laws and regulations.

Internal Audit may perform 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 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 last self-assessment was undertaken in FY23.

The Internal Audit plan for FY23 covered a broad range of core financial and operational processes and controls, including projects and reviews focused on the following specific risk areas:

- *Revenue recognition:* this is an area of risk for the industry generally and a key area of focus for Next 15. In FY23, using the Archetype brand as a proof of concept, Internal Audit together with a BDO IFRS 15 specialist and management, jointly initiated a project to document the end-to-end revenue lifecycle management, identifying key risks and controls together with accompanying process mapping. This facilitated the classification of types of revenue and contracts into standard categories allowing the IFRS 15 technical specialist to test a sample of contracts across the categories and validate that the accounting treatment was appropriate.
- *Mach49 controls assessment:* The review was undertaken in the year following deferral of the initial controls assessment audit as Mach49 were restructuring on becoming part of the Next 15 Group.
- *Shared Services Team ('SST'):* The review focused on the quality and standardisation of processes and controls being performed by the SST based in India, which is important given the SST has evolved and grown significantly over the past few years with over 17 brands now utilising some form of SST support for their accounts payable, accounts receivable and management accounts function.
- *Corporate credit cards and expenses review:* This was considered important given the decentralised nature of the brands and the potential risk of fraud or cash leakage in this area.

The Internal Audit plan for FY24 was developed using a combination of the annually refreshed corporate risk register, the sector experience of team members within the core team and wider outsourced capabilities, and in discussion with other key stakeholders such as External Audit and management and approved by the Audit Committee. Some areas remained on the plan from the prior year, as they are inherent risks within our business, other areas were included to reflect the increased scale of our business and changes to the wider economic and regulatory risk landscape. During FY24 specific reviews are planned in the following areas:

- *Fraud risk assessment:* a deep dive audit to evaluate the adequacy of anti-fraud controls across the Group. This will help us assess our fraud maturity in advance of the Group meeting the proposed BEIS reforms regulatory thresholds.

Audit Committee report continued

Internal audit continued

- *Earn-out review*: given the materiality of earn outs and contingent consideration payable, the review will take the form of a walk-through of key processes and controls and a re-performance of calculations on a sample basis.
- *US central function review:* a deep dive audit to review the key controls operating centrally across the US brands.
- *Post-acquisition integration reviews:* including Engine acquired in March 2022.
- *Compliance review:* focusing on compliance with anti-bribery and corruption policies and the Foreign Corrupt Practices Act in the US.
- *Ongoing assurance and support:* including areas such as revenue recognition, cyber and IT security and data privacy as aligned to the Group principal risks and approved by the Committee.

Next 15 continues to expand its global operations through a blended approach of organic and acquisitional growth. Internal Audit plays an important role helping to ensure that risks are identified and appropriately managed in line with the Group's risk appetite. Internal Audit will perform regular horizon scanning to anticipate future risks that may have an impact on Next 15's operations and strategic priorities (i.e. UK corporate governance reforms and ESG reporting requirements) and bring these to the attention of the Audit Committee and Board.

External audit

The External Auditor, Deloitte LLP, was first appointed in 2014, for the financial period ended 31 January 2015. The Board is satisfied that the Company 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 and in accordance with Deloitte's partner rotation rules, a new senior audit partner, Peter McDermott, was appointed with effect from 1 February 2020.

Whilst not subject to the UK Competition and Markets Authority Order 2014, the Committee continues to review the External Auditor's appointment, ensuring the Company's best interests are considered and ensuring compliance with reforms of the audit market. The next mandatory rotation of the Deloitte lead audit partner is February 2025 and the Committee will keep under review whether it is appropriate to conduct a tender process prior to this.

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 5 to the financial statements. This work is not considered to affect the independence or objectivity of the External Auditor. 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 of a high quality and that the auditor is effective. The Committee received a comprehensive audit plan from Deloitte, setting out the proposed scope and areas of focus for the year-end audit and the auditor's assessment of the key areas of risk that had been identified. The audit plan and areas of risk identified were reviewed, and where appropriate, challenged by the Committee. 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.

As part of the FY23 year end process the Committee reviewed the effectiveness of the External Auditor. The evaluation was led by the Committee Chair and involved issuing tailored evaluation questionnaires which were completed by the Committee and selected members of the Group finance team and the Internal Auditor, supplemented by to roundtable sessions held with members of the UK and US brand finance teams.

The questionnaire responses, corroborated by the Committee's discussions with the brand finance teams and with management, provided useful feedback to the Committee and indicated that overall the External Auditor areas of audit focus and challenge continued to be appropriate and that their performance remained effective.

The Committee has made a recommendation to the Board to reappoint Deloitte LLP as the Company's auditor for the 2024 financial year. Accordingly, a resolution proposing their reappointment will be proposed at the AGM in July 2023.

