

# **FILE COPY**

# CERTIFICATE OF INCORPORATION OF A PUBLIC LIMITED COMPANY

Company No. 7303316

The Registrar of Companies for England and Wales, hereby certifies that

# **DE FACTO 9999 PLC**

[First appeared on the Companies House records as NBNK INVESTMENTS PLC on Aug. 23, 2010 on an SH02 notice of consolidation, sub-division of shares or re-conversion of stock into shares.]

is this day incorporated under the Companies Act 2006 as a public company, that the company is limited by shares, and the situation of its registered office is in England/Wales

Given at Companies House on 2nd July 2010







Please read our updated <u>User</u> and <u>Public Records</u> privacy policies

# opencorporates

The Open Database Of The Corporate World

Company name or number

Search

- CompaniesOfficers
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# NBNK INVESTMENTS PLC

Company Number

07303316

Status

Dissolved

**Incorporation Date** 

2 July 2010 (almost 8 years ago)

**Dissolution Date** 

5 April 2018

Company Type

**Public Limited Company** 

Jurisdiction

**United Kingdom** 

Registered Address

- 55 Baker Street
- London
- W1U 7EU
- United Kingdom

# **Industry Codes**

- 82.99: Other business support service activities n.e.c. (UK SIC Classification 2007)
- 82.99: Other business support service activities n.e.c. (European Community NACE Rev 2)
- 8299: Other business support service activities n.e.c. (UN ISIC Rev 4)

Latest Accounts Date

2015-12-31

Annual Return Last Made Up Date

2015-07-02

**Previous Names** 

DE FACTO 9999 PLC

#### **Inactive Directors / Officers**

- CHARLES JOHN MCCREEVY, director, 16 Jul 2010- 7 Oct 2010
- DANIEL JOSEPH BRENNAN, director, 16 Jul 2010-12 May 2017

- DAVID ALAN WALKER, director, 16 Jul 2010-10 Aug 2012
- GARY ANDREW HOFFMAN, director, 1 May 2011-11 Jan 2013
- GAVIN DOUGLAS KELLY, director, 2 Jul 2010-16 Jul 2010
- JOHN BROWN AITKEN, director, 2 Jul 2010-16 Jul 2010
- JOHN FRANCIS MCFALL, director, 16 Jul 2010-17 Jul 2012
- LAW DEBENTURE CORPORATE SERVICES LIMITED, secretary, 16 Jul 2010-
- MATTHEW STOATE, secretary, 2 Jul 2010-16 Jul 2010
- MICHAEL BRUCE FORSYTH, director, 30 Jul 2010-11 Jan 2013
- PETER KEITH LEVENE, director, 16 Jul 2010-11 Jan 2013
- STEPHEN LLOYD JOHNSON, director, 21 Nov 2014-12 May 2017
- WILBUR LOUIS ROSS JR, director, 11 Jan 2013-21 Nov 2014

#### See less

# Registry Page

https://beta.companieshouse.gov.uk/co...

**Source** UK Companies House, <a href="http://xmlgw.companieshouse.gov.uk/">http://xmlgw.companieshouse.gov.uk/</a>, 6 Apr 2018 (UK Crown Copyright)

Add data (website, address, etc)

update from registry

### **UK Gazette Notices**

#### **UK Gazette Notice**

Company Number: 07303316 Name of Company: NBNK INVESTMENTS PLC Previous Name of Company: De Facto 9999 PLC (2/8/2010) Nature of Business: Ban..., London Gazette, 23 June 2016

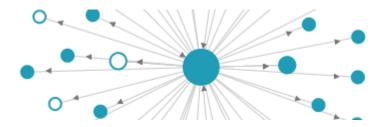
## **UK Gazette Notice**

NBNK INVESTMENTS PLC (Company Number 07303316) Previous Name of Company: De Facto 9999 PLC (2/8/2010) Registered office: 55 Baker Street, Lon..., London Gazette, 23 June 2016

#### **UK Gazette Notice**

NBNK INVESTMENTS PLC (Company Number 07303316) Previous Name of Company: De Facto 9999 PLC (2/8/2010) Registered office: 55 Baker Street, Lon..., London Gazette, 23 June 2016

# **Explore company network**



# **Company network**

Not yet available for this company. Click to find out more

# **Corporate Grouping User Contributed**

None known. <u>Add one now?</u> <u>See all corporate groupings</u>

# Filings alpha

Filing Date	Title	Description	
04-05	Second notification of strike-off action in London Gazette (Section 1000)	Final Gazette dissolved following liquidation	<u>details</u>
	Notice of progress report in voluntary winding up	Liquidators' statement of receipts and payments to 2017-12-19	details
	Notice of final account prior to dissolution in MVL	Return of final meeting in a members' voluntary winding up	<u>details</u>
	<u>Notice of progress report in</u> <u>voluntary winding up</u>	Liquidators' statement of receipts and payments to 2017-06-20	<u>details</u>
	<u>Termination of appointment of director</u>	Termination of appointment of Daniel Joseph Brennan as a director on 2017-05-12	<u>details</u>
	<u>Termination of appointment of director</u>	Termination of appointment of Stephen Lloyd Johnson as a director on 2017-05-12	<u>details</u>
07-06	Change of registered office address	Registered office address changed from Fifth Floor 100 Wood Street London EC2V 7EX to 55 Baker Street London W1U 7EU on 2016-07-06	<u>details</u>
2016- 07-01	Filing dated 1 July 2016	Resolutions	<u>details</u>
	Notice of appointment of liquidator voluntary winding up (members or creditors)	Appointment of a voluntary liquidator	<u>details</u>
2016- 07-01	Filing dated 1 July 2016	Declaration of solvency	<u>details</u>
2016- 06-28	Annual Accounts	Full accounts made up to 2015-12-31	<u>details</u>
2016- 06-11	Filing dated 11 June 2016	Satisfaction of charge 1 in full	<u>details</u>
2016- 06-11	Filing dated 11 June 2016	Satisfaction of charge 2 in full	<u>details</u>
2016- 02-22	Change of location of the company records to the single alternative inspection location (SAIL)	Register(s) moved to registered inspection location Northern House Woodsome Park Fenay Bridge Huddersfield West Yorkshire HD8 0GA	<u>details</u>
07-07	Annual Return	Annual return made up to 2015-07-02 no member list	<u>details</u>
2015- 06-18	Filing dated 18 June 2015	Resolutions	<u>details</u>

Filing Date	Title	Description	
2015- 06-17 <u>Annual A</u>	Accounts	Full accounts made up to 2014-12-31	<u>details</u>
2014- 12-02 <u>Appointr</u>	ment of director	Appointment of Mr Stephen Lloyd Johnson as a director on 2014-11-21	<u>details</u>
2014- <u>Terminat</u> 11-24 <u>director</u>	tion of appointment of	Termination of appointment of Wilbur Louis Ross Jr as a director on 2014-11-21	<u>details</u>
2014- 11-13 Filing da	ted 13 November 2014	Resolutions	<u>details</u>
See all (68 reco	<u>ords)</u>		

# Gazette notices alpha

Date	<b>Publication</b>	Notice	Classification	
	The Gazette (United Kingdom)	NBNK INVESTMENTS PLC (Company Number 07303316) Previous Name of Company: De F	["Company credit event"]	<u>details</u>
2016- 06-23	The Gazette (United Kingdom)	NBNK INVESTMENTS PLC (Company Number 07303316) Previous Name of Company: De F	["Company credit event"]	<u>details</u>
2016- 06-23	The Gazette (United Kingdom)	Company Number: 07303316 Name of Company: NBNK INVESTMENTS PLC Previous Name	["Company credit event"]	<u>details</u>

# Industry codes alpha

**Code**82.99 Other business support service activities n.e.c. UK SIC Classification 2007 details

# Problem/question about this data? Click here

# Open Data

Get this info as json, xml, rdf

# **About us**

- About
- Principles
- Blog
- Team
- Advisory board

<sup>\*</sup> While we strive to keep this information correct and up-to-date, it is not the primary source, and the company registry (<u>see source</u>, above) should always be referred to for definitive information Data on this page last changed April 12 2018

- <u>User/Cookie privacy policy</u>
- Jobs

# Using our data

- Using our data
- What makes our data special
- Working for the public good
- Legal/Licence
- Public records privacy policy
- Contributing

# Help

- API Reference
- Glossary
- Status

# **Contact**

- Twitter
- Medium
- Newsletter
- Problems with our data?
- Temporary redaction

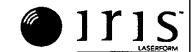
# **Impact**

- Impact
- Corporate network visualisations
- Research

In accordance with Section 9 of the Companies Act 2006

# **IN01**





2 JUL 2010

A fee is payable with this form. Please see 'How to pay' on the last page

£50 FEE PAID COMPANIES HOUSE

What this form is for You may use this form to register a private or public company

What this form is NOT for You cannot use this form to reg a limited liability partnership To this, please use form LL IN01



02/07/2010 **COMPANIES HOUSE** 

CASH 126 R78

Part 1	Company	details

		Filling in this form     Please complete in typescript or in bold black capitals  All fields are mandatory unless
A1	Company details	specified or indicated by *
<del></del>	Please show the proposed company name below	Duplicate names
Proposed company	DE FACTO 9999 PLC	Duplicate names are not permitted A list of registered names can be found on our website. There are various rules
name in full  For official use	7303316	that may affect your choice of name More information is available at www.companieshouse.gov.uk
A2	Company name restrictions ②	
	Please tick the box only if the proposed company name contains sensitive or restricted words or expressions that require you to seek comments of a government department or other specified body	Company name restrictions     A list of sensitive or restricted words or expressions that require consent can be found in guidance available.
	I confirm that the proposed company name contains sensitive or restricted words or expressions and that approval, where appropriate, has been sought of a government department or other specified body and I attach a copy of their response	on our website www.companieshouse.gov.uk
A3	Exemption from name ending with 'Limited' or 'Cyfyngedig'	
	Please tick the box if you wish to apply for exemption from the requirement to have the name ending with 'Limited', 'Cyfyngedig' or permitted alternative  I confirm that the above proposed company meets the conditions for exemption from the requirement to have a name ending with 'Limited', 'Cyfyngedig' or permitted alternative	Name ending exemption     Only private companies that are limited by guarantee and meet other specific requirements are eligible to apply for this     For more details, please go to our website     www.companieshouse.gov.uk
A4	Company type •	
	Please tick the box that describes the proposed company type and members' liability (only one box must be ticked)	Company type     If you are unsure of your company's type, please go to our website www companieshouse gov uk

#### Application to register a company A5 Situation of registered office O Registered office Please tick the appropriate box below that describes the situation of the Every company must have a proposed registered office (only one box must be ticked) registered office and this is the England and Wales address to which the Registrar will send correspondence Wales Scotland For England and Wales companies, the address must be in England or Northern Ireland Wales For Welsh, Scottish or Northern Ireland companies, the address must be in Wales, Scotland or Northern freland respectively **A6** Registered office address @ Registered office address Please give the registered office address of your company You must ensure that the address shown in this section is consistent. Building name/number with the situation indicated in Street CLIFFORD STREET section A5 You must provide an address in England or Wales for companies to be registered in England and Wales LONDON Post town You must provide an address in County/Region Wales, Scotland or Northern Ireland for companies to be registered in Postcode Wales, Scotland or Northern Ireland respectively **A7** For details of which company type Please choose one option only and tick one box only can adopt which model articles, Option 1 please go to our website I wish to adopt one of the following model articles in its entirety. Please tick www companieshouse gov uk only one box Private limited by shares Private limited by guarantee Public company Option 2 I wish to adopt the following model articles with additional and/or amended provisions I attach a copy of the additional and/or amended provision(s) Please tick only one box Private limited by shares Private limited by guarantee Public company Option 3 Х I wish to adopt entirely bespoke articles. I attach a copy of the bespoke articles to this application **A8** Restricted company articles Please tick the box below if the company's articles are restricted Restricted company articles Restricted company articles are those containing provision for entrenchment For more details, please go to our website www companieshouse gov uk

**IN01** 

Application to register a company

# Part 2 Proposed officers

For private companies the appointment of a secretary is optional, however, if you do decide to appoint a company secretary you must provide the relevant details. Public companies are required to appoint at least one secretary

Private companies must appoint at least one director who is an individual Public companies must appoint at least two directors, one of which must be an individual

For a secretary who is an individual, go to Section B1, For a corporate secretary, go to Section C1, For a director who is an individual, go to Section D1, For a corporate director, go to Section E1

Secretary		
B1	Secretary appointments •	
	Please use this section to list all the secretary appointments taken on formation For a corporate secretary, complete Sections C1-C5.	Corporate appointments     For corporate secretary     appointments, please complete
Title *	MR	section C1-C5 instead of section B
Full forename(s)	MATTHEW	Additional appointments
Surname	STOATE	If you wish to appoint more than one secretary, please use the 'Secretary appointments'
Former name(s) 2		continuation page
		Please provide any previous names which have been used for business purposes in the last 20 years Married women do not need to give former names unless previously used for business purposes
B2	Secretary's service address <b>⊙</b>	
Building name/numb	er 5	Service address This is the address that will appear
Street	CLIFFORD STREET	on the public record This does not have to be your usual residential address
Post town	LONDON	Please state 'The Company's Registered Office' if your service
County/Region		address will be recorded in the proposed company's register
Postcode	W 1 S 2 L G	of secretaries as the company's registered office
Country	ENGLAND	If you provide your residential address here it will appear on the public record
В3	Signature 4	<u> </u>
	I consent to act as secretary of the proposed company named in Section A1	Signature The person named above consents
Signature	Signature X	to act as secretary of the proposed company

Application to register a company

# Corporate secretary

C1	Corporate secretary appointments	<u></u>
	Please use this section to list all the corporate secretary appointments taken on formation	Additional appointments     if you wish to appoint more than one corporate secretary, please use the
Name of corporate body/firm		'Corporate secretary appointments' continuation page
Building name/numbe		Registered or principal address This is the address that will appear
Street		on the public record. This address must be a physical location for the delivery of documents. It cannot be a PO box number (unless contained
Post town		within a full address), DX number or LP (Legal Post in Scotland) number
County/Region		
Postcode		
Country		
C2	Location of the registry of the corporate body or firm	<u>'</u>
	Is the corporate secretary registered within the European Economic Area (EEA)?  → Yes Complete Section C3 only  → No Complete Section C4 only	
C3	EEA companies ②	-
	Please give details of the register where the company file is kept (including the relevant state) and the registration number in that register	EEA     A full list of countries of the EEA can be found in our guidance
Where the company/		www companieshouse gov uk
firm is registered 3		3 This is the register mentioned in Article 3 of the First Company Law
Registration number		Directive (68/151/EEC)
C4	Non-EEA companies	
	Please give details of the legal form of the corporate body or firm and the law by which it is governed. If applicable, please also give details of the register in which it is entered (including the state) and its registration number in that register.	Non-EEA     Where you have provided details of the register (including state) where the company or firm is registered,
Legal form of the corporate body or firm		you must also provide its number in that register
Governing law		
If applicable, where the company/firm is registered 4		
Registration number		
C5	Signature 6	
	I consent to act as secretary of the proposed company named in Section A1.	Signature The person parent above consents
Signature	Signature	The person named above consents to act as corporate secretary of the
	X	proposed company

Application to register a company

#### Director

Director			
D1	Director appointments •		
	Please use this section to list all the director appointments taken on formation For a corporate director, complete Sections E1-E5	0	Appointments Private companies must appoint at least one director who is an
Title *	MR		individual Public companies must appoint at least two directors, one of
Full forename(s)	GAVIN DOUGLAS		which must be an individual
Surname	KELLY	9	Former name(s) Please provide any previous names
Former name(s) 2			which have been used for business purposes in the last 20 years Married women do not need to give former names unless previously used
Country/State of residence 3	ENGLAND	Ø	for business purposes  Country/State of residence This is in respect of your usual
Nationality	BRITISH		residential address as stated in section D4
Date of birth	<sup>d</sup> 3 <sup>d</sup> 1 <sup>m</sup> 7 <sup>y</sup> 1 <sup>y</sup> 9 <sup>y</sup> 6 <sup>y</sup> 7	0	
Business occupation (if any) 4	CORPORATE FINANCE ADVISER		If you have a business occupation, please enter here. If you do not, please leave blank
			Additional appointments If you wish to appoint more than one director, please use the 'Director appointments' continuation page
D2	Director's service address   Please complete the service address below You must also fill in the director's usual residential address in Section D4.	6	Service address This is the address that will appear
Building name/number		-	on the public record. This does not have to be your usual residential.
Street	CLIFFORD STREET	-	address Please state 'The Company's
0.1.001		-	Registered Office' if your service address will be recorded in the
Post town	LONDON	-	proposed company's register of directors as the company's registered
County/Region		-	office
Postcode	W 1 S 2 L G		If you provide your residential address here it will appear on the
Country	ENGLAND	-	public record
D3	Signature 6		
	I consent to act as director of the proposed company named in Section A1	Ø	Signature
Signature	Signature X	-	The person named above consents to act as director of the proposed company

Application to register a company

D1	Director appointments	
	Please use this section to list all the director appointments taken on formation For a corporate director, complete Sections E1-E5	Appointments     Private companies must appoint     at least one director who is an
Title *	MR	individual Public companies must appoint at least two directors, one of
Full forename(s)	JOHN	which must be an individual
Surname	AITKEN	Former name(s)     Please provide any previous names
Former name(s) 2		which have been used for business purposes in the last 20 years Married women do not need to give former names unless previously used for business purposes
Country/State of residence 3	ENGLAND	Country/State of residence     This is in respect of your usual
Nationality	BRITISH	residential address as stated in Section D4
Date of birth	d <sub>1</sub> d <sub>3</sub> m <sub>0</sub> m <sub>8</sub> y <sub>1</sub> y <sub>9</sub> y <sub>5</sub> y <sub>2</sub>	Business occupation
Business occupation (if any) 4	CONSULTANT	If you have a business occupation, please enter here. If you do not, please leave blank
		appointments' continuation page
D2	Director's service address <b>⑤</b>	
	Please complete the service address below You must also fill in the director's usual residential address in Section D4	Service address This is the address that will appear on the public record. This does not
Building name/number	5	have to be your usual residential address
Street	CLIFFORD STREET	Please state 'The Company's
		Registered Office' if your service address will be recorded in the
Post town	LONDON	proposed company's register of directors as the company's registered
County/Region		office  If you provide your residential
Postcode	W 1 S 2 L G	address here it will appear on the
Country	ENGLAND	,
D3	Signature •	
	I consent to act as director of the proposed company named in Section A1.	Signature The person named above consents
Signature	X MMX	to act as director of the proposed company
		CHFP025

05/10 Version 4 0

Application to register a company

# Corporate director

E1	Corporate director appointments				
	Please use this section to list all the corporate directors taken on formation	Additional appointments     If you wish to appoint more than one			
Name of corporate body or firm		corporate director, please use the 'Corporate director appointments' continuation page			
Building name/number		Registered or principal address This is the address that will appear			
Street		on the public record This address must be a physical location for the delivery of documents. It cannot be a PO box number (unless contained			
Post town		within a full address), DX number or LP (Legal Post in Scotland) number			
County/Region					
Postcode					
Country					
E2	Location of the registry of the corporate body or firm				
	Is the corporate director registered within the European Economic Area (EEA)?  → Yes Complete Section E3 only  → No Complete Section E4 only				
E3	EEA companies 2				
	Please give details of the register where the company file is kept (including the relevant state) and the registration number in that register	EEA     A full list of countnes of the EEA can be found in our guidance			
Where the company/ firm is registered <b>3</b>		www companieshouse gov uk  This is the register mentioned in Article 3 of the First Company Law			
Registration number		Directive (68/151/EEC)			
E4	Non-EEA companies				
	Please give details of the legal form of the corporate body or firm and the law by which it is governed. If applicable, please also give details of the register in which it is entered (including the state) and its registration number in that register.	Non-EEA     Where you have provided details of the register (including state) where the company or firm is registered,			
Legal form of the corporate body or firm		you must also provide its number in that register			
Governing law					
If applicable, where the company/firm is registered					
If applicable, the registration number					
E5	Signature •	-			
	I consent to act as director of the proposed company named in Section A1.	Signature The person named above consents			
Signature	Signature	to act as corporate director of the			
	×	proposed company			

INO1
Application to register a company

Part 3	Statement	of capital				
	→ Yes Com	have share capital? plete the sections below o Part 4 (Statement of				
F1	Share capital in	pound sterling (£)				
		ach class of shares held complete Section F1 and			-	
Class of shares (E g Ordinary/Preference etc	)	Amount paid up on each share	Amount (if any) unpaid on each share	Number of shar	es Ø	Aggregate nominal value
ORDINAR-	<i>Y</i>	£1.00		5000	<u>ා</u> ව	150,000
						£
					<del></del>	£
			Tabela			£
			iotais	20,0	೦೦	150,000
	<del></del> _	other currencies				
Please complete the ta Please complete a sep		ny class of shares held in currency	n other currencies			
Currency						
Class of shares (E g Ordinary/Preference etc	)	Amount paid up on each share ①	Amount (if any) unpaid on each share	Number of shar	es Ø	Aggregate nominal value 3
			Totals			
		<del></del>	10(a)3			<u> </u>
Current						
Class of shares	<u></u>	Amount paid up as	Amount (if any) unpaid	Number of shar	D	Aggregate nominal value
(E.g. Ordinary/Preference etc	)	Amount paid up on each share	on each share	Number of shar		Aggregate nottimal value
	<del></del>			<u> </u>		
			Totals			
			10433	<u> </u>		<u> </u>
F3	Totals			<del></del>	<u></u>	<del></del>
	Please give the tota issued share capital		total aggregate nominal	value of	Please in	gregate nominal value st total aggregate values in
Total number of shares	50,000 different currencies example £100 + €		currencies separately For £100 + €100 + \$10 etc			
Total aggregate nominal value 🍑	50,000 example £100 + €100 + \$100 €					
● Including both the nominal value and any share premium share premium nominal value of each share Please use a Statement of Capital continuation Pages  Total number of issued shares in this class		al continuation				

Application to register a company

# F4 Statement of capital (Prescribed particulars of rights attached to shares) Prescribed particulars of rights Please give the prescribed particulars of rights attached to shares for each class attached to shares of share shown in the statement of capital share tables in Sections F1 and F2. The particulars are a particulars of any voting rights, Class of share Ordinary Shares including rights that arise only in certain circumstances, Prescribed particulars The issued ordinary shares of the company are b particulars of any rights, as respects dividends, to participate ordinary shares that rank pari passu in in a distribution. respect of dividends, rights to participate in c particulars of any rights, as a distribution, voting rights and redemption respects capital, to participate in a distribution (including on winding of capital. up), and d whether the shares are to be redeemed or are liable to be redeemed at the option of the company or the shareholder and any terms or conditions relating to redemption of these shares A separate table must be used for each class of share Continuation pages Please use the next page or a 'Statement of Capital (Prescribed particulars of rights attached to shares)' continuation page if necessary

# INO1 Application to register a company

attached to shares  The perficulars are a particulars grant of the particulars of any voting rights, and the particular of any right, as a respects devidends, to particular of any right, as a respects devidends, to particular of any right, as a respects capital, to particular of any right, as a respects capital, to particular of a distribution (motivaling or working of whother the otherwise and to be undermoded and any terms or conditions relating to orderpoin of these shares.  A separate but so used for each class of share.  Continuation pages. Please use a Statement of capital (Prescribbed and any terms or departiculars of rights attached to shares)" continuation page of necessary.	Class of share	Prescribed particulars of rights
page if necessary	Prescribed particulars	attached to shares  The particulars are a particulars of any voting rights, including rights that anse only in certain circumstances, b particulars of any rights, as respects dividends, to participate in a distribution, c particulars of any rights, as respects capital, to participate in a distribution (including on winding up), and d whether the shares are to be redeemed or are liable to be redeemed at the option of the company or the shareholder and any terms or conditions relating to redemption of these shares  A separate table must be used for each class of share  Continuation pages Please use a 'Statement of capital (Prescribed particulars of rights
		attached to shares)' continuation page if necessary

F5

Application to register a company

Initial shareholdings

	This section should only be completed by companies incorporating with share capital					tnitial shareholdings Please list the company's subscribers		
	Please complete th	e details below for ea		in alphabetical order  Please use an 'Initial shareholdings'				
	The addresses will appear on the public record These do not need to be the subscribers' usual residential address  Please use an 'Initiation page continuation page continuati							
Subscriber's details		Class of share	Number of shares	Currency	Nominal value of each share	Amount (if any) unpaid	Amount paid	
Name KINMONT LIMITED		ORDINARY	49999	GBP	1 00		49,999 00	
Address 5 CLIFFORD ST LONDON W1S 2LG	REET							
Name GAVIN KELLY		ORDINARY	1	GBP	1 00	1	1 00	
Address 42 ARGYLL ROA LONDON W8 7BS	D							
Name								
Address								
Name								
Address								
Name								
Address						,		

	IN01 Application to register a company	
Part 4	Statement of guarantee	
	Is your company limited by guarantee?  → Yes Complete the sections below → No Go to Part 5 (Statement of compliance)	-
G1	Subscribers	
	Please complete this section if you are a subscriber of a company limited by guarantee. The following statement is being made by each and every person named below	Name Please use capital letters  Address The addresses in this section will
	I confirm that if the company is wound up while I am a member, or within one year after I cease to be a member, I will contribute to the assets of the company by such amount as may be required for  - payment of debts and liabilities of the company contracted before I cease to be a member,  - payment of costs, charges and expenses of winding up, and,  - adjustment of the rights of the contributors among ourselves, not exceeding the specified amount below	appear on the public record They do not have to be the subscribers' usual residential address  Amount guaranteed Any valid currency is permitted  Continuation pages Please use a 'Subscribers' continuation page if necessary
	Subscriber's details	_
Forename(s)		
Surname   O		
Address 2		-
Postcode		
Amount guarantee	d <b>⊙</b>	-
	Subscriber's details	-
Forename(s) 1		-
Surname ①		-
Address 2		- -
Postcode		_
Amount guarantee		_
	Subscriber's details	_
Forename(s) •		_
Surname 1		_
Address 2		-
Postcode		
Amount quarantee	ad 🔞	_

# IN01 Application to register a company

	Subscriber's details	0	Name
Forename(s) •			Please use capital letters
Surname •		U	Address The addresses in this section will
Address 2	-		appear on the public record. They do not have to be the subscribers' usual
,1501000			residential address
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Application to register a company

Part 5	Statement of compliance	
	This section must be completed by all companies	•
	Is the application by an agent on behalf of all the subscribers?	•
	<ul> <li>→ No Go to Section H1 (Statement of compliance delivered by the subscribers)</li> <li>→ Yes Go to Section H2 (Statement of compliance delivered by an agent</li> </ul>	
H1	Statement of compliance delivered by the subscribers •	
	Please complete this section if the application is not delivered by an agent for the subscribers of the memorandum of association	Statement of compliance     delivered by the subscribers     Every subscriber to the     memorandum of association must
	I confirm that the requirements of the Companies Act 2006 as to registration have been complied with	sign the statement of compliance
Subscriber's signature	Signature	-
	×	
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Subscriber's signature	Signature	-
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# **IN01** Application to register a company Continuation pages Signature Subscriber's signature Please use a 'Statement of X X compliance delivered by the subscribers' continuation page if more subscribers need to sign Signature Subscriber's signature X Signature Subscriber's signature X Subscriber's signature Signature X H2 Statement of compliance delivered by an agent Please complete this section if this application is delivered by an agent for the subscribers to the memorandum of association Agent's name Travers Smith LLP Building name/number 10 Street SNOW HILL Post town LONDON County/Region Postcode E С 2 L 1 Α Α Country UNITED KINGDOM I confirm that the requirements of the Companies Act 2006 as to registration have been complied with Agent's signature

Application to register a company

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They cannot be a PO Box number (unless part of a

You have enclosed the Memorandum of Association

X The document has been signed, where indicated

All relevant attachments have been included

You have enclosed the correct fee

number

full service address), DX or LP (Legal Post in Scotland)

### Important information

Please note that all information on this form will appear on the public record, apart from information relating to usual residential addresses.