Key areas of focus

Key area	Explanation	How it was addressed
Changes in estimates relating to acquisition-related liabilities	The Group has material acquisition related liabilities, with some payments dependent on performance up to four years from 31 January 2023. The estimates are sensitive to changes in revenue growth rates and profitability assumptions, as well as the discount rate used. During FY23 earnout liabilities increased by a net £26.6m in the year, primarily driven by a changes in estimate in relation to the Mach49 business. This change in estimate was driven by revised assumptions for the Mach49 business, principally reflecting a significant new contract win in 2022 with a global technology and digital business, with revenues over the initial life of the contract anticipated to be in excess of US$400m. This contract has significantly increased the estimated earnout liability, which management has subsequently agreed to cap at US$300m. There is little judgement in relation to the future revenue in relation to this contract given this is a contractual amount; however there is significant judgement in relation to the future costs associated with the delivery of the contract and the resultant profitability and margin. If incorrect assumptions are used, this could result in a material adjustment to the value of the Mach49 earn out liability within future financial years.	The Committee considered the acquisition related liabilities recognised at the half-year and year-end split by brand and how they had changed over the last 6 or 12 months, and the key assumptions made together with related sensitivity analysis. At the year end, the External Auditor's testing and validation of key assumptions 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, charge for one-off employee incentive schemes, employment-related acquisition costs, property related impairment, and restructuring costs. Whilst APMs are still referred to in the Financial Review within the front of the Annual Report and Accounts to explain the Group's results in line with how the Board reviewed underlying trading performance, the detailed financial APMs are disclosed within the glossary of the Annual Report and Accounts. Within there each is explained and reconciled to statutory numbers.	For both the full and half-year results the Committee considered the adjusting items, including explanations of why they were either not related to the underlying 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 glossary to the Annual Report and Accounts 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 and Accounts.
Revenue recognition	Revenue comprises commission and fees earned and is recognised when a performance obligation is satisfied, in accordance with the terms of the contractual agreement. Typically, performance obligations are satisfied over time as services are rendered. Revenue recognised over time is based on the proportion of the level of service performed. An element of estimation and judgement is involved in relation to year end cut off and open percentage of completion revenue projects at year-end with the brands needing to estimate how complete the project work is and therefore how much revenue to recognise at the year-end.	During the year at the request of the Committee, Internal Audit together with Group management, jointly initiated a project to document the end-to-end revenue lifecycle management, identifying key risks and controls together with accompanying process mapping using the Archetype brand as a proof of concept. This facilitated the classification of types of revenue and contracts into standard categories allowing an independent IFRS 15 technical specialist to test a sample of contracts across the categories and validate that the accounting treatment was appropriate with the findings shared with the Committee. Deloitte were able to use the updated revenue definitions in the current year as part of their design of year end audit procedures, to pinpoint their significant risk to cut-off of open percentage of completion revenue projects spanning the year-end. Based on detailed reports and discussions with management and the external auditor, including the findings of their year end audit procedures, the Committee was satisfied that the recognition of revenue under IFRS 15 was appropriate.

WE CONTINUE TO APPLY THE REMUNERATION FRAMEWORK TO MAKE SURE THERE IS A STRONG LINK BETWEEN REMUNERATION OUTCOMES AND OUR BUSINESS STRATEGY.

Helen Hunter
Chair of the Remuneration Committee

On behalf of the Board, I am pleased to present the Directors’ remuneration report for the year ended 31 January 2023. The report explains the work of the Remuneration Committee (the ‘Committee’) during the year, the basis for the remuneration paid to Directors for FY23, and how we intend to apply our remuneration framework for FY24.

Against a challenging market backdrop, the Group has delivered a strong performance for the year. The Group’s adjusted operating profit increased by 44% to £114.2m as a result of organic growth of 20.7% and the acquisition of Engine. The Group’s adjusted diluted earnings per share increased by 35% to 80.4p. These results are due to the passion and client and customer focus of Next 15 people across our brands. It is the strong leadership of our excellent Executive Team which fosters this culture.

The Committee is satisfied that our current remuneration framework is appropriate and supports the Group’s strategy in both the short and long term. We continue to apply the framework robustly, with variable remuneration tied to the achievement of stretching performance goals, and to make sure there is a strong link between remuneration outcomes and our business strategy. I am therefore pleased to share that we are incorporating an ESG target into the Executive Directors’ bonus targets, for the first time, for FY24.

Performance and pay outcomes for FY23
As set out in last year’s Directors Remuneration Report, the bonus opportunity for Executive Directors was increased to 100% of salary. For the FY23 Bonus, the operating profit and operating profit margin targets were all achieved. The cash conversion ratio was just below the threshold and the organic growth delivered of 20.7% is slightly below the top of the target range of 21%. Therefore 78.5% of the maximum bonus opportunity was achieved.

In respect of share awards under the Group’s Long-Term Incentive Plan (‘LTIP’), the FY21 award (granted in July 2020), is the first full award vesting under the new three-year performance share awards. Strong performance means that the performance conditions have been met in full. The Committee noted the expectation from some investors for Remuneration Committees to consider whether a post-vesting scale-back should be made to take account of the impact of Covid-19 on the Company’s share price at the time the grant was made, and in the period since, and whether this may have given rise to an inappropriate ‘windfall gain’. In carrying out its assessment, the Committee reviewed the share price at grant of £3.79, noting the share price had recovered significantly from the Covid-19-related low of £2.46 (from March 2020) when the grant was made on 30 July 2020. Whilst the share price performance since grant has been exceptional, the Committee considers that this is due to the excellent Company performance rather than being due to a Covid-19 ‘bounce back’, as demonstrated by the record highs in the share price which are well in excess of pre-pandemic levels. The Committee is satisfied there are no windfall gains for the FY21 award vesting.

We have several cycles of legacy LTIP awards still in place, with the final 20% of the FY19 award vesting and being released in April 2023, along with the release of a further 20% that vested based on the performance in FY22. The fourth tranche of the FY20 award (20%) will vest based on FY23 performance, but is not released until April 2024.

Performance and pay outcomes for FY23 continued
These tranches of the FY19 and FY20 awards under the legacy LTIP, measured performance metrics against EPS (70%), revenue growth (15%) and operating profit margin (15%) for each award. Performance under all the metrics was very strong over the relevant periods, and therefore the awards under all these tranches have vested 99.1%.

Full details of performance against targets for both the bonus and LTIP is set out on page 99.

Looking forward – how we intend to operate our remuneration framework in FY24 and beyond
We have reviewed the remuneration framework against our current strategy and the most recent guidance from investor representative bodies and are satisfied that the current structure of remuneration remains appropriate for FY24.

We are a Company strongly driven by purpose and values and are starting to incorporate appropriate ESG measures into our business strategy. The Group has now defined and set out its ESG Policy and key targets which can be found in this Annual Report on pages 33 to 55. During the year, we undertook a review of remuneration strategy with a particular focus on ESG matters.

Last year, salary increases for the CEO and CFO were 3% which was slightly below the average workforce increase but overall remuneration packages were above or equal to benchmark for the Executive Directors. This year, the CEO, CFO and COO have agreed there will be no increase in their base salary to allow the Company to provide larger increases for lower paid workers in light of current cost of living issues.

For the year commencing 1 February 2023, we are incorporating an ESG metric and target into the Executive Directors' bonus targets and intend to review the appropriateness of incorporating ESG metrics into LTIPs during the year for possible implementation for the 2024 LTIP.

The annual bonus opportunity will be 100% of salary, payable in cash. Our annual bonus plan will remain based on a mix of operating profit, cash conversion ratio, organic revenue growth and operating profit margin, but with an additional metric of Employee Net Promoter Score. This reflects the move to include ESG targets into incentives and the fact that the Group is a people-based business. Stretching targets have been set which will be disclosed retrospectively in next year's report. Our FY24 LTIP awards will be based on the same mix of EPS, organic revenue growth and operating profit margin. This suite of measures mirrors our financial KPIs and provides a rounded assessment of our performance over FY24 for the bonus and longer term to the period to FY26 for the LTIP. LTIP award levels for the Executive Directors will be 150% of their base salary, and the Committee has set stretching targets for each performance metric which are detailed on page 104.

Broader employee pay and review of arrangements
When looking at salary increases this year, the Company redistributed the pot available to ensure those employees on less than £50,000 received a larger percentage increase to give some assistance to the cost of living issues.

During FY23 we continued with our guidance across the Group to be equitable with pay and benefits to ensure every employee is paid the living wage, benefits such as healthcare and pension were 'equitable or optional' and there was more rigour applied to increases in salary and bonus calculations. Our policy throughout the Group has been to operate devolved bonus and equity incentive arrangements linked to growth of the business units and we believe that this approach continues to serve us well. However, we have provided more practical guidance around brand average salary increases, internal salary benchmarking and metrics for STIP plans to drive growth and the right short-term behaviours in addition to the driving towards greater pay transparency and equity.

Board appointments and Committee members
As disclosed in last year's report, Jonathan Peachey, Chief Operating Officer was appointed to the Board on 6 April 2022. Jonathan's remuneration was set in line with the policy for the other Executive Directors.

In addition, Dianna Jones and Paul Butler joined the Board as Non-Executive Directors in April 2022 and June 2022 respectively. Again, their annual fees are in line with the other Non-Executive Directors.

I chair the Committee and the other two Committee members are Penny Ladkin-Brand and Dianna Jones. The Committee therefore comprises only independent Non-Executive Directors. Dianna joined the Committee and Robyn Perriss stepped down from the Committee on 23 June 2022.

Directors' remuneration report continued

Closing remarks

I would like to thank our executive management for their continued vision and leadership as we build a flourishing growth consultancy.

I hope this report is clear and demonstrates the robust application of our remuneration framework. 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 2023 AGM.