#### How to pay

A fee of £20 is payable to Companies House to register a company

Make cheques or postal orders payable to 'Companies House'

# Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the appropriate address below.

For companies registered in England and Wales: The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ DX 33050 Cardiff

For companies registered in Scotland.

The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, Scotland, EH3 9FF DX ED235 Edinburgh 1 or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland.

The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG DX 481 N R Belfast 1

# Section 243 exemption

If you are applying for, or have been granted a section 243 exemption, please post this whole form to the different postal address below The Registrar of Companies, PO Box 4082, Cardiff, CF14 3WE

#### Further information

For further information, please see the guidance notes on the website at www companieshouse gov uk or email enquiries@companieshouse gov uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk

# Memorandum of association of De Facto 9999 plc

Each subscriber to this memorandum of association wishes to form a company under the Companies Act 2006 and agrees to become a member of the company and to take at least one share

Name of each subscriber	Authentication by each subscriber
For on and on behalf of Kinmont Limited	dr
	(authorised signatory)
Gavin Kelly	

Dated 2 July 2010

# TRAVERS SMITH

**COMPANY NUMBER** 

THE COMPANIES ACT 2006

ARTICLES OF ASSOCIATION

- OF -

DE FACTO 9999 PLC

(ADOPTED ON 2 JULY 2010)

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#### THE COMPANIES ACT 2006

#### ARTICLES OF ASSOCIATION

- of -

#### **DE FACTO 9999 PLC**

#### **EXCLUSION OF OTHER REGULATIONS**

This document comprises the Articles of Association of the Company and no regulations set out in any statute or statutory instrument concerning companies shall apply as Articles of Association of the Company

#### DEFINITIONS AND INTERPRETATION

2.1 In these Articles the following expressions have the following meanings unless the context otherwise requires

Act the Companies Act 2006

address in relation to electronic communications, includes any

number or address (including, in the case of any Uncertificated Proxy Instruction permitted in accordance with these Articles, an identification number of a participant in the relevant system concerned) used for the purposes of such

communications

Articles these Articles of Association as altered from time to

time

auditors the auditors for the time being of the Company

Board the board of directors of the Company or the

Directors present at a duly convened meeting of the

Directors at which a quorum is present

clear days in relation to the period of a notice, that period

calculated in accordance with section 360 of the Act

TS3/11436869/2/CVD/CVD

2 JULY 2010 11 14

communication has the same meaning as in section 15 of the

**Electronic Communications Act** 

Company De Facto 9999 plc

Company's website any web site, operated or controlled by the Company,

which contains information about the Company in

accordance with the Statutes

competent authority the designated competent authority for the purposes

of Part VI of the FSMA

**Directors** the directors of the Company for the time being

elected elected or re-elected

electronic communication has the same meaning as in section 15 of the

Electronic Communications Act

Electronic Communications Act the Electronic Communications Act 2000 (as

amended from time to time)

FSMA the Financial Services and Markets Act 2000 (as

amended from time to time)

group the Company and its subsidiary undertakings for the

time being

holder in relation to shares, the member whose name is

entered in the register as the holder of the shares

in a form specified by section 1168(3) of the Act and

otherwise complying with the provisions of that

section

Information Rights has the meaning given to such expression in section

146(3) of the Act

London Stock Exchange London Stock Exchange plc

**member** a member of the Company

month calendar month

office

the registered office for the time being of the Company

Nomination Notice

a notice given by a member to the Company that another person is entitled, for so long as the shares of the Company are admitted to trading on the Official List, to enjoy Information Rights and to receive Shareholder Information which that member is entitled to enjoy or to receive

Official List

the Official List of the Financial Services Authority

Operator

a person approved under the Regulations as Operator of a relevant system

paid up

paid up or credited as paid up

recognised person

a recognised clearing house acting in relation to a recognised investment exchange, or a nominee of a recognised clearing house acting in that way, or a nominee of a recognised investment exchange

register

the register of members of the Company and shall, so long as the Regulations so permit or require, include so far as relevant a related Operator register of members

Regulations

the Uncertificated Securities Regulations 2001 (SI 2001 No 2001/3755) (as amended from time to time)

secretary

the secretary of the Company or any other person appointed to perform any of the duties of the secretary of the Company including a joint, temporary, assistant or deputy secretary

Shareholder Information

notices, documents or information which the Company wishes or is required to communicate to shareholders including, without limitation, annual reports and accounts, interim financial statements, summary financial statements, notices of meetings and proxy forms

#### Statutes

the Act, the Companies Acts 1985 and 1989 and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning companies and affecting the Company (including, without limitation, the Electronic Communications Act)

#### **Uncertificated Proxy Instruction**

a properly authenticated dematerialised instruction, and/or other instruction or notification, which is sent by means of the relevant system concerned and received by such participant in that system acting on behalf of the Company as the Directors may prescribe in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the facilities and requirements of the relevant system concerned)

#### **United Kingdom**

Great Britain and Northern Ireland

#### website communication

the publication of a notice or other Shareholder Information on the Company's website in accordance with Part 4 of Schedule 5 to the Act

#### year

calendar year

- 2.2 References to "writing" include references to printing, typewriting, lithography photography and any other mode or modes of presenting or reproducing words in a visible and non-transitory form
- 2.3 Words importing one gender shall (where appropriate) include any other gender and words importing the singular shall (where appropriate) include the plural and vice versa
- Any words or expressions defined in the Act, the Electronic Communications Act or the Regulations shall, if not inconsistent with the subject or context and unless otherwise expressly defined in these Articles, bear the same meaning in these Articles save that the word "company" shall include any body corporate

. . . .

#### 2.5 References to

- 2.5.1 "mental disorder" mean mental disorder as defined in section 1 of the Mental Health Act 1983 or the Mental Health (Scotland) Act 1984 (as the case may be),
- 2.5.2 any statute, regulation or any section or provision of any statute or regulation, if consistent with the subject or context, shall include any corresponding or

- substituted statute, regulation or section or provision of any amending, consolidating or replacement statute or regulation,
- 2.5.3 "executed" include any mode of execution,
- 2.5 4 an Article by number are to a particular Article of these Articles,
- a "meeting" shall be taken as not requiring more than one person to be present if any quorum requirement can be satisfied by one person,
- **2.5.6** a "**person**" include references to a body corporate and to an unincorporated body of persons,
- a share (or to a holding of shares) being in uncertificated form or in certificated form are references respectively to that share being an uncertificated unit of a security or a certificated unit of a security, and
- **2.5.8** a "cash memorandum account" are to an account so designated by the Operator of the relevant system concerned

#### REGISTERED OFFICE

3. The Company's registered office is to be situated in England and Wales

#### LIMITED LIABIILTY

4 The liability of the members is limited

#### CHANGE OF NAME

5. The Company may change its registered name in accordance with the Statutes or by majority decision of the Board

### **SHARE CAPITAL**

- 6. Subject to the provisions of the Statutes and without prejudice to the rights attaching to any existing shares or class of shares, any share may be issued with such preferred, deferred or other special rights or such restrictions as the Company may from time to time by ordinary resolution determine or if the Company has not so determined, as the Directors may determine
- 7. Subject to the provisions of these Articles and to the Statutes, any unissued shares in the capital of the Company (whether forming part of the original or any increased capital) and all (if any) shares in the Company lawfully held by or on behalf of it shall be at the disposal

of the Board which may offer, allot (with or without a right of renunciation), issue or grant options over such shares to such persons, at such time and for such consideration and upon such terms and conditions as the Board may determine

- 8. The Company may exercise the powers of paying commissions conferred by the Statutes Subject to the provisions of the Statutes, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
- 9. Subject to the provisions of the Statutes and to any rights conferred on the holders of any other shares, shares may be issued on terms that they are, at the option of the Company or a member, liable to be redeemed on such terms and in such manner as may be determined by the Board (such terms to be determined before the shares are allotted)
- 10. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and (except as otherwise provided by these Articles or by law) the Company shall not be bound by or compelled in any way to recognise any interest in any share, except an absolute right to the entirety thereof in the holder
- The Company may give financial assistance for the acquisition of shares in the Company to the extent that it is not restricted by the Statutes

· . .

#### VARIATION OF RIGHTS

- 12. Subject to the provisions of the Statutes, whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of not less than three-quarters in nominal amount of the issued shares of the affected class, or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class (but not otherwise)
- 13. All the provisions of these Articles relating to general meetings shall, mutatis mutandis, apply to every such separate general meeting, except that
- 13.1 the necessary quorum at any such meeting other than an adjourned meeting shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class in question and at an adjourned meeting one person holding shares of the class in question or his proxy,
- any holder of shares of the class in question present in person or by proxy may demand a poll, and

- 13.3 the holder of shares of the class in question shall, on a poll, have one vote in respect of every share of such class held by him
- 14. Subject to the terms on which any shares may be issued, the rights or privileges attached to any class of shares in the capital of the Company shall be deemed not to be varied or abrogated by the creation or issue of any new shares ranking pari passu in all respects (save as to the date from which such new shares shall rank for dividend) with or subsequent to those already issued or by any purchase by the Company of its own shares
- 15. The provisions of Articles 12 to 14 shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if such group of shares of the class differently treated formed a separate class

#### SHARES IN UNCERTIFICATED FORM

- 16.1 The Directors shall have power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be a participating security (subject always to the Regulations and the facilities and requirements of the relevant system concerned) Where they do so, Articles 16.2 and 16.3 shall come into effect immediately prior to the time at which the Operator of the relevant system concerned permits the class of shares concerned to be a participating security
- 16.2 In relation to any class of shares which is, for the time being, a participating security, and for so long as such class remains a participating security, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with
  - 16.2.1 the holding of shares of that class in uncertificated form,
  - 16.2.2 the transfer of title to shares of that class by means of a relevant system, or
  - 16.2.3 the Regulations

and, without prejudice to the generality of this Article, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with the maintenance, keeping or entering up by the Operator, so long as that is permitted or required by the Regulations, of an Operator register of securities in respect of shares of that class in uncertificated form

- 16.3 Without prejudice to the generality of Article 16.2 and notwithstanding anything contained in these Articles, where any class of shares is, for the time being, a participating security (such class being referred to in these Articles as the "Relevant Class")
  - 16.3.1 the register relating to the Relevant Class shall be maintained at all times in the United Kingdom,

- 16.3.2 shares of the Relevant Class may be issued in uncertificated form in accordance with and subject as provided in the Regulations,
- 16.3.3 unless the Directors otherwise determine, shares of the Relevant Class held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings,
- 16.3.4 shares of the Relevant Class may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the Regulations,
- 16.3.5 title to shares of the Relevant Class which are recorded on the register as being held in uncertificated form may be transferred by means of the relevant system concerned and accordingly (and in particular) Articles 45, 46 and 47 shall not apply in respect of such shares to the extent that those Articles require or contemplate the effecting of a transfer by an instrument in writing and the production of a certificate for the share to be transferred,
- 16.3.6 the Company shall comply with the provisions of Regulations 25 and 26 in relation to the Relevant Class,
- 16.3.7 the provisions of these Articles with respect to meetings of or including holders of the Relevant Class, including notices of such meetings, shall have effect subject to the provisions of Regulation 41, and
- 16.3.8 Articles 17 to 20 shall not apply so as to require the Company to issue a certificate to any person holding shares of the Relevant Class in uncertificated form
- The Company shall be entitled to assume that the entries on any record of securities maintained by it in accordance with the Regulations and regularly reconciled with the relevant Operator register of securities are a complete and accurate reproduction of the particulars entered in the Operator register of securities and shall accordingly not be liable in respect of any act or thing done or omitted to be done by or on behalf of the Company in reliance upon such assumption, in particular, any provision of these Articles which requires or envisages that action will be taken in reliance on information contained in the register shall be construed to permit that action to be taken in reliance on information contained in any relevant record of securities (as so maintained and reconciled)

#### SHARE CERTIFICATES

17. Subject to these Articles and the provisions of the Regulations every person (except a person in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) whose name is entered as a holder of any share in the register shall be

entitled without payment to receive one certificate in respect of each class of shares held by him or, with the consent of the Board and upon payment of such reasonable out-of-pocket expenses for every certificate after the first as the Board shall determine, several certificates, each for one or more of his shares. Shares of different classes may not be included in the same certificate.

- 18. Where a holder of any share (except a recognised person) has transferred a part of the shares comprised in his holding, he shall be entitled to a certificate for the balance without charge
- 19. Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge
- 20. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to the joint holder who is named first in the register shall be a sufficient delivery to all of them
- 21. In the case of shares held jointly by several persons, any such request mentioned in Articles 17, 18 or 19 may only be made by the joint holder who is named first in the register
- 22. Every certificate shall be executed by the Company in such manner as the Board, having regard to the Statutes and the listing requirements of the competent authority, may authorise Every certificate shall specify the number, class and distinguishing number (if any) of the shares to which it relates and the nominal value of and the amount paid up on each share
- 23. The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any certificates for shares or any other form of security at any time issued by the Company need not be autographic but may be applied to the certificates by some mechanical means or may be printed on them or that the certificates need not be signed by any person
- If a share certificate is worn out, defaced, lost or destroyed, it may be replaced without charge (other than exceptional out-of-pocket expenses) and otherwise on such terms (if any) as to evidence and/or indemnity (with or without security) as the Board may require. In the case where the certificate is worn out or defaced, it may be renewed only upon delivery of the certificate to the Company.

#### LIEN

25. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all money (whether presently due or not) payable in respect of that share. The Company's lien over a share extends to any dividend and (if the lien is enforced and the share is sold by the Company) the proceeds of sale of that share. The Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

- 26. The Company may sell, in such manner as the Board decides, any shares on which the Company has a lien, if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice in writing has been served on the holder of the shares in question or the person entitled to such shares by reason of death or bankruptcy of the holder or otherwise by operation of law, demanding payment of the sum presently payable and stating that if the notice is not complied with the shares may be sold
- 27. To give effect to any such sale, the Board may authorise such person as it directs to execute any instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The title of the transferee to the shares shall not be affected by any irregularity in or invalidity of the proceedings relating to the sale, and he shall not be bound to see to the application of the purchase money.
- 28. The net proceeds of the sale, after payment of the costs of such sale, shall be applied in or towards satisfaction of the liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold (where applicable) and subject to a like lien for any monies not presently payable or any liability or engagement not likely to be presently fulfilled or discharged as existed upon the shares before the sale) be paid to the holder of (or person entitled by transmission to) the shares immediately before the sale

## **CALLS ON SHARES**

- Subject to the terms of allotment of any shares, the Board may send a notice and make calls upon the members in respect of any monies unpaid on their shares (whether in respect of the nominal value of the shares or by way of premium) provided that (subject as aforesaid) no call on any share shall be payable within one month from the date fixed for the payment of the last preceding call and that at least 14 clear days' notice from the date the notice is sent shall be given of every call specifying the time or times, place of payment and the amount called on the members' shares. A call may be revoked in whole or in part or the time fixed for its payment postponed in whole or in part by the Board at any time before receipt by the Company of the sum due thereunder.
- A call may be made payable by instalments
- 31. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share
- 32. Each member shall pay to the Company, at the time and place of payment specified in the notice of the call, the amount called on his shares. A person on whom a call is made will remain liable for calls made upon him, notwithstanding the subsequent transfer of the shares in respect of which the call was made.

- 33. If a sum called in respect of a share shall not be paid before or on the day appointed for payment, the person from whom the sum is due shall pay interest on the sum from the day fixed for payment to the time of actual payment at such rate, not exceeding 5 per cent above the base lending rate per annum most recently set by the Monetary Policy Committee of the Bank of England, as the Board may decide, together with all expenses that may have been incurred by the Company by reason of such non-payment, but the Board may waive payment of interest and such expenses wholly or in part. No dividend or other payment or distribution in respect of any such share shall be paid or distributed and no other rights which would otherwise normally be exercisable in accordance with these Articles may be exercised by a holder of any such share so long as any such sum or any interest or expenses payable in accordance with this Article in relation thereto remains due
- Any sum which becomes payable by the terms of allotment of a share, whether on allotment or on any other fixed date or as an instalment of a call and whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made, notified and payable on the date on which, by the terms of allotment or in the notice of the call, it becomes payable. In the case of non-payment, all the provisions of these Articles relating to payment of interest and expenses, forfeiture and otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 35. The Board may, if it thinks fit, receive from any member willing to advance it all or any part of the money (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon any shares held by him, and may pay upon all or any part of the money so advanced (until it would but for the advance become presently payable) interest at such rate (if any) not exceeding 5 per cent above the base lending rate per annum most recently set by the Monetary Policy Committee of the Bank of England, as the Board may decide. No sum paid in advance of calls shall entitle the holder of a share to any portion of a dividend or other payment or distribution subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable
- 36. The Board may on the allotment of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment

# **FORFEITURE**

- If a member fails to pay the whole or any part of any call or instalment of a call on the day fixed for payment, the Board may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any accrued interest and any costs, charges and expenses incurred by the Company by reason of the non-payment
- 38. The notice shall fix a further day (not being less than seven clear days from the date of the

notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that, in the event of non-payment at or before the time and at the place specified, the shares on which the call was made will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered share shall be treated as if it had been forfeited

- If the requirements of the notice are not complied with, any share in respect of which the notice has been given may, at any time before the payments required by the notice have been made, be forfeited by a resolution of the Board to that effect. Every forfeiture shall include all dividends and other payments or distributions declared in respect of the forfeited shares and not paid or distributed before forfeiture. Forfeiture shall be deemed to occur at the time of the passing of the said resolution of the Board.
- 40. Subject to the provisions of the Statutes, a forfeited share shall be deemed to be the property of the Company and may be sold, reallotted or otherwise disposed of upon such terms and in such manner as the Board decides, either to the person who was before the forfeiture the holder or to any other person, and at any time before sale, reallotment or other disposition the forfeiture may be cancelled on such terms as the Board decides. The Company shall not exercise any voting rights in respect of such a share. Where for the purposes of its disposal a forfeited share is to be transferred to any person, the Board may authorise a person to execute an instrument of transfer of the share.
- When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder, or the person entitled to the share by transmission, and an entry of the forfeiture, with the date of the forfeiture, shall be entered in the register, but no forfeiture shall be invalidated by any failure to give such notice or make such entry
- 42. A person, any of whose shares have been forfeited, shall cease to be a member in respect of the forfeited shares and shall surrender to the Company for cancellation the certificate for the shares forfeited, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all money which at the date of forfeiture was then payable by him to the Company in respect of the shares, with interest on such money at such rate not exceeding 5 per cent above the base lending rate per annum most recently set by the Monetary Policy Committee of the Bank of England, as the Board may decide, from the date of forfeiture until payment. The Board may, if it thinks fit, waive the payment of all or part of such money and/or the interest payable thereon.
- 43. A statutory declaration by a Director or the secretary that a share has been duly forfeited or surrendered on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The statutory declaration shall (subject to the execution of an instrument of transfer, if necessary) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration (if any) nor shall his title to the share be affected by any

irregularity in or invalidity of the proceedings in reference to the forfeiture, surrender, sale, reallotment or disposal of the share

44. If the Company sells a forfeited share, the person who held it prior to its forfeiture is entitled to receive from the Company the proceeds of such sale, net of any commission, and excluding any amount which was, or would have become, payable and had not, when that share was forfeited, been paid by that person in respect of that share, but no interest is payable to such person in respect of such proceeds and the Company is not required to account for any money earned on them

#### TRANSFER OF SHARES

- 45. The instrument of transfer of a share may be in any usual form or in any other form which the Board may approve
- 46. The instrument of transfer of a share shall be executed by or on behalf of the transferor and (in the case of a partly paid share) by or on behalf of the transferee. The transferor shall be deemed to remain the holder until the name of the transferee is entered in the register.
- The Board may, in its absolute discretion, and without assigning any reason therefor, refuse to register any transfer of shares which are not fully paid provided that, where any such shares are admitted to the Official List, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis
- 48. The Board may also refuse to register any transfer of shares, unless
- the instrument of transfer is lodged (duly stamped if the Statutes so require) at the office or at such other place as the Board may appoint, accompanied by the certificate for the shares to which it relates and such other evidence (if any) as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so) provided that, in the case of a transfer by a recognised person where a certificate has not been issued in respect of the share, the lodgment of share certificates shall not be necessary,
- 48.2 the instrument of transfer is in respect of only one class of share, and
- 48.3 In the case of a transfer to joint holders, they do not exceed four in number
- 49. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board refuses to register (except in the case of fraud) shall be returned to the person lodging it when notice of the refusal is given
- 50. If the Board refuses to register a transfer, it shall within two months after the date on which

the instrument of transfer was lodged with the Company (or in the case of uncertificated shares the date on which the Operator-instruction was received) send to the transferee notice of, together with the reasons for, the refusal

- 51. No fee shall be payable to the Company for the registration of any transfer or any other document relating to or affecting the title to any share or for making any entry in the register affecting the title to any share
- 52. Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person

#### TRANSMISSION OF SHARES

- 53. If a member dies, the survivor or survivors where he was a joint holder and his personal representatives where he was a sole holder or the only survivor of joint holders shall be the only person(s) recognised by the Company as having any title to his shares, but nothing contained in these Articles shall release the estate of a deceased member from any liability in respect of any share held by him solely or jointly with other persons
- Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or by operation of law may, upon such evidence as to his title being produced as may be reasonably required by the Board and subject to these Articles, elect either to be registered as the holder of the share or to have a person nominated by him registered as the holder. If the person elects to become the holder, he shall give notice in writing to that effect. If the person elects to have another person registered, he shall execute an instrument of transfer of the share to that person. All the provisions of these Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if the death or bankruptcy of the member or other event giving rise to the transmission had not occurred and the notice or instrument of transfer executed by the member.
- Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or by operation of law shall, subject to the requirements of these Articles and to the provisions of this Article, be entitled to receive, and may give a good discharge for, all dividends and other money payable in respect of the share, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company or at any separate meetings of the holders of any class of shares or to any of the rights or privileges of a member until he shall have become a holder in respect of the share in question. The Board may at any time give notice requiring any such person to elect either to be registered or to transfer the share, and if the notice is not complied with within 60 days, the Board may withhold payment of all dividends and other distributions and payments declared in respect of the share until the requirements of the notice have been complied with

#### ALTERATION OF SHARE CAPITAL

- 56. The Company may by ordinary resolution alter its share capital in accordance with the Act
- 57. A resolution to sub-divide shares may determine that, as between the holders of such shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared with the others
- Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the Board may deal with the fractions as it thinks fit and in particular may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the provisions of the Statutes, the Company) and distribute the net proceeds of sale (subject to retention by the Company of amounts not exceeding £3, the cost of distribution of which would be disproportionate to the amounts involved) in due proportion among those members, and the Board may authorise a person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings relating to the sale

#### PURCHASE OF OWN SHARES

59. On any purchase by the Company of its own shares, neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares

#### GENERAL MEETINGS

- 60. The Company shall hold an annual general meeting which shall be convened by the Board in accordance with the Statutes
- 61. The Board may call a general meeting whenever it thinks fit and, on the requisition of members in accordance with the Act, it shall proceed to convene a general meeting for a date not more than 28 days after the date of the notice convening the meeting. If there are not within the United Kingdom sufficient Directors to call a general meeting, any Director or, if there is no Director within the United Kingdom, any member of the Company may call a general meeting.