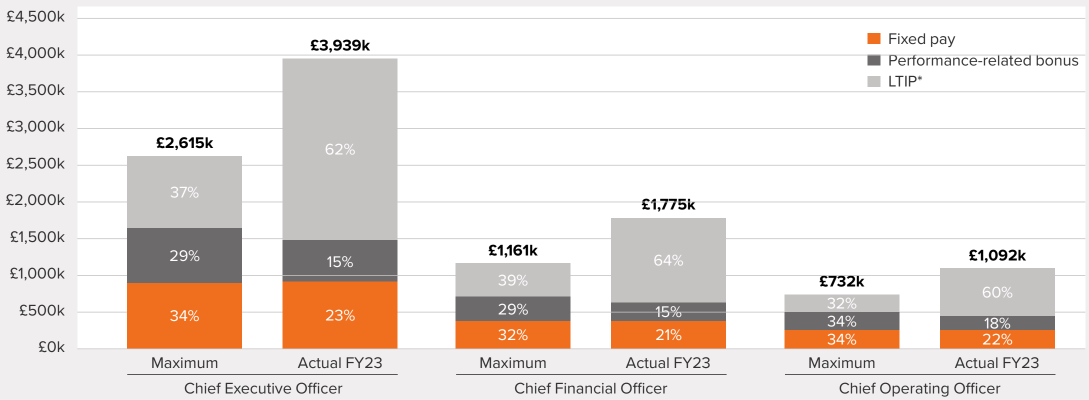
We value your views and look forward to continued dialogue with you, and your support at the forthcoming AGM.

Helen Hunter
Chair of the Remuneration Committee
24 April 2023

At a glance
How we performed in FY23
FY23 performance-related bonus

Adjusted performance measure	Target range	Performance	Weighting	Outcome
Operating profit after lease liability interest	£95m–£102m	£114.2m	30%	30%
Organic revenue growth	16%–21%	20.7%	30%	28.5%
Cash conversion ratio	80%–90%	79.7%	20%	0%
Operating profit margin	18%–20%	20.2%	20%	20%
Total			**100%**	**78.5%**

Maximum vs actual pay for FY23



* Maximum LTIP value is based on share price at grant date. Actual LTIP value is based on average Q4 FY23 share price.

LTIP tranches vesting in relation to FY23 performance

Tranche five of the FY19 LTIP award and tranche four of the FY20 LTIP award are eligible to vest in FY24 based on performance in FY23. The full FY21 LTIP award is eligible to vest in FY24, based on performance over the three-year performance period ending FY23.

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

FY19 and FY20 LTIP Awards

Adjusted performance measure	Weighting	Target range	Performance	FY19 tranche 5 vesting	FY20 tranche 4 vesting
Earnings per share	70%	5%–15%	34.7%	70%	70%
KPIs					
Organic revenue growth	15%	16%–21%	20.7%	14.1%	14.1%
Operating profit margin	15%	18%–20%	20.2%	15%	15%
Total	**100%**			**99.1%**	**99.1%**

FY21 LTIP Award

Adjusted performance measure	Weighting	Target range	Performance	Vesting
Earnings per share (absolute growth)	70%	10%–20%	131%	70%
KPIs				
Organic revenue growth (average growth)	15%	0%–5%	14.5%	15%
Operating profit margin (average growth)	15%	16%–18%	20.2%	15%
Total	**100%**			**100%**

Directors' remuneration report continued

How we will apply our remuneration framework for FY24

Element	Time horizon FY24	FY25	FY26	Application of remuneration framework for FY24
Salary	■			Tim Dyson, Chief Executive: US$933,392 (0% increase since FY23). Peter Harris, Chief Financial Officer: £339,900 (0% increase since FY23). Jonathan Peachey, Chief Operating Officer: £300,000 (0% increase since FY23). Average increases across the workforce for FY24 are 4.5%.
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 100% of salary, payable in cash. Performance metrics for FY24 of operating profit, organic revenue growth, cash conversion ratio, operating profit margin and Employee Net Promoter Score.
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 organic net revenue growth and 16.7% on adjusted operating profit 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.

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 is a coherent cascade of 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
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 and Chief Operating Officer are 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

Directors' remuneration report continued

Executive Director remuneration framework continued

Element of remuneration	Key features	Purpose and link to strategy	Maximum opportunity	Performance measures	Malus and clawback
Pension	Directors are entitled to receive employer contributions to a 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 401(k) 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 100% 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 as 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.

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 three-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 may be added to the vested share awards in cash or shares.	Rewards long-term 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 as investor experience and the employee reward outcome.	Same clawback and malus provisions as for the performance-related bonus.

Directors' remuneration report continued

Executive Director remuneration framework continued

Element of remuneration	Key features	Purpose and link to strategy	Maximum opportunity	Performance measures	Malus and clawback
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
Jonathan Peachey	16 April 2019	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 vesting period employed.

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
Dianna Jones	25 March 2022	3 months
Paul Butler	23 June 2022	3 months