# NOTICE OF GENERAL MEETINGS

62. An annual general meeting shall be called by at least 21 clear days' notice in writing For so long as no share in the Company is admitted to the Official List, all other general meetings

shall be called by at least 14 clear days' notice in writing. For as long as any share in the Company is admitted to the Official List, all other general meetings shall be called by at least 21 clear days' notice in writing or if the conditions set out in section 307A(2) and (3) of the Act are satisfied, at least 14 clear days' notice in writing. The notice shall specify

- 62.1 If the meeting is an annual general meeting, that the meeting is an annual general meeting,
- 62.2 the day, time and place of the meeting,
- 62.3 the general nature of the business to be transacted,
- 62.4 If the meeting is convened to consider a special resolution, the intention to propose the resolution as such, and
- with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or more proxies to attend, to speak and to vote instead of him and that a proxy need not also be a member
- 63. Subject to the provisions of these Articles, to the rights attaching to any class of shares and to any restriction imposed on any holder, notice of any general meeting shall be given to all members, the Directors and (in the case of an annual general meeting) the auditors
- 64. The accidental omission to send a notice of any meeting, or notice of a resolution to be moved at a meeting or (where forms of proxy are sent out with notices) to send a form of proxy with a notice to any person entitled to receive the same, or the non-receipt of a notice of any meeting or a form of proxy by such a person, shall not invalidate the proceedings at the meeting
- 65. The Board may postpone a general meeting if they deem it necessary to do so Notice of such postponement shall be given in accordance with these Articles

#### PROCEEDINGS AT GENERAL MEETINGS

- 66. No business shall be transacted at any general meeting unless a quorum is present but the absence of a quorum shall not preclude the choice or appointment of a chairman in accordance with these Articles (which shall not be treated as part of the business of the meeting) Subject to Article 67, two members present in person being either members or representatives (in the case of a corporate member) or proxies appointed by members in relation to the meeting and entitled to vote shall be a quorum for all purposes
- 67. If within 15 minutes from the time fixed for a meeting a quorum is not present or if during a meeting a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved and in any other case it shall stand adjourned to such day and to such time and place (being not less than 14 nor more than 28 days thereafter) as may be

fixed by the chairman of the meeting. At such adjourned meeting a quorum shall be two persons present in person being either members or representatives (in the case of a corporate member) or proxies appointed by members in relation to the meeting and entitled to vote. If within 15 minutes from the time fixed for holding an adjourned meeting a quorum is not present or if during an adjourned meeting a quorum ceases to be present, the adjourned meeting shall be dissolved. The Company shall give at least 10 clear days' notice (in any manner in which notice of a meeting may lawfully be given from time to time) of any meeting adjourned through lack of a quorum and such notice shall state the quorum requirement.

- 68. The chairman of the Board or in his absence the deputy chairman shall preside as chairman at every general meeting of the Company. If there is no such chairman or deputy chairman or if at any meeting neither the chairman nor the deputy chairman is present within 15 minutes from the time fixed for holding the meeting or if neither is willing to act as chairman of the meeting, the Directors present shall choose one of their number, or if no Director is present or if all the Directors present decline to take the chair, the members present in person or by proxy or by corporate representative and entitled to vote shall choose one of their number to be chairman of the meeting
- 69. The Board may implement at general meetings of the Company, such security arrangements as it shall think appropriate to which members, representatives (in the case of corporate members) and their provies shall be subject. The Board shall be entitled to refuse entry to the meeting to any such member, representative or provy who fails to comply with such security arrangements.
- 70. The chairman of each general meeting of the Company may take such action as he considers appropriate to permit the orderly conduct of the business of the meeting as set out in the notice of the meeting
- The chairman of a meeting at which a quorum is present may, without prejudice to any other power of adjournment which he may have under these Articles or at common law, with the consent of the meeting (and shall if so directed by the meeting), adjourn the meeting from time to time (or indefinitely) and from place to place. No business shall be transacted at any adjourned meeting except business left unfinished at the meeting from which the adjournment took place. Where a meeting is adjourned for an indefinite period, the time and place for the adjourned meeting shall be fixed by the Board. Whenever a meeting is adjourned for 14 days or more or for an indefinite period, at least seven clear days' notice, specifying the place, the day and the time of the adjourned meeting and the general nature of the business to be transacted, shall be given (in any manner in which notice of a meeting may lawfully be given from time to time). Save as provided in these Articles, it shall not otherwise be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 72. If it appears to the chairman that the meeting place specified in the notice convening the

meeting is inadequate to accommodate all members entitled and wishing to attend, the meeting shall nevertheless be duly constituted and its proceedings valid provided that the chairman is satisfied that adequate facilities are available to ensure that any member who is unable to be accommodated is nonetheless able to participate in the business for which the meeting has been convened and to hear and see all persons present who speak (whether by the use of microphones, loudspeakers, audiovisual communication equipment or otherwise), whether in the meeting place or elsewhere, and to be heard and seen by all other persons so present in the same manner

- 73. At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless, before or on the declaration of the result of the show of hands or on the withdrawal of any other due demand for a poll, a poll is duly demanded Subject to the provisions of the Statutes, a poll may be demanded
- 73.1 by the chairman of the meeting, or
- 73.2 by at least five members present all of whom are either members or proxies or representatives (in the case of a corporate member) and entitled to vote on the resolution, or
- 73.3 by any member or members present in person or by proxy or by representative (in the case of a corporate member) and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting (excluding any voting rights attached to any shares in the Company held as treasury shares), or
- by a member or members present in person or by proxy or by representative (in the case of a corporate member) holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right (excluding shares in the Company conferring a right to vote on the resolution which are held as treasury shares)
- 74. Unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority or lost, and an entry to that effect in the minute book, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution
- 75. If a poll is duly demanded, it shall be taken in such manner as the chairman of the meeting may direct. The chairman may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of a poll shall be the decision of the meeting in respect of which it was demanded.
- 76. A poll demanded on the election of the chairman of a meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman of the meeting directs, but in any case not more than

28 days after the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with pending the completion of the poll. The demand for a poll may be withdrawn at any time before the poll is taken. If a poll is demanded before the declaration of the result of a show of hands and the demand is subsequently duly withdrawn, the meeting shall continue as if the demand had not been made. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven clear days' notice shall be given (in any manner in which notice of a meeting may lawfully be given from time to time) specifying the time and place at which the poll is to be taken.

77. A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company

# **VOTES OF MEMBERS**

- Subject to any terms as to voting upon which any shares may be issued or may for the time being be held the total number of votes a member present in person or (being a corporation) who is present by a duly authorised representative or a proxy for a member has on a show of hands shall be determined in accordance with the Act. On a poll every member present in person or by proxy or by representative (in the case of a corporate member) shall have one vote for each share of which he is the holder, proxy or representative. On a poll, a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes in the same way
- 79. In the case of joint holders of a share the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding
- 80. A member in respect of whom an order has been made by any court or official having jurisdiction (whether in the United Kingdom or elsewhere) that he is or may be suffering from mental disorder or is otherwise incapable of running his affairs may vote, whether on a show of hands or on a poll, by his guardian, receiver, curator bonis or other person authorised for that purpose and appointed by the court, and any such guardian, receiver, curator bonis or other person may, on a poll vote by proxy provided that evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised, and in default the right to vote shall not be exercisable
- 81. No member shall, unless the Board otherwise determines, be entitled to vote at any general

meeting or at any separate general meeting of the holders of any class of shares in the Company unless all calls or other sums presently payable by him in respect of shares in the Company have been paid

- Where, in respect of any shares of the Company, any holder or any other person appearing to be interested in such shares held by a member has been issued with a notice pursuant to section 793 of the Act (a "statutory notice") and has failed in relation to any shares (the "default shares") to comply with the statutory notice and to give the Company the information required by such notice within the prescribed period as defined in Article 87.4 from the date of the statutory notice, then the Board may serve on the holder of such default shares a notice (a "disenfranchisement notice") whereupon the following sanctions shall apply
- 82.1 such holder shall not with effect from the service of the disenfranchisement notice be entitled in respect of the default shares to be present or to vote (either in person or by representative or by proxy) either at any general meeting or at any separate general meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll, and
- where such shares represent not less than 0.25 per cent in nominal value of the issued shares of their class
  - 82.2 1 any dividend or other monies payable in respect of the default shares shall be withheld by the Company which shall not be under any obligation to pay interest on it and the holder shall not be entitled under Article 184 to elect to receive shares instead of that dividend, and
  - 82.2.2 no transfer, other than an excepted transfer (as defined in Article 87 5), of any shares in certificated form held by the holder shall be registered unless
    - (a) the holder is not himself in default as regards supplying the information required, and
    - (b) the holder proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer

(and, for the purpose of ensuring this Article 82 2 2 can apply to all shares held by the holder, the Company may, in accordance with the Regulations, issue a written notification to the Operator requiring the conversion into certificated form of any shares held by the holder in uncertificated form)

83. Any new shares in the Company issued in right of default shares shall be subject to the same sanctions as apply to the default shares provided that any sanctions applying to, or to a right

to, new shares by virtue of this Article shall cease to have effect when the sanctions applying to the related default shares cease to have effect (and shall be suspended or cancelled if and to the extent that the sanctions applying to the related default shares are suspended or cancelled) and provided further that Article 82 shall apply to the exclusion of this Article if the Company gives a separate notice under section 793 of the Act in relation to the new shares

- 84. The Company may at any time withdraw a disenfranchisement notice by serving on the holder of the default shares a notice in writing to that effect (a "withdrawal notice"), and a disenfranchisement notice shall be deemed to have been withdrawn at the end of the period of seven days (or such shorter period as the Directors may determine) following receipt by the Company of the information required by the statutory notice in respect of all the shares to which the disenfranchisement notice related
- 85. Unless and until a withdrawal notice is duly served in relation thereto or a disenfranchisement notice in relation thereto is deemed to have been withdrawn or the shares to which a disenfranchisement notice relates are transferred by means of an excepted transfer, the sanctions referred to in Articles 82 and 83 shall continue to apply
- Where, on the basis of information obtained from a holder in respect of any share held by him, the Company issues a notice pursuant to section 793 of the Act to any other person and such person fails to give the Company the information thereby required within the prescribed period and the Board serves a disenfranchisement notice upon such person, it shall at the same time send a copy of the disenfranchisement notice to the holder of such share, but the accidental omission to do so, or the non-receipt by the holder of the copy, shall not invalidate or otherwise affect the application of Articles 82 and 83
- 87. For the purposes of these Articles
- a person other than the holder of a share shall be treated as appearing to be interested in that share if the holder has informed the Company that the person is or may be so interested or if (after taking into account the said notification and any other relevant notification pursuant to section 793 of the Act) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the share,
- 87.2 "interested" shall be construed as it is for the purpose of section 793 of the Act,
- 87.3 reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes
  - 87.3.1 reference to his having failed or refused to give all or any part of it, and
  - 87.3.2 reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material

particular,

# 87.4 the "prescribed period" means

- 87.4.1 In a case where the default shares represent at least 0 25 per cent of their class, 14 days, and
- 87.4.2 in any other case, 28 days, and
- 87.5 an "excepted transfer" means, in relation to any share held by a holder
  - a transfer pursuant to acceptance of an offer made to all the holders (or all the holders other than the person making the offer and his nominees) of the shares in the Company to acquire those shares or a specified proportion of them, or to all the holders (or all the holders other than the person making the offer and his nominees) of a particular class of those shares to acquire the shares of that class or a specified proportion of them, or
  - 87.5.2 a transfer in consequence of a sale made through a recognised investment exchange (as defined in the FSMA) or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded, or
  - 87.5.3 a transfer which is shown to the satisfaction of the Board to be made in consequence of a bona fide sale of the whole of the beneficial interest in the share to a person who is unconnected with the holder and with any other person appearing to be interested in the share
- 88. Nothing contained in these Articles shall prejudice or affect the right of the Company to apply to the court for an order under section 794 of the Act and in connection with such an application or intended application or otherwise to require information on shorter notice than the prescribed period
- 89. No objections may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid. Any such objection must be referred to the Chairman of the meeting whose decision is final
- 90. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution proposed as a special resolution, no amendment to it (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon
- 90.1 Invitations to appoint a proxy (whether made by instrument in writing, in electronic form or

by website communication) shall be in any usual form or in such other form as the Board may approve. Invitations to appoint a proxy shall be sent or made available by the Company to all persons entitled to notice of and to attend and vote at any meeting, and shall provide for voting both for and against all resolutions to be proposed at that meeting other than resolutions relating to the procedure of the meeting. The accidental omission to send or make available an invitation to appoint a proxy or the non-receipt thereof by any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting. The appointment of a proxy shall be deemed to confer authority to demand, or concur in demanding, a poll and to vote on any amendment of a resolution put to the meeting for which it is given or any procedural resolution, as the proxy thinks fit. A proxy need not be a member of the Company

- The appointment of a proxy shall, if made by instrument in writing, be executed by or on behalf of the appointor. A body corporate may execute an instrument of proxy either under seal or under the hand of two authorised signatories (as defined in the Act) or of a director in the presence of a witness who attests the signature
- 903 If the Directors from time to time so permit, a proxy may be appointed by electronic communication to such address as may be notified by or on behalf of the Company for that purpose, or by any other lawful means from time to time authorised by the Directors Any means of appointing a proxy which is authorised by or under this Article shall be subject to any terms, limitations, conditions or restrictions that the Directors may from time to time Without limiting the foregoing, in relation to any shares which are held in uncertificated form, the Directors may from time to time permit appointments of a proxy to be made by means of an electronic communication in the form of an Uncertificated Proxy Instruction, and received by such participant in the relevant system concerned acting on behalf of the Company as the Directors may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the facilities and requirements of the relevant system concerned), and may in a similar manner permit supplements to, or amendments or revocations of, any such Uncertificated Proxy Instruction to be made by like means The Directors may in addition prescribe the method of determining the time at which any such properly authenticated dematerialised instruction (and/or other instruction or notification) is to be treated as received by the Company or such participant The Directors may treat any such Uncertificated Proxy Instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder
- Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and (except as otherwise provided in these Articles) the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company. A certified copy of such a

resolution shall be delivered at the meeting to the chairman of the meeting or secretary or any person appointed by the Company to receive such authorisation, and unless such certified copy of such resolution is so delivered the authority granted by such resolution shall not be treated as valid. Where certified copies of two or more valid but differing resolutions authorising any person or persons to act as the representative of any corporation pursuant to this Article at the same meeting in respect of the same share are delivered, the resolution, a certified copy of which is delivered to the Company (in accordance with the provisions of this Article) last in time (regardless of the date of such certified copy or of the date upon which the resolution set out therein was passed), shall be treated as revoking and replacing all other such authorities as regards that share, but if the Company is unable to determine which of any such two or more valid but differing resolutions was so deposited last in time, none of them shall be treated as valid in respect of that share. The authority granted by any such resolution shall, unless the contrary is stated in the certified copy thereof delivered to the Company pursuant to this Article, be treated as valid for any adjournment of any meeting at which such authority may be used as well as at such meeting

- A corporation which is a member of the Company may authorise more than one person to act as its representative pursuant to this Article in respect of any meeting or meetings, and such a member who holds different classes of shares may so authorise one or more different persons for each class of shares held
- The appointment of proxy and the power of attorney or other written authority (if any) under which it is signed, or a copy of any such power or written authority certified notarially or in any other manner approved by the Directors, shall
  - (a) in the case of an appointment otherwise than by electronic communication, be deposited at the office (or at such other place as shall be specified in the notice of meeting or in any instrument of proxy or other document accompanying the same), and
  - (b) In the case of an appointment by electronic communication where an address has been specified for the purpose of receiving appointments by electronic communication (i) in the notice convening the meeting, (ii) in any instrument of proxy sent out by the Company in relation to the meeting or (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting, be received at such address,

not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote or in the case of a poll taken more than 48 hours after it was demanded, not less than 24 hours before the time appointed for taking the poll, and (save as otherwise provided in this Article) unless so deposited or received the appointment of proxy shall not be treated as valid. Where a poll is not taken forthwith but is taken less than 48 hours after it was demanded, the appointment of

proxy together with any other documents required to be deposited or received pursuant to this Article 92 1 shall nevertheless be deemed to have been duly deposited if

- (1) In the case of an appointment otherwise than by electronic communication, they are delivered at the meeting at which the poll was demanded to the chairman or the secretary or to any Director, or
- (ii) in the case of an appointment by electronic communication, they are received at the address notified by the Company for such purposes,

in each case, at any time prior to the commencement of such meeting and, if so delivered or received, the instrument of proxy shall be treated as valid. In calculating the periods mentioned in this Article no account shall be taken of any part of a day that is not a working day

- 92.2 The deposit, delivery or receipt of an appointment of proxy shall not preclude a member from attending and voting at the meeting or at any adjourned meeting. When two or more valid but differing appointments of proxy are deposited, delivered or received in respect of the same share for use at the same meeting, the one which is deposited with, delivered to or received by the Company (in accordance with the provisions of this Article) last in time (regardless of the date of its making or transmission) shall be treated as revoking and replacing any others as regards that share, but if the Company is unable to determine which of any such two or more valid but differing instruments of proxy was so deposited, delivered or received last in time, none of them shall be treated as valid in respect of that share
- No appointment of proxy shall be valid after the expiration of 12 months from the date stated in it as the date of its making or transmission. The appointment of proxy shall, unless the contrary is stated, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
- 92.4 Any vote cast by a proxy who does not vote in accordance with any instructions given by the member by whom he is appointed shall be treated as being valid and the Company shall not be bound to enquire whether a proxy has complied with the instructions he has been given
- 93. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid, notwithstanding the previous determination of the authority of the person voting or demanding a poll, unless notice of the determination shall have been received by the Company at the office (or other place at which the appointment of proxy was duly deposited, delivered or received in accordance with Article 92) before the commencement of the meeting or adjourned meeting at which the appointment of proxy is used, or, in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting, at the time appointed for taking the poll

#### POWERS OF THE BOARD

- 94. Subject to the provisions of the Statutes, these Articles and any directions given by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company No alteration of these Articles and no directions given by special resolution shall invalidate any prior act of the Board which would have been valid if such alteration had not been made or such direction had not been given. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.
- 95. The Board may from time to time make such arrangements as it thinks fit for the management and transaction of the Company's affairs in the United Kingdom or elsewhere and may for that purpose appoint local boards, managers, inspectors and agents and delegate to them any of the powers, authorities and discretions vested in the Board (other than the power to borrow and make calls) with power to sub-delegate and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding such vacancies. Any such appointment or delegation may be made upon such terms and subject to such conditions as the Board thinks fit. The Board may at any time remove any person so appointed and may vary or annul such delegation, but no person dealing in good faith and without notice of such removal, variation or annulment shall be affected by it
- 96. The Board may from time to time by power of attorney appoint any company, firm or person, or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. The Board may revoke or vary any such appointment, but no person dealing in good faith and without notice of such revocation or variation shall be affected by it
- 97. The Board may delegate any of its powers to any committee consisting of one or more Directors. It may also delegate to any Director holding any executive office or any other Director such of its powers as it considers desirable to be exercised by him. Any such delegation may be made subject to any conditions the Board may impose and either collaterally with or to the exclusion of its own powers and may be revoked or altered, but no person dealing in good faith and without notice of such revocation or variation shall be affected by it. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by these Articles regulating the proceedings of the Board so far as they are capable of applying. If any such committee determines to co-opt persons other than Directors onto such committee, the number of such co-opted persons shall be less.

than one-half of the total number of members of the committee and no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting concerned are Directors

#### BORROWING POWERS

98. Subject as provided in these Articles, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital and, subject to the Statutes, to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party

# NUMBER AND QUALIFICATION OF DIRECTORS

- 99. Unless and until otherwise determined by ordinary resolution of the Company, the Directors (other than alternate Directors) shall be not less than 2 nor more than 20 in number
- 100. A Director shall not be required to hold any shares of the Company by way of qualification
- 101. If the number of Directors is reduced below the minimum number fixed in accordance with these Articles, the Directors for the time being may act for the purpose of filling up vacancies in their number or of calling a general meeting of the Company, but not for any other purpose. If there are no Directors able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.
- 102. No person other than a Director retiring (or, if appointed by the Board, vacating office) at the meeting shall, unless recommended by the Board, be eligible for election to the office of a Director at any general meeting, unless not less than seven nor more than 42 days before the day fixed for the meeting there shall have been left at the office addressed to the secretary notice in writing by a member entitled to be present and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice in writing signed by the person to be proposed of his willingness to be elected. The notice from the member shall give the particulars in respect of that person which would (if he were elected) be required to be included in the Company's register of Directors

#### **ELECTION, APPOINTMENT AND RETIREMENT BY ROTATION**

- 103. Subject to the provisions of Articles 99 to 102 and without prejudice to the power of the Board under Article 107, the Company may by ordinary resolution elect a person who is willing to act to be a Director either to fill a vacancy or as an additional Director, but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles
- 104. A resolution for the election of two or more persons as Directors by a single resolution shall

not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it, and any resolution moved in contravention of this provision shall be void. For the purposes of this Article, a motion for approving a person's appointment or for nominating him for appointment shall be treated as a motion for his appointment.

- 105. The Board shall have power to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by these Articles Any Director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for election, and unless so elected shall vacate office at the conclusion of such meeting
- 106 1 Each Director shall retire from office at the third annual general meeting after the annual general meeting or general meeting (as the case may be) at which he was previously elected
- Any non-executive Director (being a Director not holding an office referred to in Article 122) who, at the date of the annual general meeting, has held office for nine years or more (whether or not he held an office referred to in Article 116 for part of that period) shall be subject to re-election at each annual general meeting
- 107. A retiring Director shall be eligible for re-election. If he is not re-elected or deemed to be re-elected, he shall hold office until the meeting elects someone in his place or, if it does not do so, until the end of the meeting.
- 108. If the Company at the meeting at which a Director retires by rotation does not fill the vacancy, the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of the Director is put to the meeting and lost

# RESIGNATION AND REMOVAL OF DIRECTORS

- 109. A Director may resign his office either by notice in writing submitted to the Board or, if he shall in writing offer to resign, if the other Directors resolve to accept such offer
- 110. The Company may, by ordinary resolution at a meeting of which special notice has been given, in accordance with section 312 of the Act, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director Such removal shall be without prejudice to any claim which such Director may have for damages for breach of any contract of service between him and the Company
- 111. A Director may be removed from office if he

- 111.1 receives written notice signed by not less than three-quarters of the other Directors removing him from office without prejudice to any claim which such Director may have for damages for breach of any contract of service or letter of appointment between him and the Company, or
- 111.2 In the case of a Director who holds any executive office, ceases to hold such office (whether because his appointment is terminated or expires) and the majority of the other Directors resolve that his office be vacated

## VACATION OF OFFICE

- 112. Without prejudice to the other provisions of these Articles, the office of a Director shall be vacated if
- 112.1 The Director becomes bankrupt or the subject of an interim receiving order or makes any arrangement or composition with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 (as amended) in connection with a voluntary arrangement under that Act, or
- a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months, or
- by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have, or
- 112.4 is absent from meetings of the Board for six consecutive months without permission of the Board and the Board resolves that his office be vacated, or
- 112.5 ceases to be a Director by virtue of any provision of the Statutes or becomes prohibited by law from being a Director
- 113. A resolution of the Board declaring a Director to have vacated or have been removed from office under the terms of Articles 111 to 112 shall be conclusive as to the fact and grounds of vacation or removal stated in the resolution

# REMUNERATION OF DIRECTORS

114. The Directors (other than alternate Directors) shall be paid such remuneration (by way of fee) for their services as may be determined by the Board save that, unless otherwise approved by ordinary resolution of the Company in general meeting, the aggregate of the remuneration (by way of fee) of all the Directors shall not exceed £800,000 per annum Such remuneration shall be deemed to accrue from day to day, shall be divided between the

Directors as they shall agree or, failing agreement, equally and shall be distinct from and additional to any remuneration or other benefits which may be paid or provided to any Director pursuant to any other provision of these Articles. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses of attending Board meetings, committee meetings, general meetings, or otherwise incurred while engaged on the business of the Company

115. Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, commission, percentage of profits or otherwise as the Board may decide

# CHIEF EXECUTIVE, MANAGING AND EXECUTIVE DIRECTORS

- 116. The Board may from time to time
- appoint one or more of its body to the office of chief executive, joint chief executive, managing Director or joint managing Director, or to any other office (except that of auditor) or employment in the Company, for such period (subject to the Statutes and these Articles) and on such terms as it thinks fit, and may revoke such appointment (but so that such revocation shall be without prejudice to any rights or claims which the person whose appointment is revoked may have against the Company by reason of such revocation), and
- permit any person elected or appointed to be a Director to continue in any other office or employment held by that person before he was so elected or appointed
- 117. A Director holding any such office or employment with a member of the group is referred to in these Articles as an "executive Director"
- An executive Director shall (subject to the provisions of any contract between him and the Company) be subject to the same provisions as to resignation and removal as the other Directors, and if he ceases from any cause to be a Director he shall cease to hold any office or employment with a member of the group (but without prejudice to any rights or claims which he may have against the Company by reason of such cessation)
- 119. An executive Director shall not be exempt from retirement by rotation, and shall cease to be a Director if he ceases for any reason to hold the office or employment by virtue of which he is termed an executive Director
- The remuneration of any executive Director (whether by way of salary, commission, participation in profits or otherwise) shall be decided by the Board and may be either in addition to or in lieu of any remuneration as a Director
- 121. The Board may entrust to and confer upon any executive Director any of the powers, authorities and discretions vested in or exercisable by it upon such terms and conditions and

with such restrictions as it thinks fit, either collaterally with or to the exclusion of its own powers, authorities and discretions and may from time to time revoke or vary all or any of them, but no person dealing in good faith and without notice of the revocation or variation shall be affected by it

#### ASSOCIATE AND OTHER DIRECTORS

The Directors may from time to time, and at any time, pursuant to this Article appoint any other persons to any post with such descriptive title including that of Director (whether as associate, executive, group, divisional, departmental, deputy, assistant, local or advisory director or otherwise) as the Directors may determine and may define, limit, vary and restrict the powers, authorities and discretions of persons so appointed and may fix and determine their remuneration and duties and, subject to any contract between him and the Company, may remove from such post any person so appointed. A person so appointed shall not be a Director for any of the purposes of these Articles or of the Statutes, and accordingly shall not be a member of the Board or (subject to Article 97) of any committee hereof, nor shall he be entitled to be present at any meeting of the Board or of any such committee except at the request of the Board or of such committee, and if present at such request he shall not be entitled to vote thereat

#### DIRECTORS' GRATUITIES AND PENSIONS

123. The Board may exercise all the powers of the Company to provide benefits whether by the payment of gratuities or pensions or by insurance or otherwise, for any Director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary undertaking of the Company or a predecessor in business of the Company or of any such subsidiary undertaking, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit

#### ALTERNATE DIRECTORS

- 124. Any Director (other than an alternate Director) may appoint another Director, or any other person approved by the Board, to be an alternate Director and may at any time terminate that appointment
- 125. An alternate Director shall (subject to his giving to the Company a postal address within the United Kingdom and, if applicable, an address in relation to which electronic communications may be received by him) be entitled to receive notice of all meetings of Directors and of all meetings of committées of Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director

in his absence, but it shall not be necessary to give notice of such a meeting to an alternate Director who is absent from the United Kingdom

- An alternate Director shall automatically cease to be an alternate Director if his appointor ceases to be a Director or dies, but, if a Director retires by rotation or otherwise vacates office and is elected or deemed to have been elected at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his election. The appointment of an alternate Director shall also automatically cease on the happening of any event which, if he were a Director, would cause him to vacate office.
- Any appointment or removal of an alternate Director shall be by notice in writing to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Board. A notice of appointment must contain a statement signed by the proposed alternate that he is willing to act as the alternate of the Director giving the notice.
- 128. Save as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him. An alternate Director may be repaid by the Company such expenses as might properly have been repaid to him if he had been a Director but shall not (unless the Company by ordinary resolution otherwise determines), in respect of his office of alternate Director, be entitled to receive any remuneration or fee from the Company. An alternate Director shall be entitled to be indemnified by the Company to the same extent as if he were a Director.
- 129. An alternate Director shall not be required to hold any shares in the Company and shall not be counted in determining any maximum number of Directors permitted by these Articles

#### PROCEEDINGS OF THE BOARD

130. The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any such meetings shall be determined by a majority of votes. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote. A Director who is also an alternate Director shall be entitled, in the absence of his appointor, to a separate vote on behalf of his appointor in addition to his own vote and an alternate Director who is appointed by two or more Directors shall be entitled to a separate vote on behalf of each of his appointors in the appointor's absence. A Director may, and the secretary on the requisition of a Director shall, call a meeting of the Board and notice of such meeting shall be deemed to be duly given to each Director if it is given to him personally or by word of mouth or sent in writing to him at his last-known address or any other address given by him to the Company for this purpose or sent by way of electronic communication to an address for the time being notified by him to the Company for this purpose. It shall not be necessary to give notice of a meeting of the Board to any Director.

# absent from the United Kingdom

- 131. The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed at any other number shall be two. A Director or other person who is present at a meeting of the Board in more than one capacity (that is to say, as both Director and an alternate Director or as an alternate for more than one Director) shall not be counted as two or more for quorum purposes unless at least one other Director or alternate Director is also present.
- Any Director or alternate Director may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Statutes, all business transacted in such a manner by the Board or a committee of the Board shall, for the purposes of these Articles, be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board, notwithstanding that fewer than two Directors or alternate Directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is
- 133. The Board may appoint from its number, and remove, a chairman and, if it thinks fit, a deputy chairman of its meetings and determine the period for which they are respectively to hold office. If no such chairman or deputy chairman is appointed, or neither is present within five minutes after the time fixed for holding any meeting or neither of them is willing to act as chairman, the Directors present may choose one of their number to act as chairman of such meeting.
- A resolution in writing signed by all the Directors for the time being entitled to vote on the resolution at a meeting of the Board (not being less than the number of Directors required to form a quorum of the Board at such meeting) or by all the members of a committee of the Board for the time being shall be as valid and effective as a resolution passed at a meeting of the Board or committee duly convened and held. A resolution signed by an alternate Director need not be signed by his appointor and, if it is executed by a Director who has appointed an alternate Director, it need not also be executed by the alternate Director in that capacity. The resolution may consist of one document or several documents in like form each signed by one or more Directors or alternate Directors and such documents may be exact copies of the signed resolution.
- All acts done by any meeting of the Board, or of a committee of the Board, or by any person acting as a Director or by an alternate Director, shall as regards all persons dealing in good faith with the Company, notwithstanding it be afterwards discovered that there was some defect in the appointment or continuance in office of any Director, alternate Director or

person so acting, or that they or any of them were disqualified, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director or an alternate Director and had been entitled to vote

#### **DIRECTORS' INTERESTS**

## Declarations of interest relating to transactions or arrangements

- 136. Subject to the provisions of the Statutes, and provided that he has made the disclosures required by this Article, a Director notwithstanding his office may be a party to or otherwise directly or indirectly interested in
- any transaction or arrangement with the Company or in which the Company is otherwise interested, or
- 136.2 a proposed transaction or arrangement with the Company
- A Director shall, subject to sub-section 177(6) of the Act, be required to disclose all interests whether or not material in any transaction or arrangement referred to in Article 136 and the declaration of interest must (in the case of a transaction or arrangement referred to in Article 136 1) and may (in the case of a transaction or arrangement referred to in Article 136 2), but need not, be made
- 137.1 at a meeting of the Directors, or
- 137.2 by notice to the Directors in accordance with
  - (a) Section 184 of the Act (notice in writing), or
  - (b) Section 185 of the Act (general notice)
- 138. The Directors may resolve that any situation referred to in Article 136 and disclosed to them thereunder shall also be subject to such terms as they may determine including, without limitation, the terms referred to in paragraphs (a) to (d) of Article 139 3

# Directors' interests other than in relation to transactions or arrangements with the Company

139. For the purposes of Section 175 of the Act, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under that Section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company For these purposes references to a conflict of interest includes a conflict of interest and duty

and a conflict of duties This Article does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company which are governed by Articles 136 to 138 inclusive

- 139.1 Authorisation of a matter under this Article shall be effective only if
  - (a) the matter in question shall have been proposed in writing (giving full particulars of the relevant situation) for consideration at a meeting of the Directors, in accordance with the Board's normal procedures or in such other manner as the Directors may approve,
  - (b) any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director (together the "Interested Directors"), and
  - (c) the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted
- Any authorisation of a matter pursuant to this Article shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised
- Any authorisation of a matter under this Article shall be subject to such terms as the Directors may determine, whether at the time such authorisation is given or subsequently, and may be terminated by the Directors at any time. Such terms may include, without limitation, terms that the relevant Directors
  - (a) will not be obliged to disclose to the Company or use for the benefit of the Company any confidential information received by him otherwise than by virtue of his position as a Director, if to do so would breach any duty of confidentiality to a third party,
  - (b) may be required by the Company to maintain in the strictest confidence any confidential information relating to the Company which also relates to the situation as a result of which the conflict arises ("the conflict situation"),
  - (c) may be required by the Company not to attend any part of a meeting of the Directors at which any matter which may be relevant to the conflict situation is to be discussed, and not to view any board papers relating to such matters, and
  - (d) shall not be obliged to account to the Company for any remuneration or other benefits received by him in consequence of the conflict situation

- A Director shall comply with any obligation imposed on him by the Directors pursuant to any such authorisation
- A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under this Article and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit
- Save as otherwise provided by these Articles, a Director shall not vote at a meeting of the Board or of a committee of the Board on any resolution concerning a matter in which he has, directly or indirectly, an interest (other than by virtue of his interest in shares, debentures or other securities of or in or otherwise through the Company) which is material, or a duty which conflicts or may conflict with the interests of the Company, unless his interest or duty arises only because one of the following Articles applies (in which case he may vote and be counted in the quorum)
- the resolution relates to the giving to him or any other person of a guarantee, security or indemnity in respect of money lent to, or an obligation incurred by him or by any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings,
- the resolution relates to the giving to a third party of a guarantee, security or indemnity in respect of an obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security,
- 140.3 his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares, debentures or other securities by the Company or any of its subsidiary undertakings for subscription, purchase or exchange,
- the resolution relates to any proposal concerning any other company in which he is interested, directly or indirectly, and whether as an officer or shareholder or otherwise howsoever provided that he does not hold an interest in shares (as that term is used in Part 22 of the Act) representing 1 per cent or more of either any class of the equity share capital of such company or of the voting rights available to members of such company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances),
- the resolution relates to any arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings, which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates, or
- 140.6 the resolution relates to any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any of the Directors or for

persons who include Directors provided that, for the purposes of this Article, "insurance" means only insurance against liability incurred by a Director in respect of any act or omission by him as is referred to in Article 207 or any other insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any groups of persons consisting of or including Directors

- 141. For the purposes of Articles 136 to 140 inclusive
- an interest of a person who is, for any purpose of the Act (excluding any such modification thereof not in force when these Articles became binding on the Company), connected with a Director shall be treated as an interest of the Director and, in relation to an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director otherwise has, and
- an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his
- 142. The Board may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as it thinks fit (including the exercise thereof in favour of any resolution appointing the Directors or any of them directors of such company, or voting or providing for the payment of remuneration to the directors of such company)
- 143. A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote
- Where proposals are under consideration concerning the appointment (including the fixing or varying of terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and (provided he is not caught by the proviso to Article 140 4 or for another reason precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment
- If a question arises at a meeting of the Board or of a committee of the Board as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting (or if the Director concerned is the chairman, to the other Directors at the meeting) and his ruling in relation to any Director (or, as the case may be, the ruling of the majority of the other Directors in relation to the chairman) shall be final and conclusive

#### **SECRETARY**

146. Subject to the Statutes, the secretary shall be appointed by the Board for such term, at such

remuneration and upon such conditions as it may think fit, and any secretary appointed by the Board may at any time be removed by it

Any provision of the Statutes or these Articles requiring or authorising a thing to be done by or to a Director and the secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the secretary

#### **MINUTES**

- 148. The Board shall cause minutes to be kept
- of all appointments of officers made by the Board,
- of proceedings at meetings of the Board and of any committee of the Board and the names of the Directors present at each such meeting, and
- of all resolutions of the Company, proceedings at meetings of the Company or the holders of any class of shares in the Company
- 149. Any such minutes, if purporting to be signed by the chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts therein stated
- 150. Any such minutes must be kept for the period specified by the Act

#### THE SEAL

- 151. In addition to its powers under section 44 of the Act, the Company may have a seal and the Board shall provide for the safe custody of such seal. The seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board. The Board shall determine who may sign any instrument to which the seal is affixed and, unless otherwise so determined, it shall also be signed by at least one authorised person in the presence of a witness who attests the signature. For the purpose of this article an authorised person is any director of the Company, company secretary or any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.
- 152. All forms of certificates for shares or debentures or representing any other form of security (other than letters of allotment or scrip certificates) shall be issued executed by the Company but the Board may by resolution determine, either generally or in any particular case, that any signatures may be affixed to such certificates by some mechanical or other means or may be printed on them or that such certificates need not bear any signature
- 153. If the Company has

- (a) an official seal for use abroad, it may only be affixed to a document if its use on that document, or documents of a class to which it belongs, had been authorised by a decision of the Directors, and
- (b) a security seal, it may only be affixed to securities by the Company Secretary or a person authorised to apply it to securities by the Company Secretary

# ACCOUNTING RECORDS, BOOKS AND REGISTERS

- 154. The Directors shall cause accounting records to be kept and such other books and registers as are necessary to comply with the provisions of the Statutes and, subject to the provisions of the Statutes, the Directors may cause the Company to keep an overseas or local or other register in any place, and the Directors may make and vary such directions as they may think fit respecting the keeping of the registers
- 155. The accounting records shall be kept at the office or (subject to the provisions of the Statutes) at such other place in Great Britain as the Board thinks fit, and shall always be open to inspection by the Directors. No member of the Company (other than a Director) shall have any right of inspecting any accounting record or book or document except as conferred by law or authorised by the Board or by the Company in general meeting.
- 156. The Board shall, in accordance with the Statutes, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by the Statutes. The Board shall in its report state the amount which it recommends to be paid by way of dividend
- A printed copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting and of the Directors' and auditors' reports shall, at least 21 clear days before the meeting, be delivered or sent by post to every member and to every debenture holder of the Company of whose address the Company is aware or, in the case of joint holders of any share or debenture, to the joint holder who is named first in the register and to the auditors provided that, if and to the extent that the Statutes so permit and without prejudice to Article 159, the Company need not send copies of the documents referred to above to members but may send such members summary financial statements or other documents authorised by the Statutes

## **AUDIT**

- 158. Auditors of the Company shall be appointed and their duties regulated in accordance with the Statutes
- 159. The auditors' report to the members made pursuant to the statutory provisions as to audit shall be laid before the Company in general meeting and shall be open to inspection by any member, and in accordance with the Statutes every member shall be entitled to be furnished

with a copy of the balance sheet (including every document required by law to be annexed thereto) and auditors' report

#### **AUTHENTICATION OF DOCUMENTS**

- Any Director or the secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Board and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts, and where any books, records, documents or accounts are elsewhere than at the office, the officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board, as aforesaid
- 161. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting of the Company or of the Board or of any committee of the Board which is certified as such in accordance with Article 160 shall be conclusive evidence in favour of all persons dealing with the Company on the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of proceedings at a duly constituted meeting

#### RECORD DATES

Notwithstanding any other provision of these Articles but without prejudice to the rights attached to any shares, the Board may fix a date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time within six months before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made

## DIVIDENDS

- Subject to the Statutes, the Company may by ordinary resolution declare that out of profits available for distribution there be paid dividends to members in accordance with their respective rights and priorities but no dividend shall exceed the amount recommended by the Board
- 164. Except as otherwise provided by these Articles or the rights attached to any shares, all dividends shall be declared and paid according to the amounts paid on the shares in respect of which the dividend is paid, but no amount paid on a share in advance of the date upon which a call is payable shall be treated for the purposes of this Article or Article 167 as paid on the share
- All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend

as from a particular date or be entitled to dividends declared after a particular date, such share shall rank for or be entitled to dividends accordingly

- Any general meeting declaring a dividend may, upon the recommendation of the Board, by ordinary resolution direct that it shall be paid or satisfied wholly or partly by the distribution of assets, and in particular by paid-up shares or debentures of any other company, and the Board shall give effect to such direction. If the shares in respect of which such a non-cash distribution is paid are uncertificated, any shares in the Company which are issued as a non-cash distribution in respect of them must be uncertificated. Where any difficulty arises in regard to such distribution, the Board may settle it as it thinks expedient, and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution purposes of such assets (or any part thereof) and may determine that cash shall be paid to any members upon the footing of the value so fixed in order to secure equality of distribution, and may vest any such assets in trustees, upon trust for the members entitled to the dividend, as may seem expedient to the Board
- Subject to the Statutes, the Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company available for distribution and the position of the Company, and the Board may also pay the fixed dividend payable on any shares of the Company with preferential rights half-yearly or otherwise on fixed dates whenever such profits, in the opinion of the Board, justify that course. In particular (but without prejudice to the generality of the foregoing), if at any time the share capital of the Company is divided into different classes, the Board may pay interim dividends on shares in the capital of the Company which confer deferred or non-preferential rights as well as in respect of shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferential rights if, at the time of payment, any preferential dividend is in arrear. Provided the Board acts in good faith, the Board shall not incur any liability to the holders of shares conferring any preferential rights for any loss that they may suffer by reason of the lawful payment of an interim dividend on any shares having deferred or non-preferential rights
- 168. The Board may deduct from any dividend payable to any member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares in the Company
- All dividends and interest shall belong and be paid (subject to any lien of the Company) to those members whose names shall be on the register at the date at which such dividend shall be declared or at the date at which such interest shall be payable respectively, or at such other date as the Company by ordinary resolution or the Board may determine, notwithstanding any subsequent transfer or transmission of shares
- 170. The Board may pay the dividends or interest payable on shares in respect of which any person is by transmission entitled to be registered as holder to such person upon production

of such certificate and evidence as would be required if such person desired to be registered as a member in respect of such shares

- No dividend or other monies payable in respect of a share shall bear interest against the Company unless otherwise expressly provided by the rights attached to the share. All dividends, interest and other sums payable which are unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until such time as they are claimed. The payment of any unclaimed dividend, interest or other sum payable by the Company on or in respect of any share into a separate account shall not constitute the Company a trustee of the same. All dividends unclaimed for a period of 12 years after having been declared shall be forfeited and shall revert to the Company.
- The Company may pay any dividend, interest or other monies payable in cash in respect of shares by direct debit, bank transfer, cheque, dividend warrant or money order. In respect of shares in uncertificated form, where the Company is authorised to do so by or on behalf of the holder or joint holders in such manner as the Company shall from time to time consider sufficient, the Company may also pay any such dividend, interest or other monies by means of the relevant system concerned (subject always to the facilities and requirements of that relevant system). Without prejudice to the generality of the foregoing, in respect of shares in uncertificated form, such payment may include the sending by the Company or by any person on its behalf of an instruction to the Operator of the relevant system to credit the cash memorandum account of the holder or joint holders or, if permitted by the Company, of such person as the holder or joint holders may in writing direct.
- Every such cheque, warrant or order may be remitted by post directed to the registered postal address of the holder or, in the case of joint holders, to the registered postal address of the joint holder whose name stands first in the register, or to such person and to such postal address as the holder or joint holders may in writing direct. Every such cheque, warrant or order shall be made payable to or to the order of the person to whom it is sent, or to such other person as the holder or joint holders may in writing direct.
- 174. Every such payment made by direct debit or bank transfer shall be made to the holder or joint holders or to or through such other person as the holder or joint holders may in writing direct
- 175. The Company shall not be responsible for any loss of any such cheque, warrant or order and any payment made by direct debit, bank transfer, by means of a relevant system or such other method shall be at the sole risk of the holder or joint holders. Without prejudice to the generality of the foregoing, if any such cheque, warrant or order has or shall be alleged to have been lost, stolen or destroyed, the Directors may, on request of the person entitled thereto, issue a replacement cheque, warrant or order subject to compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit

- Payment of such cheque, warrant or order, the collection of funds from or transfer of funds by a bank in accordance with such direct debit or bank transfer or, in respect of shares in uncertificated form, the making of payment in accordance with the facilities and requirements of the relevant system concerned shall in each case be a good discharge to the Company
- 177. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable in respect of the share held by him as joint holder
- 178. The Board may, if authorised by an ordinary resolution of the Company, offer the holders of ordinary shares the right to elect to receive additional ordinary shares, credited as fully paid, instead of cash in respect of any dividend or any part (to be determined by the Board) of any dividend specified by the ordinary resolution. The following provisions shall apply
- an ordinary resolution may specify a particular dividend or dividends, or may specify all or any dividends declared within a specified period, but such period may not end later than the conclusion of the fifth annual general meeting following the date of the meeting at which the ordinary resolution is passed,
- the entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of such new ordinary shares shall in aggregate be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) that such holder would have received by way of dividend. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares on the London Stock Exchange as derived from the Daily Official List on the day on which the ordinary shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the ordinary resolution, but shall never be less than the par value of the new ordinary share. A certificate or report by the auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount,
- the Board may, after determining the basis of allotment, notify the holders of ordinary shares in writing of the right of election offered to them, and specify the procedure to be followed and place at which, and the latest time by which, elections must be lodged in order to be effective. The basis of allotment shall be such that no shareholder may receive a fraction of a share,
- the Board may exclude from any offer any holders of ordinary shares where the Board believes that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them,
- the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on ordinary shares in respect of which an election has been

made (the "elected ordinary shares") and instead additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment calculated as stated. For such purpose the Board shall capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including any share premium account, any capital reserve and the profit and loss account) or otherwise available for distribution as the Board may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to the holders of the elected ordinary shares on that basis,

- the additional ordinary shares when allotted shall rank part passu in all respects with fully paid ordinary shares then in issue except that they will not be entitled to participate in the relevant dividend (including the share election in lieu of such dividend), and
- the Board may do such acts and things which it considers necessary or expedient to give effect to any such capitalisation and may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for such capitalisation, and any incidental matters and any agreement so made shall be binding on all concerned

#### RESERVES

The Board may, before recommending any dividend (whether preferential or otherwise), set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to distribute.