Directors' remuneration report continued

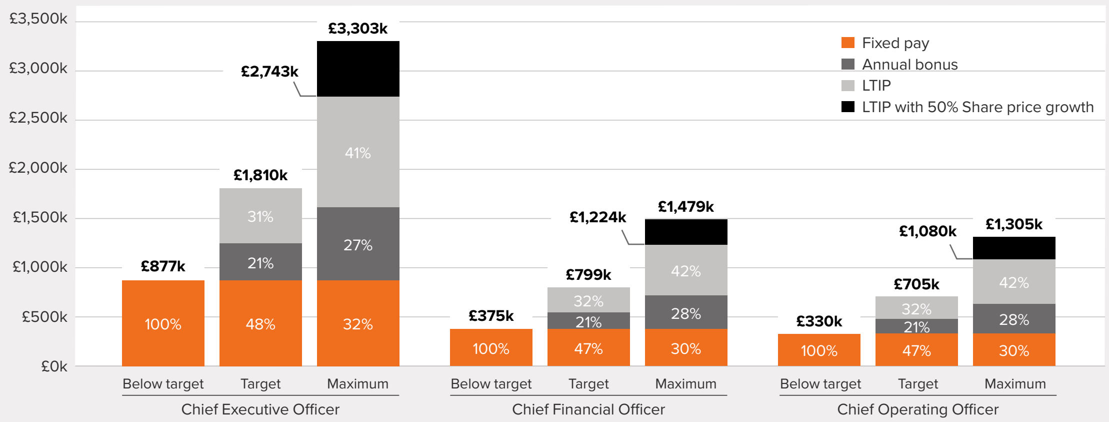
Illustrative performance scenarios

The charts to the right illustrate, under three different performance scenarios, the total value of the remuneration package receivable by the Executive Directors for FY24. The assumptions used have been set out below.

Minimum: Comprises fixed pay only using the salary for FY24, the value of benefits in FY23 and a 10% company pension contribution. Tim Dyson also receives a pension benefit under a US 401(k) plan.

On-Target: A bonus of 50% 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 (100% of salary) and the FY24 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, Penny Ladkin-Brand and Dianna Jones. The Company's Executive Directors 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 their 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 £32,352 (FY22: £26,985). 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 four meetings during the year and details of attendance can be found in the corporate governance statement on page 76.

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;
- reviewing and setting appropriate stretching performance targets for the FY24 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.

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;
- reviewing the current use of long-term incentive schemes and the impact on dilution and headroom and the possibility of introducing an all-employee share plan; and
- review of remuneration structures for staff below Executive Director level.

Directors' remuneration report continued

Directors' remuneration for the 12-month period to 31 January 2023

	Salary and fees 2023 £'000	Performance-related bonus 2023 £'000	LTIP awards £'000[1]	Pension contributions 2023 £'000	Other benefits 2023 £'000	**Total 2023 £'000**	Total fixed pay 2023 £'000	Total variable pay 2023 £'000	Total 2022 £'000[2]
Executive Directors									
Tim Dyson	758	598	2,453	85	45	**3,939**	888	3,051	1,747
Peter Harris	338	267	1,135	34	1	**1,775**	373	1,402	838
Jonathan Peachey[3]	247	194	651	—	—	**1,092**	247	845	—
Non-Executive Directors									
Penny Ladkin-Brand	150	—	—	—	—	**150**	150	—	150
Helen Hunter	60	—	—	—	—	**60**	60	—	58
Robyn Perriss	60	—	—	—	—	**60**	60	—	58
Dianna Jones[3]	55	—	—	—	—	**55**	55	—	—
Paul Butler[4]	41	—	—	—	—	**41**	41	—	—

1 The LTIP totals are the aggregate of tranches 5 and 4 of the FY19 and FY20 LTIP awards respectively, plus the FY21 LTIP award (which covered a single three-year period) which all vest in relation to performance periods ending FY23. All three of these awards have been valued using a share price of 1,029p, being the average share price over the last quarter of the financial year.

2 These figures have been restated to reflect the actual value of the LTIPs on vesting in relation to FY22 using a share price of 1,090p.

3 Dianna Jones and Jonathan Peachey joined the Board on 6 April 2022. Remuneration is shown for the period of year following appointment. For Jonathan Peachey, the LTIP value is however the full value of the award vesting which was granted to him in his role before he was appointed to the Board.

4 Paul Butler joined the Board on 23 June 2022. Remuneration is shown for the period of year following appointment.

Performance-related bonus

The annual bonus opportunity for FY23 was 100% of salary for all Executive Directors. Jonathan Peachey joined the Board on 6 April 2022 and his bonus opportunity is pro-rated for the period of the year from appointment. Performance was based on four weighted performance metrics. The formulaic outcome based on performance against targets resulted in a bonus pay-out of 78.5% of maximum as set out in the table below.

Performance metric	Weighting (% of max)	Target range	Actual performance	Pay-out for element (% of element)
Adjusted operating profit after lease liability interest	30%	£95m–£102m	£114.2m	30%
Cash conversion ratio	20%	80%–90%	79.7%	0%
Organic revenue growth	30%	16%–21%	20.7%	28.5%
Operating profit margin	20%	18%–20%	20.2%	20%
Total bonus (% of max)				**78.5%**

Performance-related bonus continued

The bonuses for the year ended 31 January 2023 were £597,547 (US$732,712) for Tim Dyson, £266,821 for Peter Harris and £193,533 for Jonathan Peachey payable entirely in cash.

Long-Term Incentive Plan

Awards vesting by reference to performance periods ending 31 January 2023

The historic awards granted to the Executive Directors which vested by reference to performance periods ending on 31 January 2023 are summarised below:

FY19 LTIP grant (granted 10 April 2018)

Executive Director	Number of performance shares in tranche 5	Percentage of award vesting	Number of shares vesting from tranche 5	Gain on vesting £'000
Tim Dyson	26,821	99.1%	26,580	273
Peter Harris	13,578	99.1%	13,456	138

Performance shares under tranche 5 of the FY19 award will vest and be released in April 2023 together with the shares that vested under tranche 4. Together this is a total of 53,401 shares for Tim Dyson and 27,033 shares for Peter Harris.