# **CAPITALISATION OF PROFITS**

- 180. The Company may, upon the recommendation of the Board, resolve by ordinary resolution that it be desirable to capitalise all or any part of the profits of the Company specified in Article 184 and accordingly that the Board be authorised and directed to appropriate the profits so resolved to be capitalised to the members as at the date specified in the relevant resolution or determined as therein provided who would have been entitled thereto if distributed by way of dividend and in the same proportions
- 181. Subject to any direction given by the Company, the Board shall appropriate the profits resolved to be capitalised by any such resolution, and apply such profits on behalf of the members entitled thereto either

- in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such members respectively, or
- 181 2 in paying up in full unissued shares, debentures or obligations of the Company, of a nominal amount equal to such profits, for allotment and distribution, credited as fully paid, to and amongst such members in the proportions referred to above or as they may direct,

or partly in one way and partly in the other provided that no unrealised profit shall be applied in paying up amounts unpaid on any issued shares and the only purpose to which sums standing to capital redemption reserve or share premium account shall be applied pursuant to this Article shall be the payment up in full of unissued shares to be allotted and distributed to members credited as fully paid

- 182. The Board shall have power after the passing of any such resolution
- 182.1 to make such provision (by the issue of fractional certificates or by payment in cash or otherwise) as it thinks fit for the case of shares, debentures or obligations becoming distributable in fractions, such power to include the right for the Company to retain small amounts the cost of distribution of which would be disproportionate to the amounts involved,
- 182.2 to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing (as the case may require) either
  - 182.2.1 for the payment up by the Company on behalf of such members (by the application thereto of their respective proportions of the profits resolved to be capitalised) of the amounts, or any part of the amounts, remaining unpaid on their existing shares, or
  - 182.2.2 for the allotment to such members respectively, credited as fully paid, of any further shares, debentures or obligations to which they may be entitled upon such capitalisation,

and any agreement made under such authority shall be effective and binding on all such members

- The Company in general meeting may resolve that any shares allotted pursuant to Articles 180 to 182 (inclusive) to holders of any partly paid ordinary shares shall, so long as such ordinary shares remain partly paid, rank for dividends only to the extent that such partly paid ordinary shares rank for dividends
- 184. The profits of the Company to which Articles 180 to 182 (inclusive) apply shall be any undivided profits of the Company not required for paying the fixed dividends on any preference shares or other shares issued on special conditions and shall also be deemed to

#### ınclude

- any profits arising from appreciation in capital assets (whether realised by sale or ascertained by valuation), and
- any amounts for the time being standing to any reserve or reserves or to the capital redemption reserve or to the share premium or other special account

#### **NOTICES**

- Subject to the specific terms of any Article, any notice to be given to or by any person pursuant to these Articles shall be in writing (which, for the avoidance of doubt, shall be deemed to include a notice given in electronic form or by website communication), save that a notice convening a meeting of the Board or of a committee of the Board need not be in writing
- 186. Save as provided in Articles 189 and 193, any notice or other Shareholder Information may be served by the Company on, or supplied by the Company to, any person personally or by sending it by first-class post in a prepaid envelope addressed to such person at his postal address as appearing in the register or by sending or supplying it in electronic form or by website communication in accordance with Article 189. In the case of joint holders of a share all notices or other Shareholder Information shall be given or supplied to the joint holder who is named first in the register, and notice so given or other Shareholder Information so supplied shall be sufficient notice or supply to all the joint holders. Any notice to be given to a person may be given by reference to the register as it stands at any time within the period of 15 days before the notice is given and no change in the register after that time shall invalidate the giving of the notice.
- In the case of notices or other Shareholder Information sent by post, proof that an envelope containing the communication was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given or other Shareholder Information sent. If the communication is made by post, it shall be deemed to be given or received at the expiration of 48 hours after the envelope containing it was posted. In calculating the period of hours for the purposes of this Article no account shall be taken of Sundays or Bank Holidays.
- Any member or person nominated to receive Shareholder Information whose address in the register is not within the United Kingdom and who gives to the Company a postal address within the United Kingdom at which notices may be served upon him shall be entitled to have notices served upon him at such postal address, but otherwise no such person, other than a person whose address in the register is within the United Kingdom, shall be entitled to receive any notice from the Company. Any member or person nominated by a member to receive Shareholder Information whose address in the register is not within the United Kingdom and who gives to the Company an address for the purposes of receipt of communications in electronic form may, at the absolute discretion of the Board, have

notices served upon him at such address

- Subject to the provisions of the Statutes, any notice or other Shareholder Information (excluding a share certificate) will be validly sent or supplied if sent or supplied by the Company to any member or person nominated by a member to receive Shareholder Information in electronic form if that person has agreed (generally or specifically) (or, if the member is a company and it is deemed by the Statutes to have agreed) that the communication may be sent or supplied in that form and
  - 189.1.1 the notice or other Shareholder Information is sent using electronic means (as that term is used in section 1168 of the Act) to such address (or to one of such addresses if more than one) as may for the time being be notified by the member to the Company (generally or specifically) for that purpose or, if the intended recipient is a company, to such address as may be deemed by a provision of the Statutes to have been so specified,
  - 189.1.2 the notice or other Shareholder Information is sent or supplied in electronic form by hand, handed to the recipient or sent or supplied to an address to which it could validly be sent if it were in hard copy form, and
  - 189.1.3 in each case that person has not revoked the agreement
- 189.2 Subject to the provisions of the Statutes any notice or other Shareholder Information (excluding a share certificate) will be validly sent or supplied by the Company if it is made available by means of a website communication where that person has agreed, or is deemed by the Statutes to have agreed (generally or specifically) that the communication may be sent or supplied to him in that manner and
  - 189.2.1 that person has not revoked the agreement,
  - 189.2.2 that person is notified in a manner for the time being agreed for the purpose between that person and the Company of
    - (a) the publication of the notice or other Shareholder Information on a website,
    - (b) the address of that website, and
    - (c) the place on that website where the notice or other Shareholder Information may be accessed and how it may be accessed,
  - 189.2.3 the notice or other Shareholder Information continues to be published on the website throughout the period specified in the Act, and
  - 189.2.4 the notice or other Shareholder Information is published on the website throughout

the period referred to in Article 189 2 3 provided that if the notice or other Shareholder Information is published on that website for a part but not all of such period, the notice or other Shareholder Information will be treated as published throughout that period if the failure to publish the notice or other Shareholder Information throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid

- When any notice or other Shareholder Information is given or sent by the Company by electronic means (as that term is used in section 1168 of the Act), it shall be deemed to have been given on the same day as it was sent to an address supplied by the member or person nominated by the member to receive Shareholder Information, and in the case of the publication of a notice or other Shareholder Information by website communication, it shall be deemed to have been received by the intended recipient when the material was first made available on the website or, if later, when the recipient received (or is deemed to have received) notice of the fact that the material was available on the website pursuant to Article 189 2.2. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given
- Any provision of this Article 189 which refers to anything agreed, notified or specified by a member shall be deemed to have been validly agreed, notified or specified, notwithstanding any provisions of the Statutes, if agreed, notified or specified by only one and not all of the joint holders of any shares held in joint names
- Where in accordance with these Articles a member is entitled or required to give or send to the Company a notice in writing, the Company may, if it in its absolute discretion so decides, (and shall, if it is registered to do so or is deemed to have so agreed by any provision of the Statutes) permit such notices (or specified classes thereof) to be sent to the Company by such means of electronic communication as may from time to time be specified (or be deemed by the Statutes to be agreed) by the Company, so as to be received at such address as may for the time being be specified (or deemed by the Statutes to be specified) by the Company (generally or specifically) for the purpose. Any means of so giving or sending such notices by electronic communication shall be subject to any terms, limitations, conditions or restrictions that the Directors may from time to time prescribe.
- 191. A member or person nominated by the member to receive Shareholder Information who (having no registered address within the United Kingdom) has not supplied to the Company either a postal address within the United Kingdom for the service of notices or an address for the service of notices in electronic form, subject always to the terms of Article 189 I shall not be entitled to receive notices from the Company. If, on three consecutive occasions, a notice to a member or person nominated by the member to receive Shareholder Information has been returned undelivered or the Company receives notice that it is undelivered, such member shall not thereafter be entitled to receive notices from the Company until he shall have communicated with the Company and supplied in writing to

the office a new postal address within the United Kingdom for the service of notices or shall have informed the Company, in such manner as may be specified by the Company, of an address for the service of notices in electronic form, subject always to the terms of Article 189 1. For these purposes, a notice sent by post shall be treated as returned undelivered if the notice is sent back to the Company (or its agents) and a notice sent by electronic communication shall be treated as returned undelivered if the Company (or its agents) receive(s) notification that the notice was not delivered to the address to which it was sent

- 192. Every person who becomes entitled to a share
- 192.1 except as mentioned in Article 192 2, shall be bound by any notice in respect of that share which, before his name is entered in the register, has been duly given to a person from whom he derives his title, but
- shall not be bound by any such notice given by the Company under section 793 of the Act or under Article 82
- If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one national newspaper and such notice shall be deemed to have been duly served on all persons entitled thereto at noon on the day when the advertisement appears. In any such case, the Company shall still serve notices in electronic form or by website communication, subject always to the Statutes, and shall send confirmatory copies of the notice by post to persons to whom it was not sent in electronic form or by website communication and to those persons to whom notification of the publication of the notice on the Company's website would usually be given by post if at least seven clear days prior to the meeting the posting of notices to postal addresses throughout the United Kingdom becomes practicable
- 194. A person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member on supply to the Company of such evidence as the Board may reasonably require to show his title to that share, and upon supplying also a postal address within the United Kingdom for the service of notices and documents and, if he wishes, an address for the service and delivery of electronic communications, shall be entitled (subject always to the terms of Article 195) to have served on or delivered to him at such address any notice or document to which the member but for his death, mental disorder or bankruptcy would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Until such address or addresses have been so supplied, any notice or other Shareholder Information may be sent or supplied in any manner in which it might have been sent or supplied if the death, mental disorder or bankruptcy had not occurred and if so sent or supplied shall be deemed to have been duly sent or supplied in respect of any share registered in the name of such member as sole or first-named joint holder

195. Any member present, either personally or by proxy or (in the case of a corporate member) by representative, at any general meeting of the Company or of the holders of any class of shares in the Company shall for all purposes be deemed to have received due notice of such meeting and, where required, of the purposes for which such meeting was called

### **UNTRACED MEMBERS**

- 196. The Company shall be entitled to sell at the best price reasonably obtainable the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy if and provided that
- during the period of 12 years prior to the date of the publication of the advertisements referred to in Article 196 2 (or, if published on different dates, the earlier or earliest thereof), at least three dividends in respect of the shares have become payable and no dividend has been claimed during that period in respect of such shares,
- the Company shall, on or after the expiry of the said 12 years, have inserted advertisements, both in a national newspaper and in a newspaper circulating in the area of the last-known postal address of such member or other person (or the postal address at which service of notices may be effected in accordance with these Articles), giving notice of its intention to sell the said shares,
- 196.3 the said advertisements, if not published on the same day, shall be published within 30 days of each other, and
- during the said period of 12 years and the period of three months following the date of publication of the said advertisements (or, if published on different dates, the later or latest thereof) and prior to the exercise of the power of sale, the Company shall not have received an indication either of the whereabouts or of the existence of such member or person
- 197. If, during the period referred to in Article 196 1, any additional shares have been issued by way of rights in respect of shares held at the commencement of such period or in respect of shares so issued previously during such period, the Company may, if the requirement of Articles 196 1 to 196 4 have been satisfied, also sell such additional shares
- 198.1 To give effect to any such sale the Company may
  - 198.1.1 if the shares concerned are in uncertificated form, in accordance with the Regulations, issue a written notification to the Operator requiring the conversion of the shares into certificated form, and
  - 198.1.2 appoint any person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer shall be as effective as if it had been

executed by the holder of, or person entitled by transmission to, such shares

- 198.2 The title of the transferee shall not be affected by any irregularity in or invalidity of the proceedings relating thereto
- The net proceeds of sale shall belong to the Company which shall
- 199.1 be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds, and
- 199.2 (until the Company has so accounted) enter the name of such former member or other person in the books of the Company as a creditor for such amount
- 200. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company (if any)) as the Board may think fit

### DESTRUCTION OF DOCUMENTS

- **201.** The Company shall be entitled to destroy
- at any time after the expiration of six years from the date of registration thereof or on which an entry in respect thereof shall have been made (as the case may be), all instruments of transfer of shares of the Company which shall have been registered and all letters of request, renounced allotment letters, renounceable share certificates, forms of acceptance and transfers and applications for allotment in respect of which an entry in the register shall have been made,
- at any time after the expiration of one year from the date of cancellation thereof, all registered certificates for shares of the Company (being certificates for shares in the name of a transferor and in respect whereof the Company has registered a transfer) and all mandates and other written directions as to the payment of dividends (being mandates or directions which have been cancelled), and
- at any time after the expiration of one year from the date of the recording thereof, all notifications of change of name or address (including addresses for the purpose of receipt of communications in electronic form and any Nomination Notices)
- 202. It shall conclusively be presumed in favour of the Company that every entry in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, and every share certificate so

destroyed was a valid and effective certificate duly and properly cancelled, and every other document hereinbefore mentioned was in accordance with the recorded particulars thereof in the books or records of the Company provided always that

- the foregoing provisions shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant,
- 202.2 nothing contained in this Article or Article 201 shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article or Article 201,
- 202 3 references herein to the destruction of any document include references to its disposal in any manner, and
- any document referred to in Articles 201 1, 201 2 and 201 3 may be destroyed at a date earlier than that authorised by Article 201 provided that a permanent copy of such document shall have been made which shall not be destroyed before the expiration of the period applicable to the destruction of the original of such document and in respect of which the Board shall take adequate precautions for guarding against falsification and shall provide adequate means for its reproduction

### WINDING-UP

- 203. The power of sale of a liquidator shall include a power to sell wholly or partially shares or debentures, or other obligations of another company, either then already constituted, or about to be constituted, for the purpose of carrying out the sale
- On any voluntary winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act or the Insolvency Act 1986 (as amended), divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. Any such division shall be in accordance with the existing rights of the members. The liquidator may, with the like sanction, vest the whole or any part of the assets of the Company in trustees on such trusts for the benefit of the members as he, with the like sanction, shall determine, but no member shall be compelled to accept any assets on which there is a liability

### PROVISION FOR EMPLOYEES

205. The Company may, pursuant to a resolution of the Board and in accordance with the Act, make provision for the benefit of persons employed or formerly employed by the Company

or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary

### INDEMNITY

- Subject to the Act the Company may indemnify, out of the assets of the Company, any director of the Company or of any associated company against all losses and liabilities which he may sustain or incur in the execution of the duties of his office or otherwise in relation thereto, provided that this Article 2061 shall only have effect insofar as its provisions are not void under sections 232 or 234 of the Act
- The Company may also indemnify, out of the assets of the Company, any director of either the Company or any associated company where the Company or such associated company acts as trustee of a pension scheme, against liability incurred by him in connection with the relevant company's activities as trustee of such scheme, provided that this Article 206 2 shall only have effect in so far as its provisions are not void under sections 232 or 234 of the Act
- Subject to sections 205(2) to (4) of the Act, the Company may provide a Director with funds to meet expenditure incurred or to be incurred by him in defending (or seeking relief in respect of) any civil or criminal proceedings brought or threatened against him in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or an associated company, and the Company shall be permitted to take or omit to take any action or enter into any arrangement which would otherwise be prohibited under sections 197 to 203 of the Act to enable a director to avoid incurring such expenditure
- Subject to section 206 of the Act, the Company may also provide a Director with funds to meet expenditure incurred or to be incurred by him in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or any associated company and the Company shall be permitted to take or omit to take any action or enter into any arrangement which would otherwise be prohibited under section 197 of the Act to enable a director to avoid incurring such expenditure
- 206.5 For the purpose of Articles 206 1, 206 2 and 206 4 the expression "associated company" shall mean a company which is either a subsidiary or a holding company of the Company or a subsidiary of such holding company as such terms are defined in the Act

### INSURANCE

207. Subject to the provisions of the Act, the Board shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of the Company, or of any company or body which is its holding company or in which the Company or such holding company has an interest

whether direct or indirect or which is in any way allied to or associated with the Company or who were at any time trustees of any pension fund in which any employees of the Company or of any other such company or body are interested including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company and/or any such other company, body or pension fund

### NOMINATION NOTICES

- 208.1 For so long as the shares of the Company are admitted to trading on the Official List, the Company may prescribe the form and content of Nomination Notices Unless the Company prescribes otherwise, a Nomination Notice shall
  - state the name and address of the person nominated,
  - confirm that the member holds shares in the Company on behalf of the person nominated pursuant to the Nomination Notice,
  - specify whether the person nominated wishes to receive Shareholder Information in hard copy form, in electronic form or by website communication and include any further information which the Company will need in order to use the means of communication specified,
  - 208.1.4 indicate whether the Information Rights are to be enjoyed only by the person nominated, or whether the member giving the notice may also continue to enjoy them,
  - 208.1.5 specify the date from which it is to take effect,
  - specify the date on which it is to cease to have effect, or that it is to have effect until further notice or until the member concerned transfers or ceases to hold any shares in the Company, and
  - 208.1.7 be executed by or on behalf of the member and the person nominated
- Subject to these Articles, and only for so long as the shares of the Company are admitted to the Official List, the Company shall give effect to any Nomination Notice received by it in accordance with these Articles but in accordance with section 146(5) of the Act shall not be obliged to act on a nomination purporting to relate to certain Information Rights only
- 208.3 A nomination made by Nomination Notice shall cease to have effect

- 208.3.1 in accordance with its terms, or
- 208.3.2 in accordance with sections 148(3), 148(5) or 148(7) of the Act
- 208.4 If the Company receives a document which purports to be a Nomination Notice but which does not contain the required information or which is not given in the form prescribed by the Company, the Company shall, for so long as the shares of the Company are admitted to trading on the Official List, give effect to it in accordance with section 147(5) to the extent that it is able to do so and shall notify the member that it is incomplete (and in what respect it is incomplete) and that the Company cannot give full effect to it in its present form
- The Company shall be entitled to treat a Nomination Notice as surviving a subdivision, consolidation or reclassification of the Company's share capital
- 209.1 For so long as the shares of the Company are admitted to trading on the Official List, the Company shall keep a record of all Nomination Notices which are in force
- 209.2 For so long as the shares of the Company are admitted to trading on the Official List, the Company shall provide any member, on request and without charge, with a copy of the records of Nomination Notices given by that member in so far as it is able to do so
- 209.3 The Company may fix a record date for the enjoyment of Information Rights or for the circulation of Shareholder Information to persons nominated by Nomination Notices
- Anything to be carried out by the Company in Articles 209 1 and 209 2 may instead be carried out by the Company through its agents

In accordance with Section 619, 621 & 689 of the Companies Act 2006

### SH02



Notice of consolidation, sub-division, redemption of shares or re-conversion of stock into shares

1	What this form is for You may use this form to give notice of consolidation, sub-division, redemption of shares or re-conversion of stock into shares  What this form is NOT for You cannot use this form it notice of a conversion of stock  **Total Control of Stock**  **Total Control of Stock**  What this form is NOT for You cannot use this form it notice of a conversion of stock*  A26				2	JQ3VMSV 3/08/2010 ANIES HO	LICE.	11									
1	Cor	npai	ny de	tail	5							-		COMP	ANIES IIC	USE	
Company number	0	7	3	0	3	3	1	6							g in this fori		
Company name in full	NB	NK	INVE	STM	ENTS	PL	C	·							e complete i plack capitals		), Or III
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2	Dat	e of	reso	utio	n												
Date of resolution	°1	<sup>0</sup> 2	•	m <sub>O</sub>	m8		<sup>y</sup> 2	y 0	<sup>y</sup> 1	. y 0							
3	Cor	ısoli	datıo	n													
Please show the ame	ndm	ents t	o eaci	h cla	ss of s	share									· <del>-</del> ·		
					Previo	us sha	re stru	ıcture				New sha	re struc	ture	_		
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4	Sub	-div	ision														
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					Previo	us sha	re stru	ıcture				New sha	re struc	ture			
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Deferred												ļ	5	0,000		(	90
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5	Rec	lemp	otion														
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Class of shares (E.g. Ordinary/Preference e	etc )				Numbe	r of ISSI	ued sha	ares		Nominal value hare	of each						
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### SH02

Notice of consolidation, sub-division, redemption of shares or re-conversion of stock into shares

6	Re-conversion		• • • • • •		
Please show the class	s number and nominal	value of shares followin	g re-conversion from st	ock	
	New share structure				
Value of stock Class of shares (E.g. Ordinary/Preference		etc)	Number of issued shares	Nominal value of each share	
	<u> </u>			<u> </u>	
	Statement of capit	tal ————————			
		tion 8 and Section 9 if a ng the changes made in		ect the company's	
7	Statement of capi	tal (Share capital in p	oound sterling (£))		
		ach share classes held in omplete <b>Section 7</b> and t			
Class of shares (E.g. Ordinary/Preference e	etc )	Amount paid up on each share 1	Amount (if any) unpaid on each share	Number of shares 2	Aggregate nominal value 3
Ordinary		0 10		50000	£ 5,000 00
Deferred		0 90		50000	£ 45,000 00
					£
					£
			Totals	100000	£ 50,000.00
8	Statement of capit	tal (Share capital in c	other currencies)		
Please complete the t		y class of shares held in currency	other currencies		
Currency					
Class of shares (E.g. Ordinary / Preference	etc)	Amount paid up on each share	Amount (if any) unpaid on each share	Number of shares ②	Aggregate nominal value
			Totals		
<u> </u>				1	1
Currency			<u> </u>		
Class of shares (E.g. Ordinary/Preference et	etc)	Amount paid up on each share 1	Amount (if any) unpaid on each share	Number of shares 2	Aggregate nominal value 3
-			Totals	<u> </u>	<u> </u>
<ul><li>Including both the noming share premium</li><li>Total number of issued:</li></ul>	•	Number of shares issued nominal value of each share	are Ple	ntinuation pages ase use a Stalement of Capita ge if necessary	al continuation

CHFP025 05/10 Version 4 0

### SH02

Notice of consolidation, sub-division, redemption of shares or re-conversion of stock into shares

9	Statement of capital (Totals)		
	Please give the total number of shares and total aggregate nominal value of issued share capital	Total aggregate nominal value     Please list total aggregate values in     different currencies separately For	
Total number of shares	100000	example £100 + €100 + \$10 etc	
Total aggregate nominal value	50000		
10	Statement of capital (Prescribed particulars of rights attached to shares	s) <b>0</b>	
	Please give the prescribed particulars of rights attached to shares for each class of share shown in the statement of capital share tables in <b>Section 7</b> and <b>Section 8</b> .	Prescribed particulars of rights attached to shares The particulars are a particulars of any voting rights,	
Class of share	Ordinary	including rights that arise only in certain circumstances,	
Prescribed particulars	a The total number of votes a member present in person or (being a corporation) who is present by a duly authorised representative or a proxy for a member has on a show of hands shall be determined in accordance with the Act On a poll every member present in person or by proxy or by representative (in the case of a corporate member) shall have one vote for each share of which he is the holder, proxy or representative On a poll, a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes in the same way (CONT'D)	b particulars of any rights, as respects dividends, to participate in a distribution, c particulars of any rights, as respects capital, to participate in distribution (including on winding up), and d whether the shares are to be redeemed or are liable to be redeemed at the option of the company or the shareholder and any terms or conditions relating to redemption of these shares A separate table must be used for each class of share	
Class of share	Deferred	Please use a Statement of capital	
Prescribed particulars	a The holders of the Deferred Shares will not be entitled to receive notice of any general meeting of the Company or to attend, speak or vote at any such meeting b The Deferred Shares shall confer no right to participate in the profits of the Company c The holders of the Deferred Shares shall not be entitled to any right of participation in the assets of the Company available for distribution save for on a winding up or a return of capital, in which case the assets of the Company available for distribution shall be applied in paying (CONT'D)	continuation page if necessary	
Class of share			
Prescribed particulars			

In accordance with Section 619, 621 & 689 of the Companies Act

### SH02 - continuation page

Notice of consolidation, sub-division, redemption of shares or re-conversion of stock into shares

Statement of capital (Prescribed particulars of rights attached to shares) •

Class of share

Ordinary

Prescribed particulars | b

The Company may by ordinary resolution declare that out of profits available for distribution there be paid dividends to members in accordance with their respective rights and priorities but no dividend shall exceed the amount recommended by the Board Except as otherwise provided by the Articles or the rights attached to any shares, all dividends shall be declared and paid according to the amounts paid on the shares in respect of which the dividend is paid. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date or be entitled to dividends declared after a particular date, such share shall rank for or be entitled to dividends accordingly c On any voluntary winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act or the Insolvency Act 1986 (as amended), divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of Any such division shall be in accordance with the existing rights of the members liquidator may, with the like sanction, vest the whole or any part of the assets of the Company in trustees on such trusts for the benefit of the members as he, with the like sanction, shall determine, but no member shall be compelled to accept any assets on which there is a liability The Ordinary Shares are not redeemable.

### Prescribed particulars of rights attached to shares

The particulars are

- a particulars of any voting rights, including rights that arise only in certain circumstances,
- b particulars of any rights, as respects dividends, to participate in a distribution.
- c particulars of any rights, as respects capital, to participate in a distribution (including on winding up), and
- whether the shares are to be redeemed or are liable to be redeemed at the option of the company or the shareholder and any terms or conditions relating to redemption of these shares

A separate table must be used for each class of share

In accordance with Section 619, 621 & 689 of the Companies Act

### SH02 - continuation page

Notice of consolidation, sub-division, redemption of shares or re-conversion of stock into shares

Statement of capital (Prescribed particulars of rights attached to shares) •

### Class of share

Deferred

### Prescribed particulars

(CONT'D) to the holders of the Deferred Shares the nominal capital paid up or credited as paid up on such Deferred Shares only after paying to the holders of the Ordinary Shares the nominal capital paid up or credited as paid up on the Ordinary Shares held by them respectively, together with the sum of £10,000,000 on each Ordinary Share The deferred shares are not redeemable

### Prescribed particulars of rights attached to shares

The particulars are

- a particulars of any voting rights, including rights that arise only in certain circumstances,
- particulars of any rights, as respects dividends, to participate in a distribution,
- c particulars of any rights, as respects capital, to participate in a distribution (including on winding up), and
- d whether the shares are to be redeemed or are liable to be redeemed at the option of the company or the shareholder and any terms or conditions relating to redemption of these shares

A separate table must be used for each class of share

SH02
Notice of consolidation, sub-division, redemption of shares or re-conversion of stock into shares

Class of share		Prescribed particulars of rights attached to shares
Prescribed particulars		The particulars are a particulars of any voting rights, including rights that arise only in certain circumstances, b particulars of any rights, as respects dividends, to participate in a distribution, c particulars of any rights, as respects capital, to participate in a distribution (including on winding up), and d whether the shares are to be redeemed or are liable to be redeemed at the option of the
Class of share		company or the shareholder and any terms or conditions relating to
Prescribed particulars		redemption of these shares  A separate table must be used for each class of share  Please use a Statement of capital continuation page if necessary
11	Signature	
Signature	Signature  X Representing Law Debenture Corporate Services Ltd  This form may be signed by Director ②, Secretary, Person authorised ③, Administrator, Administrative Receiver, Receiver, Receiver manager, CIC manager	Societas Europaea If the form is being filed on behalf of a Societas Europaea (SE) please delete 'director' and insert details of which organ of the SE the person signing has membership  Person authorised Under either section 270 or 274 of the Companies Act 2006

### SH02

Notice of consolidation, sub-division, redemption of shares or re-conversion of stock into shares

Presenter information	Important information
You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.	Please note that all information on this form will appear on the public record.
Visible to searchers of the public record	☑ Where to send
Contact name CHARLOTTE DENCER	You may return this form to any Companies House
Company name TRAVERS SMITH LLP	address, however for expediency we advise you to return it to the appropriate address below:
Address 10 SNOW HILL	For companies registered in England and Wales. The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ DX 33050 Cardiff
	For companies registered in Scotland.
Post town LONDON	The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2,
County/Region	139 Fountainbridge, Edinburgh, Scotland, EH3 9FF DX ED235 Edinburgh 1
Postcode E C 1 A 2 A L	or LP - 4 Edinburgh 2 (Legal Post)
Country UNITED KINGDOM	For companies registered in Northern Ireland
OX 1111079	The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street,
Telephone 0207 295 3332	Belfast, Northern Ireland, BT2 8BG  DX 481 N R Belfast 1
✓ Checklist	
We may return forms completed incorrectly or	7 Further information
with information missing.	For further information, please see the guidance note
Please make sure you have remembered the following	on the website at www companieshouse gov uk or email enquiries@companieshouse gov uk
☐ The company name and number match the	This form is available in an
information held on the public Register You have entered the date of resolution in	alternative format. Please visit the
Section 2	forms page on the website at
Where applicable, you have completed Section 3, 4, 5 or 6	www companieshouse.gov uk
You have completed the statement of capital	www.companiconcuss.gov.aix
You have signed the form	
	1

# NBNK INVESTMENTS PLC

THURSDAY



A37 17/03/2011 COMPANIES HOUSE

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**Annual Report and Financial Statements** 

For the period ended 31 December 2010

Registered number 7303316

### **CONTENTS**

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2	Board biographies
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Statement of financial position

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### Chairman's statement

The UK banking sector has been severely affected by the financial crisis. A number of banks have been wholly or partially nationalised, others have been rescued through takeover by a stronger institution. There is a widespread conviction that the banking sector needs to change. These conditions present an opportunity for the emergence of a sizeable new entrant to the industry and that is what we are seeking to deliver through NBNK Investments pic - the creation through acquisition of a new and significant retail and SME bank on the High Street, which will focus on providing its customers with the positive banking experience that many feel has been lost in recent times.