FY20 LTIP grant (granted 28 April 2019)

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	25,644	99.1%	25,413	261
Peter Harris	11,769	99.1%	11,663	120

Performance shares which vest in tranche 4 of the FY20 award will be released in April 2024.

FY21 LTIP grant (granted 30 July 2020)

The FY21 LTIP grant was the first award under the new LTIP structure which comprised a three-year performance and vesting period.

Executive Director	Number of performance shares in award	Percentage of award vesting	Gain on vesting £'000
Tim Dyson	186,423	100%	1,918
Peter Harris	85,174	100%	876
Jonathan Peachey	63,274	100%	651

The performance shares under the FY21 LTIP award will vest in April 2023. As described within my introductory letter, the Remuneration Committee has reviewed the share price at which this award was granted (379p) relative to the performance of the Company immediately before and since, in the light of Covid-19-related factors.

Value of gain on vesting has been calculated using a share price of 1,029p, being the average share price over the last quarter of the period.

Awards granted during FY23

The FY23 awards were granted to Executive Directors on 1 June 2022. The awards cover a three-year period with performance measured over the period from 1 February 2022 to 31 January 2025. The performance criteria for the award is based two-thirds on adjusted EPS performance and 16.7% on organic net revenue growth and 16.7% on adjusted operating profit margin. Subject to performance against these conditions, the award will be released following the end of FY25.

Directors' remuneration report continued

Awards granted during FY23 continued

Executive Director	Tim Dyson	Peter Harris	Jonathan Peachey
Number of performance shares	94,365	46,367	40,924
Vesting criteria (for all Executive Directors)			
Up to 66.67% of maximum award	*Target*	*Proportion of award vesting*	
Absolute increase in adjusted diluted earnings per share over the three-year performance period at a constant tax rate	Less than 30%	0%	
	30%	16.67%	
	Between 30% and 60%	16.67%–66.67% (straight-line basis)	
	60% or more	66.67% total award	
Up to 33.33% of maximum award			
Average annual organic net revenue growth over the three-year performance period	Less than 8%	0%	
	8%	4.2%	
	Between 8% and 15%	4.2%–16.67% (straight-line basis)	
	15% or more	16.67%	
Average annual adjusted operating profit (after lease liability interest) margin	Less than 18%	0%	
	18%	4.2%	
	Between 18% and 20%	4.2%–16.67% (straight-line basis)	
	20% or more	16.67%	

Directors' interests in share plans for the year to 31 January 2023

As at 31 January 2023 the following Directors held performance share awards over Ordinary Shares of 2.5p each under the 2015 LTIP and 2016 Share Award Agreements, as detailed below:

Executive Director	Number of performance shares at 1 February 2022	Shares lapsing during the period	Shares released during the period	Shares granted during the period	**Number of performance shares at 31 January 2023**	Grant date	End of performance period	Total gain on release[5] £'000
Tim Dyson	32,519	—	32,519	—	**—**	02.05.2017	31.01.2022[1]	354
	53,615	—	—	—	**53,615**	10.04.2018	31.01.2023[2]	—
	103,319	—	52,032	—	**51,287**	26.04.2019	31.01.2024[3]	567
	186,423	—	—	—	**186,423**	30.07.2020	31.01.2023[4]	—
	81,557	—	—	—	**81,557**	06.05.2021	31.01.2024	—
	37,688	—	—	—	**37,688**	28.06.2021	31.01.2024	—
	—	—	—	94,365	**94,365**	01.06.2022	31.01.2025	—
Total					**504,935**			
Peter Harris	15,073	—	15,073	—	**—**	02.05.2017	31.01.2022[1]	164
	27,141	—	—	—	**27,141**	10.04.2018	31.01.2023[2]	—
	47,419	—	23,880	—	**23,539**	26.04.2019	31.01.2024[3]	260
	85,174	—	—	—	**85,174**	30.07.2020	31.01.2023[4]	—
	41,065	—	—	—	**41,065**	06.05.2021	31.01.2024	—
	19,097	—	—	—	**19,097**	28.06.2021	31.01.2024	—
	—	—	—	46,367	**46,367**	01.06.2022	31.01.2025	—
Total					**242,383**			
Jonathan Peachey	29,567	—	29,567	—	**—**	26.04.2019	31.01.2022	322
	63,274	—	—	—	**63,274**	30.07.2020	31.01.2023	—
	47,399	—	—	—	**47,399**	06.05.2021	31.01.2024	—
	—	—	—	40,924	**40,924**	01.06.2022	31.01.2025	—
Total					**151,597**			

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 vested by reference to performance periods ending 31 January 2021 but were not released until after 31 January 2022.

2 The first 60% of the total awarded performance shares were released to the Executive Directors in April 2021. The Executive Directors will become unconditionally legal and beneficially entitled 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). As set out in this report, tranche 5 of this award will vest at 99.1% on the vesting date.

3 The first 60% of the total awarded performance shares were released to the Executive Directors in June 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).