When I was first approached to set up and lead the Company, I spent a considerable amount of time talking to people at the highest levels in Government, the Bank of England and the FSA. I also spoke at length with potential institutional investors. I was very encouraged by the uniformly positive response that our proposition received and became convinced that it could succeed. I was similarly encouraged when individuals of the calibre of Sir David Walker and Lords Brennan, Forsyth and McFall agreed to become directors. As a result, we have assembled a board of exceptional ability and character. Our listing on AIM was fully subscribed and the post-listing rise in share price demonstrates that there is tangible support for NBNK in the marketplace. The board is grateful to our investors, who have clearly recognised the potential in what we are trying to achieve

The hard work of delivering the proposition began immediately after listing and has recently gained momentum with the appointment of Gary Hoffman as our Chief Executive Gary has a wealth of banking industry experience and we are delighted that he has committed his future to NBNK. In a very short time, Gary has assembled a team of key senior banking executives who have begun the major task of preparing NBNK to meet the challenge of becoming a fully functioning bank immediately after a successful acquisition.

NBNK has made a great deal of progress very quickly and, until recently, without its own full time staff. I should like to record my thanks therefore to those who have worked on the Company's behalf to get us up and running. In particular, Gavin Kelly, John Aitken and the team at Kinmont, together with Paul Hodges, James Durkin and the Cenkos team, who developed the Company's proposition and the team at Law Debenture who have provided vital infrastructure support.

Peter Levene Chairman

### The Board

### Lord Levene of Portsoken K B E (Chairman)

Lord Levene is the current chairman of Lloyds, following his election in November 2002. He is chairman of General Dynamics UK Limited and a member of the board of TOTAL SA, China Construction Bank and Haymarket Group. He is the chairman of International Financial Services London and is a member of the House of Lords Select Committee on Economic Affairs. He is an Alderman of the City of London and served as Lord Mayor in 1998/99. Lord Levene has served as vice chairman of Deutsche Bank and has held the position of Chairman of Bankers Trust International.

### Sir David Walker (Deputy Chairman and Senior Independent Director)

Sir David Walker is a senior advisor to Morgan Stanley International Limited where he was previously chairman. Sir David has also held roles including deputy chairman of Lloyds Bank, non-executive director of National Power and executive director of the Bank of England. He is the author of The Walker Review of Corporate Governance in UK Banks and Financial Institutions in the light of the experience of critical loss in the financial system.

### Lord Brennan of Bibury Q C (Non-executive director)

Lord Brennan is a member of the House of Lords. He is chairman of the Caux Round Table Global Governing Board and chairman of Juridica Investments Limited. He was chairman of the Bar of England and Wales in 1999. His special interests include international development and financial and corporate governance, in particular in connection with the recent financial crisis.

### Lord Forsyth of Drumlean (Non-executive director)

Lord Forsyth is a senior adviser to Evercore Partners and a non-executive director of J & J Denholm Limited and of the Centre for Policy Studies. He has previously been a director of corporate finance at Flemings, vice chairman of Investment Banking Europe at JP Morgan and deputy chairman at JP Morgan UK. Between October 2005 and October 2006, he chaired the Tax Reform Commission. He served in Government for more than 10 years as Secretary of State for Scotland, as a Minister of State of the Home Office and the Department of Employment and as Parliamentary Private Secretary to the Foreign Secretary.

### Lord McFall of Alcluith (Non-executive director)

Lord McFall is a member of the House of Lords. He was an MP for West Dunbartonshire from 1987 until he stood down at the 2010 General Election. He held various positions in opposition and Government and was chairman of the Treasury Select Committee for 9 years. His special interests include regeneration and community development as well as foreign affairs and international development.

### **Corporate Advisers**

Registered office

Fifth Floor

100 Wood Street

London

EC2V 7EX

Company number 07303316

Principal place of business

5<sup>th</sup> Floor

One Angel Court

London

EC2R 7HJ

Phone 020 7600 1444

**Nominated Advisers** 

Cenkos Securities Plc

678 Tokenhouse Yard

London EC2R 7AS

**Company Secretary** 

Law Debenture Corporate Services Limited

Fifth Floor

100 Wood Street

London

EC2V 7EX

Financial Advisers

Kınmont Advisory

5 Clifford Street

London

W1S 2LG

Solicitors

Travers Smith LLP

10 Snow Hill

London

EC1A 2AL

PR Advisers

Pelham Bell Pottinger

5th Floor

Holborn Gate

London

WC1V 7QD

Registrars

Capita Registrars

Northern House

Woodsome Park

Fenay Bridge

Huddersfield

West Yorkshire

HD8 0LA

Auditors

BDO LLP

55 Baker Street

London

W1U 7EU

Bankers

Coutts & Co

440 Strand

London

WC2R 0QS

HSBC Bank Plc

West End Area Commercial Centre

Fifth Floor

70 Pall Mall

London

SW1Y 5EZ

### **Directors' report**

The directors present their report and the audited financial statements for the period ended 31 December 2010. The Company, which is listed on AIM, has no subsidiaries. Therefore, the financial statements at pages 18 to 31 relate to the Company's activities alone.

### Share capital

The Company has issued 50,050,000 ordinary shares of 10 pence each. This constitutes the total voting rights. In addition, certain warrants were created and (in some cases) issued at listing as follows.

- Placee warrants issued pro rata to institutional shareholders at listing to an aggregate total of 7 4% of the fully diluted share capital at a subscription price of 100 pence per share. The warrants are transferable and can be exercised at any time up until 31 August 2020. There have been no exercises to the date of this report,
- Placee B warrants issued to the directors and certain others at listing up to a maximum of 0.1% of the fully diluted share capital at a subscription price of 100 pence per share. The exercise period is as described above. Details of the Placee B warrants issued to the directors are included within the Directors' Remuneration Report at page 14,
- Founder warrants the Remuneration Committee may award Founder warrants to Lord Levene, Kinmont Advisory (financial advisor) and Cenkos Securities plc (NOMAD and broker) up to an aggregate of 2 5% of the fully diluted share capital at a subscription price of 130 pence per share The exercise period is as described above There have been no grants of Founder warrants to the date of this report

### **Business review**

The Company was incorporated on 2 July 2010 as De Facto 9999 plc On 2 August 2010, it changed its name to NBNK Investments plc The directors of the Company who served in the period are

Lord Levene of Portsoken KBE (appointed 16 July 2010), Lord Brennan of Bibury QC (appointed 16 July 2010), Lord McFall of Alcluith (appointed 16 July 2010), Sir David Walker (appointed 16 July 2010), Lord Forsyth of Drumlean (appointed 30 July 2010), Mr J Aitken (appointed on incorporation, resigned 16 July 2010),

Mr G Kelly (appointed on incorporation, resigned 16 July 2010), and

Mr C McCreevy (appointed 16 July 2010, resigned 7 October 2010)

The Company was established because the directors believe that conditions are right for the establishment of a new UK retail and SME banking and savings operation. The directors' vision is shared by a core group of leading institutional investors (principal shareholders are listed at page 6) each of whom subscribed for ordinary shares when the Company listed on AIM

The directors' strategy is to focus on the UK market, initially in the retail banking and SME areas but, over time, with an intention to expand into retail wealth management The directors believe that UK domestic banking and wealth management have historically produced a high return on equity and a relatively low volatility earnings profile Domestic returns for the larger UK banks at group level have typically been diluted by overseas expansion and involvement in more volatile business areas such as investment and wholesale banking. The Company is focusing on acquisitions as the means of commencing and scaling its banking operations in the UK and intends to acquire one or more established, high quality banking businesses which will be funded by further substantial fundraisings via a premium listing on the London Stock Exchange In the short to medium term, the strategy is to build a business that would represent approximately 4-6% of the UK banking market with a branch network of some 400-600 branches across the UK, with a focussed regional strategy for Scotland, England and Wales

The net proceeds of the Company's AIM listing are being used to build a platform from which the Company can make a credible and serious bid to acquire substantial banking sector assets

The Company has made good progress since its listing Announcements will be made in the usual way and at appropriate times, as and when the Company's discussions progress towards acquisition

In its early days, the Company has employed the services of third party specialists to assist in establishing its presence These include Kinmont, Cenkos, Bell Pottinger (PR adviser) and Law Debenture Corporate Services

(company secretary and finance function) A short term lease has been taken on premises at One Angel Court

A key executive management team has been recruited Gary Hoffman will formally take up his role as Chief Executive on or about 1 May 2011. He is operating as Chief Executive designate until that date, pending completion of a period of gardening leave from his previous employer. Gary Hoffman has identified and recruited a number of key executives including Simon Markey as Programme Director, Paulette Rowe as Strategy Director and Tom Wood as Finance Programme Director, each of whom brings considerable banking experience to bear. The board is delighted with the calibre of individual that Gary Hoffman has been able to attract. Their presence will add real impetus to the Company in its acquisition negotiations.

The executive team has been engaged on contracts that provide for relatively short term severance should an acquisition not be forthcoming, but appropriate incentives payable in the event of a substantial acquisition Remuneration packages have been kept simple so as to minimise long term financial commitments

As part of the negotiations on Gary Hoffman's appointment, the directors have resolved not to make any attempts to acquire any of Northern Rock Pic's assets for a period of 12 months from 4 November 2010

Since the Company's strategy is dependent upon acquisitions, the directors will keep under review the long term prospects for the Company and, should it become clear that no substantial acquisition is achievable, they will consider winding up the Company and returning assets to shareholders. The directors believe however that a substantial acquisition is well within the Company's compass.

### Corporate Governance

The directors support high standards of corporate governance and have strived, insofar as practicable given the Company's size and nature, to comply with the UK Corporate Governance Code. The directors believe that, in substantial part, they have been able to operate the Company in compliance with the Code. Accordingly, a Corporate Governance Report is set out at pages 8 to 11 and a Directors' Remuneration Report at pages 12 to 15, both of which are deemed to be incorporated as part of this directors' report.

### Key performance indicators ('KPIs')

The principal financial KPI is the rate at which the Company is spending the listing proceeds. The directors monitor closely the management accounts of the Company to ensure that expenditure is proportionate and consistent with the Company's strategy. Suitable controls are in place to enable the directors to respond quickly to changes in the Company's circumstances. There is regular dialogue with shareholders, reflecting the board's desire to keep them assured that their investment is being properly managed.

The principal non-financial KPI is the Company's progress towards an acquisition. The board continuously monitors discussion progress and the chairman is personally and actively involved in all aspects of the discussions.

### **Dividend policy**

The Company is seeking to build up its operations during its first two to three years, during which time it is unlikely that the Company will pay dividends. Thereafter, and subject to compliance with the Companies Act 2006 and regulatory capital requirements, it is the intention of the directors to pay dividends on the basis of a progressive dividend policy.

### Principal risks and uncertainties

The principal risk for the Company is that its acquisition strategy fails. Should this be the case, the directors will resolve that the Company should be wound up and its remaining assets returned to shareholders.

The directors believe however that one or more acquisitions are a realistic possibility. The board has developed a matrix of the principal risks that face the Company leading up to and immediately post any acquisition. Appropriate controls are in place to manage those risks and the Company has in place the resources necessary to manage acquisition negotiations effectively so that the Company can hit the ground running, once its first acquisition has been secured.

### Directors' shareholdings

Beneficial interests in the ordinary shares of the Company as at 31 December 2010 are set out in the Directors' Remuneration report at page 14

#### Substantial shareholdings

The directors are aware of the following existing shareholders of the Company who are interested, directly or indirectly, in 3% or more of the issued share capital of the Company as at 28 February 2011

Name	% of issued share capital held
Invesco Asset Management	29 5
Aviva Investors Global Services	11 54
Bailie Gifford & Co	9 60
Och Ziff Management	9 40
F & C Asset Management	8 98
Moore Capital Management	7 96
BlackRock Investment Management (UK)	7 00
JP Morgan Asset Management	6 00
Cenkos Channel Islands	3 63

### Other shareholding disclosures

The Company is not aware of any person or entity who, directly or indirectly, jointly or severally, would or could exercise control over the Company and there are no arrangements in place, the operation of which could result in a change of control of the Company

There are no loans or guarantees granted or provided by the Company to or for the benefit of any of the directors

### Directors' conflicts of interest

The directors are under a statutory duty to avoid conflicts of interest. The board has established procedures to deal with conflicts and potential conflicts, which includes an annual review of the board's conflicts registers. Each director has declared all matters that might give rise to a potential conflict of interest and these have been considered and, as required, approved by the board. In the opinion of the directors, the procedures on managing conflicts of interest are working effectively.

No director has or has had any interest in any transaction with the Company which is or was unusual in its nature or conditions or significant to the business of the Company and effected during the period under report

#### Shareholder relations

The Company has a relatively small number of shareholders. In addition to the regulatory obligations to keep shareholders informed of developments through general announcements, the Company's NOMAD maintains dialogue and communication between the board and shareholders. The chairman has attended many meetings with shareholders and makes himself freely available for dialogue on request. Shareholders (including shareholders within nominee companies where the nominee has made appropriate arrangements) receive a copy of the annual report and of any interim and half yearly statements. The Company intends to communicate with shareholders principally by electronic means but shareholders may 'opt in' to receipt of hard copy reports etc published by the Company Shareholders have access to the chairman or if they prefer to the senior independent director, Sir David Walker, should they wish to discuss any matters of concern

### Employee participation

The Company has introduced a number of employee share schemes in anticipation of engaging senior staff. The details of these schemes are set out in full in the admission document and comprise options and a performance share plan for executives and SAYE and SIP arrangements to operate on an all-employee basis.

### Corporate Social Responsibility and Sustainability

The Company has not yet adopted policies on corporate social responsibility and sustainability, but will do so when its activities warrant

### Charitable donations

The Company has not made any charitable donations to date. Following an acquisition, the directors may consider the establishment of a Charitable Foundation or similar.

### Political donations

The Company has not made any payments or donations that would be classified as political donations and does not intend to seek shareholder approval in the immediate future to make such payments or donations

### Statement of directors' responsibilities in relation to the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets of the Company, for taking reasonable steps for the prevention and detection of fraud

and other irregularities and for the preparation of a directors' report which complies with the requirements of the Companies Act 2006. The directors are responsible for preparing the annual report and financial statements in accordance with the Companies Act 2006. The directors have elected to prepare financial statements under International Financial Reporting Standards (IFRS) as adopted by the European Union.

International Accounting Standard 1 requires that financial statements present fairly for each financial period under report the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the IFRS 'framework for the preparation and presentation of financial statements'. A fair presentation requires the directors to

- Consistently select and apply appropriate accounting policies,
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information, and
- Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance

Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements

### Statement of information given to auditors

The directors have confirmed that so far as they aware, there is no relevant audit information of which the Company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

### Statement of going concern

The directors have disclosed in the foregoing the current status of the Company Other than interest income, it is not producing revenues and its future success relies on the ability to secure an acquisition of banking assets. In the event that no such acquisition is achieved within a period of 18 months from the date of this report, the directors will consider whether it is appropriate for the Company to continue its activities

The directors are confident that the Company will achieve one or more acquisitions within the foreseeable future. The Company remains able to meet its liabilities as they fall due. Shareholders accepted, when the Company listed on AIM, that there was a risk of the Company not being able to succeed in its strategy, in which event, they would not receive back the full value of their original investment.

Accordingly, the directors have concluded that it is reasonable for the Company's accounts to be prepared on a going concern basis

### Auditors

The auditors, BDO LLP, were appointed by the board on 9 December 2010. A resolution will be proposed at the annual general meeting to appoint BDO LLP as auditors for the time being

By Order of the Board

Law Debenture Corporate Services Limited

Secretary

14 March 2011

& Kueln

### **Corporate Governance**

The directors have resolved to comply with the provisions of the UK Corporate Governance Code (the 'Code') to the maximum extent practicable, notwithstanding the Company's status as an AIM listed Company

The following paragraphs set out how the Company has applied the main and supporting principles in the Code and explain, where appropriate, circumstances where it has not been possible to comply. The relevant version of the Code is that published in June 2010, applicable to reporting periods beginning on or after 29 June 2010. This corporate governance statement forms a part of the directors' report.

### **Board leadership**

The board is comprised of one executive director (the chairman) and four non-executive directors ("NEDs") Under the leadership of the chairman, Lord Levene, the board operates in a consensual, open manner. There is a formal schedule of matters specifically reserved for the board, which includes responsibility for strategy, financial performance (including treasury oversight), legal matters affecting the Company, communications with shareholders and overall policy matters. Once the chief executive formally takes up his role, the board will document those decisions that are to be delegated to management.

The board meets monthly and all directors strive to attend all meetings. The attendance record for each director is set out at page 10

The chairman spends at least one day each week on the business of the Company. He was the driving force behind the advent of the Company and acting with his fellow directors, has set out the Company's strategic aims. All directors are provided with regular updates on the key developments of the Company and have access at all times to the chairman, the deputy chairman and the executive team. Active participation by the NEDs is encouraged at board meetings and is forthcoming.

The NEDs bring with them a wealth of banking, political and legal experience. Each of them is committed to the strategic aims of the Company, but has the independence of character to scrutinise the performance of the Company's staff and advisers and where necessary, to ask searching questions. The Senior Independent Director is Sir David Walker.

#### Board independence

All of the NEDs were independent at appointment and remain so Lord Levene was not independent at appointment because he is an executive

#### **Board effectiveness**

The board is of proportionate size and expertise to manage the Company's activities. It has the right balance of skills, experience, independence and knowledge to deliver the Company's strategic aims. When it becomes appropriate to change the board's composition, the Nominations Committee will conduct a thorough search consistent with good governance requirements to ensure that future appointments are made on merit, against objective criteria, recognising the benefits to be had through diversity on the board.

Regarding inductions for the directors, each director signed a responsibility statement prior to listing and they all acquired appropriate knowledge of the Company and their obligations as NEDs as part of that process. The NEDs have access to the company secretary for advice on corporate matters and to ensure satisfactory information flows. They also have access to independent professional advice at the Company's expense and the Company has arranged appropriate insurance cover in respect of legal action against its directors.

During 2011 and led by the chairman, the board will be implementing annual appraisal procedures so that its own performance and that of its committees, the chairman and individual directors can be assessed and monitored in accordance with Code requirements. This will include appropriate means to ensure that the directors are able to update and refresh their skills and knowledge.

All directors are subject to annual re-election by shareholders

There are engagement letters in place governing the appointment of each director, further details of which are set out in the Directors' Remuneration Report. It is a term of their engagement that directors make available sufficient time to commit to the duties expected of them.

#### **Board committees**

The board has established audit, remuneration, nomination and risk committees. Following an acquisition, it will be necessary to establish other committees and to review the terms of reference of the existing committees to ensure that the Company is fully in compliance with the Walker Review.

Each committee has terms of reference, which are published on the Company's website at <a href="http://nbnkinvestmentsplc.co.uk/documents.aspx">http://nbnkinvestmentsplc.co.uk/documents.aspx</a> All members of the committees are independent NEDs, except for the Nominations Committee which is chaired by Lord Levene A summary of each committee is set out below

### **Audit Committee**

Members
Lord McFall (Chairman)
Lord Brennan
Lord Forsyth
Sir David Walker

Role

The Audit Committee is responsible for

- Monitoring the integrity of the financial statements of the Company, setting accounting policies, etc,
- Reviewing the effectiveness of the Company's internal controls and risk management systems,
- Reviewing arrangements for whistleblowing and fraud detection,
- Monitoring and reviewing the effectiveness of internal audit processes and management's response to any findings, and
- Overseeing the appointment and resignation of external auditors and managing the relationship, including reviewing findings of audits, etc

The report of the Audit Committee on its activities during the period is as follows

The Committee met once during the period and took the following decisions

 To recommend that BDO LLP be appointed as the Company's auditor for the time being, based on recommendations by the Company's advisers. The Committee will keep under review the Company's external audit requirements, which may change based on developments in 2011,

- To appoint an interim internal auditor who is available to the Committee to conduct such audit reviews as the Committee may deem necessary from time to time,
- To put in place proportionate whistleblowing arrangements for the Company's staff and advisers,
- To approve the Company's internal controls and risk management systems as set out in a risk matrix developed by the Company's advisers, and
- To begin oversight of the form and content of the Company's first annual report and accounts

Following the year end, the Committee reviewed the annual report and financial statements and met with the auditors to review the audit findings. Non-audit services provided by the auditor have been reviewed by the Committee to ensure that independence is maintained. Non-audit fees are shown at note 2 to the accounts. The Company's policy is that non-audit work can be carried out by the Company's auditors unless there is a conflict of interest or someone else is considered to have more relevant experience.

### Remuneration Committee

Members

Sir David Walker (Chairman)

Lord Brennan

Lord Forsyth

Lord McFall

Role

- To make recommendations to the board about remuneration of the Company's chief executive, chairman, executive directors, chief risk officer and company secretary,
- To determine the Company's remuneration policy, including design and approval of incentive and bonus arrangements, policy for and scope of pension arrangements and for ensuring that the Company's remuneration arrangements have necessary regard for legal requirements, provisions and recommendations of the Code and the relevant listing rules.
- Overseeing major changes in employee benefit structures,
- · Appointing remuneration consultants, and
- Obtaining relevant and up to date information about remuneration in other, similar companies

A Directors' Remuneration Report is set out at pages 12 to 15

### **Nominations Committee**

Members

Lord Levene (Chairman)

Lord Brennan

Lord Forsyth

Lord McFall

Sir David Walker

Role

- Reviewing the structure, size and composition of the board and making recommendations for changes,
- Succession planning, identification and nomination (for board approval) of candidates to fill board vacancies.
- Establishment of procedures to evaluate the skills knowledge and experience necessary for a particular appointment and managing the process of appointing new directors through to and including ensuring that formal letters of appointment are issued, and
- Recommending to the board plans for succession for both executive and non-executive directors including in particular the key roles of chairman and chief executive, the senior independent director and changes to membership of the audit and remuneration committees

### Risk Committee

Memhers

Sir David Walker (Chairman)

Lord Brennan

Lord Forsyth

Lord McFall

Role

- Advising the board on risk management and risk appetite to assist the board in setting future strategy,
- Providing the Remuneration Committee with qualitative and quantitative advice on risk weightings to be applied to performance objectives,
- Making appropriate recommendations to the board on the Company's risk strategy and policies taking into account the current and prospective macroeconomic and financial environment and drawing on financial stability assessments published by the Bank of England, the FSA and other sources,

- Reviewing the effectiveness of the Company's risk management infrastructure by establishing stress and scenario testing procedures,
- Reviewing the Company's credit risk, market risk, liquidity risk and operational risk exposures,
- Reviewing the appointment, resignation or dismissal of the chief risk officer, and
- Ahead of an acquisition or disposal, ensuring the undertaking of an appropriate due diligence exercise

As the Company has only recently been established, the Risk Committee will present its first formal report in the annual report and financial statements for 2011

### Attendance at meetings

	Board	Committees
N° of meetings	7	5
Lord Levene	7/7	n/a
Lord Brennan	7/7	5/5
Lord Forsyth	6/7	5/5
Lord McFall	5/7	5/5
Sır David Walker	6/7	5/5

### Accountability and audit

The statement of directors' responsibilities in relation to the financial statements appears on page 6 of the directors' report The independent auditor's report appears on page 16. The financial statements present a balanced and understandable assessment of the Company's position and prospects. The financial statements have been reviewed by the Audit Committee, then approved by the board and signed by the chairman. The financial statements are prepared on a going concern basis.

### Risk management and internal control

While the Company is in its infancy, the framework of internal controls in place to ensure that the Company complies with the Financial Reporting Council's guidance is relatively simple. The main features of the Company's internal control and risk management systems are as follows.

- The Company's matrix of key risks and the controls in place to mitigate them is reviewed by the Audit Committee and subsequently by the board,
- An internal audit function is available to the Audit Committee as required,

- The board receives periodic reports from the company secretary about legal and regulatory developments and the steps that the board must take to comply, and
- It reviews reports by the external auditors on the annual audit

In addition, the board ensures that

- Proper accounting records are maintained so that it can rely on financial information it receives to make appropriate strategic and business decisions and that the Company's assets are safeguarded, and
- Systematic reporting is made to the board on matters relating to insurance, taxation, accounting and cash management as well as legal, compliance and company secretarial issues

The board believes that the systems of internal risk management and financial controls that is has designed are proportionate and provide reasonable assurance against fraud, mis-management and against material misstatement or loss

### Remuneration

The Company's adherence to the Code provisions on remuneration is described within the Directors' Remuneration Report set out at pages 12 to 15

### Relations with shareholders

The Company's means of keeping shareholders informed is set out in more detail in the directors' report

The annual general meeting will take place on 7 April 2011 at the Company's registered office and the board welcomes the attendance of as many shareholders as can be present. Full disclosure of the number of votes cast for and against resolutions will be published on the Company's website. All directors are expected to be in attendance as will be the Company's senior executives and principal advisers. The notice of annual general meeting appears at page 32. The board believes that the resolutions to be put to shareholders are in the best interests of the shareholders as a whole and, accordingly, recommends that the shareholders vote in favour of the resolutions, as the directors intend to do in respect of their beneficial shareholdings in the Company.

### Summary

Although the Company is young, the board has laid the foundations necessary to deliver full compliance with all of the main principles in the Code. Where compliance has not been practicable — for example, annual appraisals of directors' performance — a statement of intent has been made and the board will have complied with those requirements once it has been operating for a full calendar year. Thus, so far as it is able, the Company has complied during the period from incorporation to 31 December 2010 with the requirements of the UK Corporate Governance. Code or, where it has not complied, an explanation has been provided.

### **Directors' Remuneration Report**

#### Dear Shareholder

I set out below the Remuneration Report for NBNK Investments plc for 2010 Some of the information in the report is historical, some forward-looking. As with its report on corporate governance, the board wishes to be as transparent as possible and to meet high standards of governance and disclosure. This Report accordingly as far as possible seeks to meet the disclosure standards of a premium listed company and the principal compliance requirements of Section E of the UK Corporate Governance Code.

### 1 Remuneration Committee – membership and advisers

The members of the Remuneration Committee and its principal duties are set out at page 9. The members of the Committee are independent, non-executive directors.

The Committee relied on certain external advisers during the period. None of them had any other connection with the Company unless otherwise indicated. The Committee's principal adviser was John Lee of Hewitt New Bridge Street (part of Aon).

### 2 The Company's remuneration policy

Core elements of the policy formulated by the Remuneration Committee are as follows

- A Remuneration packages should be competitive to attract the right calibre of executive, but on the basis of rigorous benchmarking advice, salaries should be broadly in line with average salaries in the banking sector,
- B The Company will not introduce long-term incentive plans or other policies that might reward failure or yield benefit to individual employees irrespective of the performance of the Company, and
- C Notice periods should be kept to a minimum, consistent with normal market practice for senior executives in the banking industry

In addition, the Company will make use of short term contractors where it is prudent to do so

The overarching principle is that there should be a clear link between total remuneration and performance. A key ingredient in successful performance will be by the completion of a substantial acquisition. An acquisition is not likely to be deemed 'substantial' unless it delivers a geographically diverse, branch-driven High Street retail banking operation

#### 3 The Chairman

The chairman was an initial founder of the Company and, prior to the hiring of other staff, was its sole executive. As a founder of the Company, Lord Levene is eligible for a grant of Founder warrants under the terms of the Admission Document at the discretion of the Remuneration Committee in consultation with shareholders. Paragraph 9 below sets out the arrangements that it is envisaged will apply

In terms of his fees as chairman, Lord Levene is paid £20,018 per month for the period from listing

Lord Levene has a fixed term contract with the Company, expiring on 9 December 2013. The remuneration terms of the contract will be amended at such time as he leaves. Lloyds. Following the expiration of the fixed term, either party can terminate on not less than six months' written notice.

### 4 The Chief Executive Designate

It is envisaged that Gary Hoffman will join the board as the Company's chief executive officer on or about 1 May 2011. The commitments below have effect from that date and have no impact on the period ended 31 December 2010. The terms of his remuneration are

Basic Salary - £750,000

Normal benefits (including a 20% supplement in lieu of pension contributions, a car allowance of £10,330 and normal insured benefits)

In addition, as part of his recruitment, the Company agreed to pay him £1 85m when his contract commences largely in reflection of his leaving his previous employer. The net of tax amount will be fully repayable if he leaves within two years of joining.

The Company has also agreed to grant him an option on joining (as explained at section 6 below)

His service contract requires 12 months notice from either side and reflects mitigation by only providing for payment on termination in respect of fixed remuneration. To protect the cost exposure of the Company if a substantial acquisition is not completed within 18 months of his joining, any sum due on termination will be assessed by reference to only six months' notice

The Company has agreed that he may retain the fees arising from NED appointments with which the board has agreed he may continue. This comprises Trinity Mirror plc.

Before formally taking up his post, he has since January 2011 been acting (by agreement with his former employer) as chief executive designate and accordingly is receiving the cash and insurance benefit elements of his remuneration package as compensation

#### 5 Remuneration of non-executive directors

Each of the NEDs has entered into a letter of appointment with the Company under which they are paid fees for their services of £50,000 per annum. The fees will increase to £100,000 per annum in the event of a substantial acquisition. NEDs may also reclaim travelling expenses.

Each NED is appointed for an initial term of three years, subject to annual re-election by the shareholders, unless terminated earlier by either party upon three months notice in writing. Continuation of the contract of appointment is contingent on satisfactory performance and a NED may have his appointment terminated without notice or compensation in certain circumstances. There are no provisions for compensation payable on early termination of the appointment (save for the three month notice obligation). All NEDs are expected to attend all meetings of the board and any of the committees on which they serve.

### 6 Share incentive arrangements

As described in the Admission Document, the Company has shareholder agreement to introduce a number of employee share schemes to facilitate engagement of senior staff Details of these schemes are set out in full in the Admission Document and comprise the usual suite of options and a performance share plan for executives and SAYE and SIP to operate on an all-employee basis

To date the only option granted (which was granted on admission to AIM) is to Lord Levene who was awarded 200,000 options at an exercise price of 10 pence, exercisable at any time between the date that he ceases to be Chairman of Lloyds of London (expected to be 9 December 2011) and 9 December 2013. The fair value of the options as at 31 December 2010 is shown at note 13 to the accounts.

The market price at listing was 100 pence per share. The highest price during the period was 118.5 pence per share, the lowest price was 100 pence.

In addition, as part of the terms for the recruitment of Garv Hoffman as Chief Executive, the Company agreed to grant him a share option over 11.5 million shares at an exercise price of 130 pence per share. This will be exercisable as to 1/3 after 3 years from grant, 1/3 after 5 years and the final 1/3 after 6 years and, subject to normal good leaver provisions, is contingent on his continued employment to The option will be subject to claw-back those dates provisions in the event that the Remuneration Committee considers that the share price is impacted by information which resulted in the share price being misleading. The grant date will be as soon as practical after his full-time employment as Chief Executive commences, which is likely to be on or around 1 May 2011. The option is also contingent on a substantial fundraising and acquisition having been completed within 18 months of his joining

### 7 Directors' emoluments for the period ended 31 December 2010

	Total salary/fees	Benefits other than cash	Total receivable for 2010
	£	£	£
Lord Levene	47,499	-	47,499
Lord Brennan	18,205	•	18,205
Lord Forsyth	18,205	-	18,205
Lord McFall	18,205	_	18,205
Sir David Walker	18,205	-	18,205
Mr C McCreevy*	5,705	-	5,705
Total	126,024	-	126,024

<sup>\*</sup> for the period 20 August to his resignation on 7 October 2010

As at 31 December 2010, the directors were the key management personnel (defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company) Their compensation is set out above Total employer's national insurance contributions of £14,829 were paid. In addition to these amounts, there were share based payments in the income statement totalling £46,000

### 8 Directors' shareholdings

The directors of the Company have beneficial interests in the Company's ordinary shares as follows

	Ordinary shares	Placee B Warrants **
		<u>%</u>
Lord Levene	100,000	0 015
Lord Brennan	50,000	0 007
Lord Forsyth	* 50,000	0 007
Lord McFall	20,000	0 003
Sır David Walker	100,000	0 015
Mr C McCreevy ***	20,000	0 003

<sup>\*</sup> Lord Forsyth's ordinary shares are held by A J Bell (PP) Trustees Limited, as trustees of Lord Forsyth's self-invested pension plan

### 9 Founder warrants

The Admission Document stated that the board had delegated authority to the Remuneration Committee to grant Founder warrants over, in aggregate, up to 2.5 per cent of the Fully Diluted Share Capital (as defined in the Admission Document), exercisable at 130 pence per share. No such warrants have been granted as yet but the Committee has considered, in principle, the terms of such issue and it is envisaged that, within the next couple of months, and following appropriate consultation with shareholders, Founder warrants would be granted as outlined below

It is envisaged that Lord Levene would be granted Founder Warrants entitling him to subscribe for 0.7278 per cent of the Fully Diluted Share Capital. Further, Lord Levene has indicated that he would undertake only to exercise the warrants (i) on successful completion of a substantial acquisition by the Company and the listing of the Company's shares on the Official List

<sup>\*\*</sup> The warrants set out above were issued on the initial subscription for shares on substantially the same terms as the warrants issued to institutional investors on the placing. They are immediately exercisable at a subscription price of £1 per share, are transferable and remain exercisable until 31 August 2020. They represent rights to subscribe for such shares as represent such percentage of the fully diluted share capital of the Company in the period to 20 February 2013. The fair value of the warrants at 31 December 2010 is set out at note 14 to the accounts.

<sup>\*\*\*</sup> Mr C McCreevy resigned on 7 October 2010

and (ii) only in respect of up to 5 75 million shares (or 0 7278 per cent of the Fully Diluted Share Capital, if resulting in a lower number of shares). Further, Lord Levene has indicated that he would undertake (i) not to dispose of any shares issued on exercise of such warrants for a period of 3 years from such listing and (ii) that he would retain at least 500,000 of such shares for so long as he remains chairman

The Committee similarly envisages that Kinmont Advisory and Cenkos Securities Plc would receive Founder warrants entitling them each to subscribe for 0 8861 per cent of the Fully Diluted Share Capital. Each has indicated that they would be prepared to undertake to the Company on the same terms as Lord Levene (as outlined above) save that they would undertake to exercise the warrants only in respect of up to 7 million shares (or 0 8861 per cent of the Fully Diluted Share Capital, if resulting in a lower number of shares), and they would not be required to retain a minimum of shares (other than on account of the three year lock-in following the listing)

The Committee considers that, if granted on the above terms, these warrants would result in significantly less dilution than envisaged in respect of the Founder warrants at the time the Admission Document was published

### 10 Approval of report

The Committee considers that the various components of the directors' remuneration set out above combined to produce an overall package that achieves an appropriate alignment between the interest of the directors and those of the shareholders and the Company

The Director's Remuneration Report was approved for issue by the board on 14 March 2011 and signed on behalf of the board by

Sir David Walker
Chairman of the Remuneration Committee
14 March 2011

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NBNK INVESTMENTS PLC

We have audited the financial statements of NBNK Investments Pic for the period from 2 July 2010 to 31 December 2010 which comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Linion.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

### Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

The directors have voluntarily chosen to include a corporate governance and going concern statement in the annual report detailing the extent of compliance with the Combined Code in accordance with the requirements of the Listing Rules of the Financial Services Authority ("the Listing Rules")

The directors have also voluntarily chosen to comply with the requirements of the Listing Rules and Schedule 8 of the Large and Medium-Sized Companies and Groups (Accounts and Reports Regulations) 2008 made under Section 421 of the Companies Act 2006 ("Schedule 8")

Our responsibility is to audit and express an opinion on the corporate governance statement, the statement in relation to going concern and the directors' remuneration report as if the company were a Listed company

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the period then
  ended.
- have been properly prepared in accordance with IFRSs as adopted by the European Union,
- . the financial statements have been prepared in accordance with the requirements of the Companies Act 2006,
- the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies
   Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following

Under the Companies Act 2006 we are required to report to you if, in our opinion

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches

not visited by us, or

the financial statements are not in agreement with the accounting records and returns, or

· certain disclosures of directors' remuneration specified by law are not made, or

we have not received all the information and explanations we require for our audit

Under our additional responsibilities referred to above we are required to review

· the directors' statement, set out on page 4, in relation to going concern,

• the part of the corporate governance statement relating to the company's compliance with the nine provisions of the UK

Corporate Governance Code specified for our review, and certain elements of the report to shareholders by the Board on

directors' remuneration

Bour.

Daniel Taylor (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

55 Baker Street

London

W1U 7EU

United Kingdom

Date 14 March 2011.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

### **Income statement**

for the period ended 31 December

	Notes	2010
		£000
Interest income	3	125
Administrative expenses	2	(1,514)
Operating loss		(1,389)
Increase in fair value of derivative financial liabilities	14	(424)
Loss before taxation		(1,813)
Taxation	4	-
Loss for period		(1,813)
Loss per share (pence) - basic	5	(4 95)

## Statement of comprehensive income for the period ended 31 December

Loss for period and total comprehensive loss for the period	(1,813)
	£000
	2010

## **Statement of financial position** as at 31 December

	Notes	2010
		€000
Assets		
Non current assets		
Property, plant and equipment	6	138
Other intangible assets	7	8
Total non current assets		146
Current assets		
Other accrued income and prepaid expenses		70
Cash and cash equivalents	8	47,280
Total current assets		47,350
Total assets		47,496
Current liabilities		
Trade and other payables	9	280
Other taxation including social security		18
Derivative financial liabilities	14	1,320
Total current liabilities	•	1,618
Total net assets		45,878
Equity		
Called up share capital	10	5,005
Share premium	11	42,595
Capital redemption	10	45
Retained losses		(1,767)
Total equity		45,878

Approved and authorised for issue by the board on 14 March 2011 and signed on its behalf by

Lord Levene Chairman

The notes at pages 22 - 31 form part of these financial statements

# Statement of changes in equity for the period ended 31 December

	Share capital	Share premium	Capital redemption	Retained losses	Total
	£000	£000	£000	£000	£000
Net loss and total comprehensive loss for the period	-	-	-	(1,813)	(1,813)
Share based payments	•	•	•	46	46
Issue of shares (net proceeds)	5,050	42,595	-	-	47,645
Cancellation of deferred shares	(45)	•	45	-	-
Total equity at 31 December 2010	5,005	42,595	45	(1,767)	45,878

## Statement of cash flows

for the period ended 31 December

Notes	2010
	£000
	(1,813)
6	10
7	1
	46
14	424
	(70)
	298
	(1,104)
6	(148)
7	(9)
	(157)
	48,541
	48,541
	47,280
	-
	47,280
	6 7 14

The notes at pages 22 – 31 form part of these financial statements

#### Notes to the accounts

for the period ended 31 December 2010

#### 1 Summary of significant accounting policies

#### General Information

NBNK Investments pic is a public company incorporated in the United Kingdom. The address of the registered office is given on page 3. The Company's operations and its principal activities are to establish a new UK retail and SME banking and savings operation. The financial statements are presented in pounds sterling thousands because that is the currency of the primary economic environment in which the Company operates.

#### Basis of preparation

The financial statements of NBNK Investments pic have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union

The financial statements have been prepared under the historical cost convention as amended for use of fair value for derivative financial instruments and share based payments. Historical cost is based upon the fair value of consideration given in exchange for assets.

#### Critical accounting estimates and judgements

The preparation of the financial statements necessarily requires the exercise of judgement both in the application of accounting policies which are set out below and in the selection of assumptions used in the calculation of estimates. These estimates and judgements are reviewed on an ongoing basis and are continually evaluated based on experience and other factors. However, actual results may differ from these estimates. None of the estimates or judgements made in the preparation of these financial statements are considered critical.

The calculation of fair value of derivative financial instruments is dependent upon a number of estimates, including the volatility of the Company's share price. The Company has been listed for only a short period and the estimate of volatility has been arrived at by looking at a number of comparable companies.

#### Application of IFRS

NBNK Investments pic was incorporated during the year with the intention of building (primarily through acquisition) a new and substantial UK bank. The Company has to date made no acquisitions. It has received interest income and incurred expenses to set up the Company. Until the Company commences operation as a UK bank it is not appropriate to set out the accounting policies which will be applicable to that business.

#### New IFRSs, interpretations and amendments not yet effective

Whilst the Company continues not to operate as a bank, none of the new standards, interpretations or amendments but not yet effective are expected to have a material impact on the Company's future financial statements. However, given the current status of the Company, it cannot be stated with any degree of certainty which new standards, interpretations or amendments but not yet effective may ultimately have a material impact on the Company's future financial statements.

#### Segmental reporting

Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the directors in deciding how to allocate resources and in assessing performance. The Company comprises one operating segment

#### Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Depreciation is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives of three years.

#### Intangible assets

#### Computer software

Computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight line basis over their estimated useful lives of three years.

#### Financial instruments

Financial instruments and equity instruments are classified according to the substance of the contractual arrangements entered into

#### Trade payables

Trade payables are not interest bearing and are stated at their nominal value

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks and other short term highly liquid investments with original maturities of three months or less

#### Share capital

Ordinary shares are classified as equity

#### Share based payments

Where share based payments are made in respect of goods or services received as consideration for the Company's own equity, these are accounted for as equity settled share based payments in accordance with IFRS 2. Such payments are measured at fair value at the date of grant using an appropriate option valuation technique, which is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. The fair value of these payments is not subsequently remeasured.

#### Derivative financial instruments

Derivative financial instruments are measured at fair value at date of issue and at any period end at which they are outstanding using an appropriate valuation technique and included in assets or liabilities on the statement of financial position. Differences arising between the issue date and the period end are charged or credited to the income statement.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial instruments issued by the Company are treated as liabilities if

- (a) they include contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, or
- (b) the instrument will or may be settled in the Company's own equity instruments and is either a non-derivative that includes an obligation to deliver a variable number of the Company's own equity instruments or is a derivative (other than a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments)

#### Taxation

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense which are either never taxable or deductible or are taxable or deductible in other periods. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each year end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to recover the asset. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is expected to be settled or the asset is expected to be realised based on tax rates that have been enacted or substantively enacted at the year end date.

#### Revenue recognition

Interest income

Interest income is accrued on a time basis using the effective interest rate applicable

#### Reserves

A description of each of the reserves follows

#### Share premium

This reserve represents the difference between the issue price of shares and the nominal value of shares at the date of issue, net of related issue costs

#### Capital redemption

This reserve was created on the cancellation of deferred shares gifted to the Company

#### Retained earnings

Net revenue profits and losses of the Company which are revenue in nature are dealt with in this reserve

#### Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by shareholders

#### Leases

#### Operating leases

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases, net of incentives received from the lessor, are charged to the income statement on a straight-line basis over the period of the lease.

#### 2 Administrative expenses

	2010
	0003
Administrative expenses include	
Salaries and directors' fees	133
Social security costs	15
Depreciation – property, plant and equipment	10
Amortisation – intangible assets	1
Operating leases – land and buildings	28
Auditors' remuneration – statutory audit of the Company	21

During the period, the Company employed an average of 1 member of staff

Costs in relation to the initial listing of £59,000 were paid to BDO LLP as reporting accountant, before being appointed as auditors. These costs have been charged to share premium as transaction costs related to the issue of the new shares.

A description of the work of the audit committee is set out in the corporate governance report on page 9 and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditors

## Remuneration of directors 2010 £000 Directors' emoluments, which comprise the following, are included in administrative expenses Non-executive directors' fees 126 The emoluments of the highest paid director totalled £47,499 Details of options held and emoluments of each director are shown in the Directors' Remuneration Report as is the statement on key management personnel (see page 14) 3 Interest 2010 £000 Interest income Interest on bank deposits 125 125 4 Taxation 2010 £000 Taxation based on revenue for the year comprises UK Corporation tax at 28 0% The charge for the period can be reconciled to the profit per the income statement as follows 2010 £000 Loss before taxation (1,813)Tax on ordinary activities at standard rate 28 0% (508)Effects of Losses considered not recoverable 508

Until the Company commences operation no deferred tax asset is being recognised for losses carried forward

25

Registered number 07303316

NBNK investments pic

#### 5 Loss per share from operations

Loss per share from operations for the period is based upon the attributable loss of £1,813,000 and 36,662,022 shares, being the weighted average number of shares in issue during the period. The diluted weighted average number of shares in issue assuming exercise of options at less than fair value was 37,199,862. No diluted loss per share is provided as it would reduce the basic loss per share.

#### 6 Property, plant and equipment

	2010
	Office furniture & equipment
Cost	£000
At incorporation	
	440
Additions at cost	148
At 31 December	148
Accumulated depreciation	
At incorporation	·
Charge for the period	10
At 31 December	10
Net book value at 31 December	138
Other intangible assets	
	2010
	Computer software
	£000
Cost	
At incorporation	-
Additions at cost	9
At 31 December	9
Accumulated amortisation	
At incorporation	
Charge for the period	1
At 31 December	1

#### 8 Cash and cash equivalents

These compromise cash held at bank and short term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximates to their fair value.

#### 9 Trade and other payables

Trade and other payables comprise amounts outstanding for ongoing costs. The carrying amount of these liabilities approximates to their fair value.

#### 10 Share capital

At 31 December	50,050,000
Issued in period	50,050,000
At incorporation	-
Shares	Number
At 31 December	5,005
Issued in period	5,005
At incorporation	•
√alue	
ssued and fully paid share capital	
	0003 
	2010

At the date of incorporation (2 July 2010), the Company had an issued share capital of £50,000 divided into 50,000 ordinary shares of £1 00 each. On incorporation, 49,999 ordinary shares were subscribed by Kinmont which gave an undertaking to pay, in aggregate, £49,999 and 1 ordinary share was subscribed by Gavin Kelly who gave an undertaking to pay, in aggregate, £1 00. The undertakings to pay were subsequently settled in cash.

By a special resolution passed on 12 August 2010, it was resolved subject to and conditional upon admission

- (i) to sub-divide each of the issued 50,000 existing ordinary shares of £1 00 each into one ordinary share of 10 pence and one deferred share of 90 pence each in the capital of the Company,
- (ii) to authorise the directors to allot 50,000,000 new ordinary shares of 10 pence each at a placing price of 100 pence pursuant to the placing

Also on 12 August, Kinmont and Gavin Kelly agreed to gift all of the deferred shares of 90 pence each to the Company for cancellation, this created a reserve for capital redemption of £45,000

Therefore, immediately after listing, the Company's issued share capital was £5,005,000 comprising 50,050,000 ordinary shares of 10 pence

On listing the Company issued placee warrants to institutional shareholders, equivalent to 7 4% of the Company's fully diluted share capital, between the date of exercise and 19 February 2013. The placee warrants are exercisable at any time from issue at a subscription price of 100p per ordinary share and expire on 31 August 2020. In addition placee B warrants were issued, on similar terms to the placee warrants, to non–institutional shareholders equivalent to 0.08% of the fully diluted share capital. Of the monies raised on listing, £896,000 has been attributed to the fair value of the warrants issued at the same time for nil consideration.

On listing the Company granted an option to Lord Levene to subscribe for 200,000 ordinary shares at 10p, exercisable from the date he ceases to be the Chairman of Lloyd's up until 9 December 2013

#### 11 Share premium

As at 31 December	42,595
Related issue costs	(1,509)
On shares issued in the period	44,104
At incorporation	-
	000£
	2010

#### 12 Financial instruments

The Company held the following categories of financial assets and liabilities, which have a carrying value the same as fair value at 31 December 2010

	£000
Assets	
Cash and cash equivalents – held as loans and receivables	47,280
Liabilities	
Trade and other payables – held at amortised cost	280
Derivative financial liabilities (see note 14) – held at fair value through profit or loss	1,320
	1,600

The inputs for calculating the fair value of derivative financial liabilities are not all based on observable market data and consequently they are classified as Level 3 financial instruments as defined by IFRS 7 (see note 14)

The principal risks facing the Company in respect of its financial instruments are

• interest risk, arising from movements in interest rates on cash and cash equivalents. If interest rates during the period were 1% higher the impact on the Company's loss for the period would have been to decrease it by £174,000. It is assumed that interest rates are unlikely to fall below the current level.

credit risk, arising from the failure of another party to perform according to the terms of its contract. The Company
reduces credit risk by placing cash and cash equivalents with highly rated financial institutions and restricts the maximum
exposure to any single financial institution.