4 Executive Directors will become unconditionally legally and beneficially entitled to the total awarded performance shares on the date on which vesting is determined in relation to the three-year performance period ending 31 January 2023 (expected April 2023). As set out in this report, this award will vest in full on the vesting date.

5 These figures have been calculated using the share price on the date of release of 1,090p.

Directors' interests in the shares of Next 15 Group plc

The interests of the Directors in the share capital of the Company at 31 January 2022 and 31 January 2023 are as follows:

	Ordinary Shares		LTIP performance shares	
	31 January 2022	**31 January 2023**	1 February 2022	**31 January 2023**
Executive Directors				
Tim Dyson	5,000,000[2]	**4,742,275**[2]	495,121	**504,935**
Peter Harris	386,128[2]	**405,604**[2]	234,969	**242,383**
Jonathan Peachey	—[1]	**14,783**[2]	140,240	**151,597**
Non-Executive Directors				
Penny Ladkin-Brand	85,118	**85,118**	—	**—**
Helen Hunter	—	**—**	—	**—**
Robyn Perriss	—	**—**	—	**—**
Dianna Jones	—	**—**	—	**—**
Paul Butler	—	**—**	—	**—**

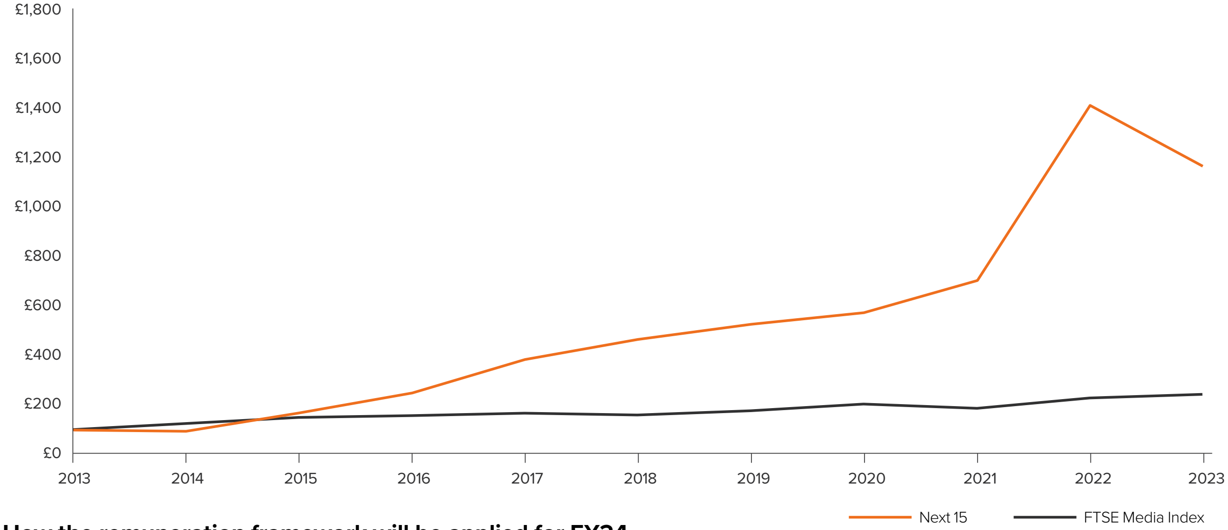
1 Jonathan Peachey shareholding shown as at date of appointment on 6 April 2022.

2 Includes Ordinary Shares legally and beneficially owned and performance shares which have vested in relation to prior periods but not yet been released.

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 2023 of £100 invested in the Company on 31 January 2013 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 FY24

Salary

The CEO, CFO and COO will not receive a salary increase for FY24 as explained earlier in this report.

Executive Director	Salary with effect from 1 April 2022	**Salary with effect from 1 April 2023**	Increase
Tim Dyson	US$933,392	**US$933,392**	0%
Peter Harris	£339,900	**£339,900**	0%
Jonathan Peachey	£300,000	**£300,000**	0%

Directors' remuneration report continued

How the remuneration framework will be applied for FY24 continued

Non-Executive Director fees

Following the review of NED remuneration fees against market benchmarks and taking into account the time commitment and scope of the NED roles the Non-Executive Chair fee and Non-Executive Director base fee will be increased by 5%.

Fee	Fee with effect from 1 April 2022	**Fee with effect from 1 April 2023**	Increase
Non-Executive Chair fee	£150,000	**£157,500**	5%
Non-Executive Director base fee	£53,000	**£55,650**	5%
Audit Committee Chair fee	£7,000	**£7,000**	—
Remuneration Committee Chair fee	£7,000	**£7,000**	—
Senior Independent Director fee	£7,000	**£7,000**	—

Pension and benefits

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

Benefits will operate in line with FY23, and policy.

Annual bonus

The annual bonus opportunity will be 100% of salary, payable in cash. Performance will be measured against adjusted operating profit (25% of total), cash conversion ratio (20% of total), organic revenue growth (25% of total), adjusted operating profit margin (20% of total) and Employer Net Promoter Score (10%). 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 2026. 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)
EPS growth over the performance period	100%	20%	40%
Average annual organic net revenue growth	25%	5%	12%
Average annual operating profit margin	25%	18%	21%

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

Statutory and other information

The Directors present their Annual Report together with the audited financial statements of Next 15 Group plc (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 January 2023.

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, and are incorporated by reference to the links below:

- Key Performance Indicators p20
- Stakeholder engagement p28
- Section 172 statement p30
- Employees and workers p41
- Equity, Diversity and Inclusion p41
- Employee engagement p43
- Principal risks and uncertainties p56
- Directors' interests in shares p102

Principal activity	The principal activity of the Group during the year was that of a growth consultancy with specialist services spanning market research and data analytics to advertising, lead generation, shopper marketing, management consultancy and venture building.
Legal form	The Company is a public limited company listed on the AIM sub-market of the London Stock Exchange.
Group results and dividends	The Group's results for the period are set out in the Consolidated Income Statement on page 121. The Directors recommend a final dividend of 10.1p per Ordinary Share to be paid on 11 August 2023, which gives a total dividend of the period of 14.6p per Ordinary Share (2022: 12.0p).
Directors	Details of Directors who served during the year and biographies for Directors currently in office can be found on pages 68 to 69. 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 86 to 104. 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.
Reappointment	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. Information regarding the appointment of our Directors is included in our corporate governance report on pages 70 to 78.
Corporate governance statement	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.
Share capital	At 31 March 2023 the issued share capital of the Company was £2,462,598.25 divided into 98,503,930 Ordinary Shares of 2.5p each. Details of our share capital and movements in our issued share capital are shown in note 20 to the financial statements on page 172.

Report of the Directors continued

Directors' indemnity and insurance	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.
Acquisitions	The following is a summary of Group acquisitions made in the year to 31 January 2023, more detailed disclosure of which can be found in note 26 to the financial statements. On 8 March 2022, Next 15 purchased the entire share capital of Engine Acquisition Limited and its subsidiaries. On 31 March 2022, Brandwidth Marketing Limited purchased the entire share capital of Cubaka Limited. On 31 May 2022, Activate Marketing Services LLC purchased the entire outstanding membership interests of Green Leads Holdings LLC.
Cyber security and data privacy	During the course of the year, we have made significant improvements to our information and cyber security posture, including establishing an Information Governance Board which has oversight of the cyber security and data privacy policies, programmes and operations throughout the Group. We have also appointed an in-house Data Protection Officer to have oversight of data privacy across the Group. We continue to ensure we have up-to-date polices, procedures and controls in place with regard to network security, access controls and data protection.
Likely future developments in the business of the Company	The Group's priorities for 2023/24 are disclosed in the Strategic Report on pages 1 to 67.

Research and Development ('R&D')	Our brands continue to invest in R&D to convert their intellectual property into products and to automate their work for clients. Innovations in development include: a high performance customer data platform, a highly automated market research platform and automated due diligence tools.
Health and safety	Health and safety policy is a matter for the Board, and they are aware of their responsibilities and are committed to keeping health and safety policy under review, a full evaluation is planned for the coming year. The implementation of the Group policy on health and safety sits with the Chief Financial Officer. The Group is dedicated to observing health and safety laws and government guidance in every country we operate in, and we prioritise the welfare of employees, visitors, customers and any other individual or group affected by our activities. Whilst we benefit from being a low-risk industry, in line with our values, the health and safety of our people is our primary concern.
Modern slavery statement	The Group does not tolerate modern slavery or human trafficking in our organisation or in our supply chain. We are committed across the Group to eliminate, as far as possible, the risk of modern slavery and human trafficking taking place. The Group's full policy on modern slavery can be found at www.next15.com.
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 (2022: £Nil).
Charitable donations	During the year ended 31 January 2023, the Group donated £223,428 to various charities (2022: £113,056).
Acquisition of shares	Acquisitions of shares by the Next Fifteen Employee Trust purchased during the period are as described in note 23 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 1 to 67.

External Auditor

Deloitte LLP has indicated its willingness to continue to act as External Auditor to the Company and a resolution for its reappointment, and to authorise the Board to fix their remuneration, will be proposed at the forthcoming AGM.

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

The Annual General Meeting (the 'AGM') of Next 15 Group plc (the 'Company') will be held at 60 Great Portland Street, London W1W 6RT, on Thursday 6 July 2023 at 11.00a.m. We recommend that shareholders 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. Shareholders can ask the Company Secretary questions using cosec@next15.com.

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.

Significant shareholdings

As at 31 March 2023 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.

	2023	
	Total	%
Octopus Investments	**11,712,573**	**11.89**
Liontrust Asset Management	**11,109,518**	**11.28**
Aviva Investors	**8,694,107**	**8.83**
Slater Investments	**6,592,123**	**6.69**
abrdn	**5,725,102**	**5.81**
BlackRock	**5,386,803**	**5.47**
Tim Dyson	**4,742,275**	**4.81**

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 67. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 22 to 27. 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 108.

Approved by the Board on 24 April 2023 and signed on its behalf by:

Mark Sanford

Mark Sanford
Company Secretary
24 April 2023

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 24 April 2023 and is signed on its behalf by:

Peter Harris
Chief Financial Officer
24 April 2023