#### 13 Share based payments

Details of share options (as described in note 10) outstanding are

	Weighted average price
	Pence
200,000	10
	-
200,000	10
-	-
	200,000

The options have been fair valued using the Monte Carlo valuation model. Assumptions used are as follows

	2010
Expected volatility	39%
Risk free interest rate at grant	1 19%
Dividend yield	0%
Expected life	3 years

Expected volatility was determined by estimating the Barra number for annual volatility of the Company's share price. The expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations for vesting.

The fair value of the options granted was £165,000 and during the period the Company recognised total expenses of £46,000 in respect of share based payment transactions

#### 14 Derivative financial liabilities - share warrants

Details of the share warrants (as described in note 10) in issue are

		2010
		Weighted average price
Placee and placee B warrants		Pence
Issued during the period	4,062,581	100
Exercised during the period		-
At 31 December	4,062,581	100
Exercisable at 31 December	4,062,581	100
		£000
Fair value		
At date of issue		896
Changes in fair value charged to income statement		424
At 31 December	, <del>-</del>	1,320

The share warrants have been fair valued using the Monte Carlo valuation model. Assumptions used are as follows

2010
39%
1 19%
1 49%
0%
3 years

Expected volatility was determined by estimating the Barra number for annual volatility of the Company's share price. The expected life used in the model is based on management's best estimate of the behavioural considerations for vesting

#### 15 Lease commitments

At the year end the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows

2010
£0003
110
74
184

#### 16 Related party transactions

In the opinion of the board, the related parties are the directors. There were no related party transactions during the period other than those disclosed in the Directors' Remuneration Report.

#### 17 Financial commitments

The Company has made certain financial commitments to Gary Hoffman, the Chief Executive designate, which will arise on or around 1 May 2011 when he takes up his post as Chief Executive Details are included in the Directors' Remuneration Report on pages 12 – 15

#### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the inaugural Annual General Meeting of NBNK Investments Pic (the "Company") will be held on 7 April 2011 at 9 30am at Fifth Floor, 100 Wood Street, London EC2V 7EX for the following purposes

To consider and, if thought fit, to pass the following resolutions, numbers 1 to 9 of which will be proposed as ordinary resolutions and numbers 10 and 11 will be proposed as special resolutions

- 1 THAT the Company's audited financial statements for the period ended 31 December 2010, together with the directors' report and the auditor's report on those accounts, be received
- 2 THAT Lord Levene of Portsoken be elected as a director of the Company
- 3 THAT Sir David Walker be elected as a director of the Company
- 4 THAT Lord Brennan of Bibury be elected as a director of the Company
- 5 THAT Lord Forsyth of Drumlean be elected as a director of the Company
- 6 THAT Lord McFall of Alcluith be elected as a director of the Company
- 7 THAT BDO LLP be appointed as auditors of the Company until the conclusion of the next Annual General Meeting
- 8 THAT the directors be authorised to determine the auditors' remuneration
- THAT for the purposes of section 551 of the Companies Act 2006 (the "Act") (and so that expressions used in this resolution bear the same meanings as in the said section 551)
  - (1) the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Act respectively up to a maximum nominal amount of £1,668,333 30 to such persons and at such times and on such terms as they think proper, such authority to expire, unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company,
  - (2) the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot equity securities in connection with a rights issue in favour of the holders of equity securities and any other persons entitled to participate in such issue where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as maybe) to the respective number of equity securities held by them up to a maximum aggregate nominal amount of £1,668,333 30 such authority to expire, unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory, and
  - (3) the Company be and is hereby authorised to make prior to the expiry of such period any offer or agreement which would or might require such shares or rights to be allotted or granted after the expiry of the said period and the directors may allot such shares or grant such rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution,

so that all previous authorities of the directors pursuant to the said section 551, other than that granted pursuant to paragraph (ii) of resolution 1 (B) passed in general meeting of the Company on 12 August 2010 by special resolution, be and are hereby revoked

- 10 THAT, subject to the passing of resolution 9 set out in the notice convening this meeting, the directors be and are empowered in accordance with section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred on them in resolution 9 above as if section 561(1) and sub-sections (1) (6) of section 562 of the Act did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to
  - (1) the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities (but in the case of the authority granted by resolution 9(2) above by way of a rights issue only) and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory, and
  - (2) the allotment (otherwise than pursuant to paragraph 10(1) above) of equity securities up to an aggregate nominal value of £250,250,

and this power shall expire unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company, but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired

- 11 THAT the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Act to make market purchases (as defined in section 693 of the Act) of ordinary shares of 10p each in the capital of the Company provided that
  - (1) the maximum number of ordinary shares hereby authorised to be purchased is 5,005,000,
  - (2) the minimum price (exclusive of expenses) which may be paid for such ordinary shares is 10p per share, being the nominal amount thereof,
  - (3) the maximum price (exclusive of expenses) which may be paid for such ordinary shares shall be an amount equal to the higher of (i) 5 per cent above the average of the middle market quotations for an ordinary share as derived from the AIM Appendix to The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made and (ii) the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an ordinary share as derived from the trading venue where the purchase is carried out,
  - (4) the authority hereby conferred shall (unless previously renewed or revoked) expire at the end of the next Annual General Meeting of the Company, and
  - (5) the Company may make a contract to purchase ordinary shares under the authority conferred by this resolution prior to the expiry of such authority, and such contract will or may be executed wholly or partly after the expiry of such authority, and the Company may make a purchase of ordinary shares in pursuance of any such contract

#### BY ORDER OF THE BOARD

Law Debenture Corporate Services Limited, Secretary 14 March 2011

Registered office

Fifth Floor 100 Wood Street London EC2V 7EX

Registered company no 7303316

#### Notes to the notice of Annual General Meeting

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy to exercise all or any of the rights of the member to attend and speak and vote on his behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
- (2) To appoint a proxy you may
  - a use the Form of Proxy enclosed with this notice of Annual General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be received by post or (during normal business hours only) by hand at Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or at www capitashareportal com, in each case no later than 9 30am on 5 April 2011 (being not less than 48 hours before the meeting excluding non-working days), or
  - b If you hold your shares in uncertificated form, use the CREST electronic proxy appointment service as described in Note 9 below

Completion of the Form of Proxy or appointment of a proxy through CREST will not prevent a member from attending and voting in person

- (3) Any member attending the meeting has the right to ask any question at the meeting relating to the business of the meeting
- (4) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only shareholders registered in the register of members of the Company as at 6pm on Tuesday 5 April 2011 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6pm on the day which is two days before the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- (5) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding
- (6) The Company has an issued share capital at 11 March 2011 (being the latest practicable date prior to publication of this notice of Annual General Meeting) of 50,050,000 Ordinary Shares with voting rights and no restrictions and no special rights with regard to control of the Company. There are no other classes of share capital and none of the Company's issued shares are held in treasury. Therefore, the total number of voting rights in the Company as at 11 March 2011 (being the latest practicable date prior to publication of this notice of Annual General Meeting) is 50,050,000.
- (7) The information required to be published by a company listed on the Official List under section 311(A) of the Act (information about the numbers of shares in the Company and voting rights exercisable at the meeting and details of any members' statements, members' resolutions and members' items of business received after the date of this notice) may be found at http://nbnkinvestmentspic.co.uk
- (8) In the following paragraphs, information is given about each resolution

Resolution 1 – annual report and audited financial statements (ordinary resolution) It is a legal requirement that the directors lay before the Company's shareholders the Company's accounts, directors' report and the audit report. The report and accounts cover the period from incorporation to 31 December 2010.

Resolutions 2 - 6 - election of directors (ordinary resolutions) The articles of association of the Company require the directors to retire at the subsequent annual general meeting following their appointment. As such, Lord Levene, Sir David Walker, Lord Brennan, Lord Forsyth and Lord McFall are seeking election as directors. Resolutions 2 to 6 propose their elections as directors. At future annual general meetings, all directors will be submitted for annual re-election.

Brief biographies of the directors are set out on page 2 of the annual report and financial statements

Resolutions 7 and 8 – appointment of auditors and determination of their remuneration (ordinary resolutions). The Company is required to appoint auditors at each annual general meeting at which accounts are presented, to hold office until the conclusion of the next such meeting. The board appointed BDO LLP as auditors for the Company's first annual report and financial statements and is satisfied with way that the audit was conducted. As the Company continues to develop its strategy, the directors will keep under review the Company's ongoing audit requirements. For the time being, the directors are content to recommend that shareholders appoint BDO LLP to continue in office until the conclusion of the Company's next annual general meeting. Resolution 8 authorises the directors, in accordance with standard practice, to negotiate and agree the remuneration of the auditors. In practice, the audit committee will consider the audit fees for recommendation to the board.

Resolution 9 – general authority to allot shares (ordinary resolution) The resolution asks shareholders to grant the directors authority under section 551 of the Act to allot shares or grant such subscription or conversion rights as are contemplated by sections 551(1)(a) and (b) respectively of the Act up to a maximum aggregate nominal value of £3,336,66 60, being approximately 66 6 per cent of the nominal value of the issued ordinary share capital of the Company as at 11 March 2011 (being the latest practical date prior to publication of this notice of annual general meeting) £1,668,333 30 of this authority is reserved for a fully pre-emptive rights issue. This is the maximum permitted amount under best practice corporate governance guidelines. The authority will expire at the next annual general meeting. The directors have no present intention of exercising such authority.

All previous authorities of the directors pursuant to section 551, other than that in relation to certain warrants granted in general meeting of the Company on 12 August 2010 (the "Previous General Meeting") by special resolution stated to expire on 20 August 2013 (being three years from the date of admission to trading on AIM), are revoked

Resolution 10 – disapplication of statutory pre-emption rights (special resolution) If the directors wish to allot unissued shares or other equity securities for cash or sell any shares which the Company holds in treasury following a purchase of its own shares pursuant to the authority in resolution 11, the Act requires that such shares or other equity securities are offered first to existing shareholders in proportion to their existing holding. Resolution 9 asks shareholders to grant the directors authority to allot equity securities or sell treasury shares for cash up to an aggregate nominal value of £250,250 (being 5 per cent of the Company's issued ordinary share capital as at 11 March 2011 (being the latest practicable date prior to publication of this notice of annual general meeting) without first offering the securities to existing shareholders. The resolution also disapplies the statutory pre-emption provisions in connection with a rights issue, but only in relation to the amount permitted under resolutions 9.1 and/or 9.2, and allows the directors, in the case of a rights issue, to make appropriate arrangements in relation to fractional entitlements or other legal or practical problems which might arise. The authority will expire at the next annual general meeting.

The directors believe that it is in the best interests of the Company to have the authority to allot or grant such subscription and conversion rights over a maximum of 2,502,500 Ordinary Shares other than on a pre-emptive basis

In addition to the disapplications sought under resolution 10, the existing disapplication in relation to certain warrants granted in the Previous General Meeting will continue on the basis outlined in the note in relation to resolution 9 above

Resolution 11 - Purchases of own shares by the Company (special resolution) Resolution 11 to be proposed at the Annual General Meeting seeks authority from holders of ordinary shares for the Company to make market purchases of ordinary shares, such authority being limited to the purchase of 10 per cent of the ordinary shares in issue as at 11 March 2011 (being the latest practicable date prior to publication of this notice of Annual General Meeting). The maximum price payable for the purchase by the Company of ordinary shares will be limited to the higher of 5 per cent above the average of the middle market quotations of the ordinary shares, as derived from the AIM Appendix to the London Stock Exchange Daily Official List, for the five business days prior to the purchase and the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the trading venue where the purchase is carried out. The minimum price payable by the Company for the purchase of ordinary shares will be 10p per share (being the nominal value of an ordinary share). The authority to purchase ordinary shares will only be exercised if the directors consider that there is likely to be a beneficial impact on earnings per ordinary share and that it is in the best interests of the Company at the time. The Company is allowed to hold in treasury any shares purchased by it using its distributable profits. Such shares will remain in issue and capable of being re-sold by the Company or used in connection with certain of its share schemes. The Company would consider, at the relevant time, whether it was appropriate to take advantage of this ability to hold the purchased shares in treasury

Options to subscribe for up to 200,000 ordinary shares have been granted and are outstanding as at 11 March 2011 (being the latest practicable date prior to publication of this document) representing 0 39 per cent of the issued ordinary share capital at that date. If the directors were to exercise in full the power for which they are seeking authority under resolution 11, the options outstanding as at 11 March 2011 (being the latest practicable date prior to publication of this document) would represent 0 44 per cent of the ordinary share capital in issue following such exercise.

(9) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual (<a href="www.euroclear.com/CREST">www.euroclear.com/CREST</a>). The message must be transmitted so as to be received by the issuer's agent, Capita Registrars (ID R055), by 9 30am on 5 April 2011. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended)

# NBNK INVESTMENTS PLC

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Annual Report and Financial Statements
For the year ended 31 December 2011
Registered number 7303316

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Chairman's and Chief Executive Officer's review

NBNK was set up to respond to the need for a new competitor in the retail banking market. We were encouraged by a number of institutional investors who were prepared to support the proposal and were able to assemble a highly experienced Board of

Directors and an excellent management team

During 2011 we pursued a number of opportunities to create a safe, secure, ring-fenced UK focused retail bank. We made several bids that, if accepted, would have been in the interests of our shareholders and the Company's broader stakeholder group. By the end of the year none of our bids had been accepted – either because we could not reach agreement on price or

because of extended vendor timetables

Following Lloyds Banking Group's (LBG) announcement early in 2011 that it wished to accelerate the Verde sales process, we made a number of proposals within the timetable and process required. By the end of the year, however, another party had been afforded 'preferred bidder' status. We believe that LBG had overlooked the relative attractiveness of our offer and are

pleased, at date of writing, that we have been asked to represent our credentials

Due to constraints placed on our ability to participate in the sale of Northern Rock, imposed by Northern Rock plc, we entered the sale late in the process and we decided to make our bid dependent upon a successful outcome in the Verde sale. The

Government's timetable and a higher offer from another party resulted in Northern Rock being sold to that other party

We undertook detailed analysis of other UK based opportunities, notably National Australia Bank's Clydesdale and Yorkshire Banks. That work and the discussions that followed did not result in a transaction which we would have been able to

recommend to our shareholders

We want to say a few words about how we went about our work in 2011 NBNK is a unique venture. Together with the Board, we were clear from the outset that the right balance needed to be struck between preparing professional, comprehensive bids

which established NBNK as a credible high street challenger bank, while managing shareholders' funds effectively

We recruited a small core team of highly qualified specialists, who were asked to make a serious commitment to NBNK in circumstances where success and long term security was by no means guaranteed and it is to the credit of all our permanent staff, contractors and external advisers alike who have contributed, and in some cases still continue to contribute, so

enthusiastically to the objectives of the Company

We resourced our bidding activities on a flexible, scalable basis. We achieved the objective of submitting a number of extremely high quality bids while conserving shareholders' funds as far as possible. In this way, we have been able to continue to pursue the Company's objective in 2012 in an efficient and cost-conscious manner and to keep the quantum of our loss in 2011 down to £23 3m (2010, loss of £1, 3m) before depreciation, amortisation, share based payments and movement in derivative financial

instruments

We have produced bids of the very highest calibre and produced a proposition which we believe is capable of altering the

landscape of high street retail banking for all generations of customers

Lord Levene of Portsoken KBE

Gary Hoffman

Chief Executive Officer

#### The Board

1

#### Lord Levene of Portsoken KBE (Chairman)

Peter Levene started his career in the Defence Industry Subsequently, he was appointed as Permanent Secretary in the Ministry of Defence in the role of Chief of Defence Procurement, a position which he held for six years. He thereafter held a number of Government posts, as Advisor to the Secretary of State for the Environment, to the President of the Board of Trade, and to the Chancellor of the Exchequer. He was appointed as Advisor to the Prime Minister on Efficiency and Effectiveness from 1992 to 1997. During this period, he also served as Chairman of the Docklands Light Railway and then Chairman and Chief Executive of Canary Wharf Ltd.

He served as an Alderman of the City of London from 1984 to 2012, served as Sheriff from 1995-96 and then as Lord Mayor of London for the year 1998-99. He received a knighthood in 1989 and became a life Peer in July 1997.

Later he became Vice Chairman of Deutsche Bank in the UK. In 2002 he was elected as Chairman of Lloyd's, the world's leading insurance market, a post he held for 9 years until 2011. Peter Levene currently also holds four non-executive directorships, as Chairman of General Dynamics UK Limited and on the boards of Haymarket Group Ltd, China Construction Bank and Eurotunnel. He is a Member of the House of Lords Select Committee for Economic Affairs.

#### Sir David Walker (Deputy Chairman and Senior Independent Director)

Sir David Walker is a senior advisor to Morgan Stanley International where he previously held the position of Chairman and Chief Executive. Sir David was formerly an Executive Director of the Bank of England, Chairman of the Securities and Investment Board (precursor of the FSA), a Deputy Chairman of Lloyds Bank and Vice Chairman of Legal and General. He is a member of the Group of Thirty and has undertaken public reviews on the LMX reinsurance spiral (1992), disclosure and transparency in private equity (2007) and governance in financial institutions (2009).

#### Lord Brennan of Bibury QC (Non-executive Director)

Lord Brennan is a member of the House of Lords. In 1999 he was Chairman of the Bar of England and Wales. He is also Chairman of the Caux Round Table Global Governing Board, Chairman of Juridica Investments Limited, Chairman of Omega Business Solutions Pvt Limited and Vice Chairman of AJ Prospekt Capital Limited. His special interests include international development and financial and corporate governance, in particular in connection with the recent financial crisis.

#### Lord Forsyth of Drumlean (Non-executive Director)

Lord Forsyth is a member of the House of Lords and sits on the Select Committee on Economic Affairs. He was MP for Stirling from 1983 until 1997. He served in Government for more than 10 years as Secretary of State for Scotland, as a Minister of State at the Home Office and Department of Employment and as Parliamentary Private Secretary to the Foreign Secretary.

Lord Forsyth was until April 2012 Deputy Chairman of Evercore Europe Investment Banking Before joining Evercore he was a Director of Corporate Finance at Flemings, Vice Chairman Investment Banking Europe at JPMorgan and Deputy Chairman at JPMorgan UK. He is a Non-executive Director of J&J Denholm Ltd and of the Centre for Policy Studies and from October 2005 to October 2006 he chaired the Tax Reform Commission.

#### Lord McFall of Alcluith (Non-executive Director)

Lord McFall is a member of the House of Lords. He was MP for West Dunbartonshire from 1987 until he retired at the 2010 General Election. During that time he held various positions in both opposition and as a Government Minister and, from 2001 to 2010, was Chairman of the Treasury Select Committee. His parliamentary interests are foreign affairs and international development and at a local level, regeneration and community development.

#### Gary Hoffman (Chief Executive Officer)

After graduating from the University of Cambridge, where he read Economics, Gary's career began at Barclays when he joined the graduate trainee scheme in 1982. Throughout his time with Barclays he had responsibility for service and sales to Barclays' retail customers in the UK. Gary set up Barclaycall, (the telephone banking service) and launched the company's internet banking service. He held several senior and Board-level customer focused roles at Barclays, which included responsibility for

UK Banking and Barclaycard Gary was latterly Vice-Chairman of Barclays pic from 2006-08, before agreeing to take on one of the toughest challenges in retail banking when he joined Northern Rock in 2008 as Chief Executive and was responsible for its rescue, stabilisation and restructure. In July 2008 Gary received an Honorary Doctorate from the University of Northampton, having been made a Visiting Professor in 2007. Gary is a non-executive director of Trinity Mirror and has been appointed the Independent non-executive Chair of the Football Foundation.

#### **Corporate Advisers**

Registered office

Fifth Floor

100 Wood Street

London EC2V 7EX

Company number 07303316

Principal place of business

5<sup>th</sup> Floor

One Angel Court

London EC2R 7HJ

Phone 020 7600 1444

**Nominated Advisers** 

Cenkos Securities plc 6 7 8 Tokenhouse Yard

London EC2R 7AS

**Company Secretary** 

Law Debenture Corporate Services Limited

Fifth Floor

100 Wood Street

London EC2V 7EX

Financial Advisers

Kınmont Advisory

5 Clifford Street

London W1S 2LG

**UBS** 

1 Finsbury Avenue

London EC2M 2AN

The Royal Bank of Scotland

280 Bishopsgate

London EC2M 4RB

Solicitors

Travers Smith LLP 10 Snow Hill

London EC1A 2AL

NBNK Investments plc

Slaughter & May

One Bunhill Row

London

EC1Y 8YY

PR Advisers

Pelham Bell Pottinger

5<sup>th</sup> Floor

Holborn Gate

London

WC1V 7QD

Registrars

Capita Registrars

Northern House

Woodsome Park

Fenay Bridge

Huddersfield

West Yorkshire

HD8 0LA

Auditors

BDO LLP

55 Baker Street

London

W1U 7EU

Advising accountants

**KPMG** 

8 Salisbury Square

London

EC4Y 8BB

**Bankers** 

Coutts & Co

440 Strand

London

WC2R 0QS

HSBC Bank plc

Financial Services Team West End Commercial

Second Floor

16 King Street

London

WC2E 8JF

#### Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2011. The Company, which is listed on AIM, has one non-trading subsidiary. Therefore, the financial statements at pages 19 to 35 relate to the Company's activities alone.

#### Share capital

The Company has issued 50,050,000 ordinary shares of 10 pence each. This constitutes the total voting rights. In addition, certain warrants were created and (in some cases) issued at listing as follows.

- Placee warrants issued pro rata to institutional shareholders at listing to an aggregate total of 7 4% of the fully diluted share capital at a subscription price of 100 pence per share. The warrants are transferable and can be exercised at any time up until 31 August 2020. There have been no exercises to the date of this report,
- Placee B warrants issued to the directors and certain others at listing up to a maximum of 0.08% of the fully diluted share capital at a subscription price of 100 pence per share. The exercise period is as described above. Details of the Placee B warrants issued to the directors are included within the Directors' Remuneration Report at page 16,
- Founder warrants the Remuneration Committee may award Founder warrants to Lord Levene, Kinmont Advisory (financial advisor) and Cenkos Securities plc (NOMAD and broker) up to an aggregate of 2.5% of the fully diluted share capital at a subscription price of 130 pence per share. The exercise period is as described above. One grant of Founder warrants was made to Lord Levene in the year, details are included within the Directors' Remuneration Report on page 15.

The Company's shares were suspended on 6 September 2011 (when the price was 90 5 pence per share) following speculation about acquisition discussions. The shares remain suspended at the date of this report.

#### Business review

The directors of the Company who served in the year are

Lord Levene of Portsoken KBE, Lord Brennan of Bibury QC,

NBNK Investments plc

Lord McFall of Alciuith,
Sir David Walker,
Lord Forsyth of Drumlean, and
Gary Hoffman (appointed 1 May 2011)

The Company was established to try and launch a new UK retail and SME banking and savings operation

The directors' strategy has been to focus on the UK market, initially in the retail banking and SME areas but. over time, with an intention to expand into retail wealth management UK domestic banking and wealth management have historically produced a high return on equity and a relatively low volatility earnings profile Domestic returns for the larger UK banks at group level have typically been diluted by overseas expansion and involvement in more volatile business areas such as investment and wholesale banking. The Company has focused on acquisitions as the means of commencing and scaling its banking operations in the UK and has attempted to acquire one or more established, high quality banking businesses, to be funded by further substantial fundraisings via a premium listing on the London Stock Exchange The strategy has been to build a business that would represent approximately 4-6% of the UK banking market with a branch network of some 400-600 branches across the UK, with a focused regional strategy for Scotland, England and Wales

The net proceeds of the Company's AIM listing have been used to build a platform from which the Company could make credible and serious bids to acquire substantial banking sector assets

Gary Hoffman acted as Chief Executive Designate until his formal appointment to the Board on 1 May 2011 when he became Chief Executive Working with the management team that he had put together, the focus during much of the year was on the preparation of bids to acquire assets

The main focus through the year was on the detailed work necessary to present a comprehensive and credible bid for the Lloyds Banking Group assets known as 'Project Verde'. The Company was successful in getting through 'Round 1' of the bid process and then embarked on very significant due diligence and strategic planning work to hone a competitive 'Round 2' bid. As has been widely reported, Lloyds Banking Group ultimately chose to give exclusivity to a bid from another party on the grounds that it was better placed to deliver execution of the acquisition.

than NBNK. The Board would vigorously dispute that conclusion, but the fact remains that, notwithstanding the extremely thorough and professional bid that had been submitted, ultimately it was unsuccessful.

Following the removal of constraints on the Company to participate in the sale of Northern Rock plc, a bid was made by the Company in October 2011, dependent upon a successful outcome in the Verde sale. The Government's timetable and a higher offer from another party resulted in Northern Rock being sold to that other party.

The Board has also during the year been mindful of other prospective acquisitions and the Executive team were engaged on ensuring that the Company progressed fully any other opportunities that may have arisen

Work on the bids involved a great deal of careful planning and analysis. The Executive team, engaged on contracts that provide for relatively short notice severance should an acquisition not be forthcoming, were supplemented by third party advisers on fixed contract terms and by temporary expert staff, also engaged on fixed terms that allowed for non punitive severance. Thus, while the Company quickly scaled up to resource its bids, it was able quickly to scale down again following the Lloyds Banking Group decision, with the cost base reduced to a bare minimum of circa. £400,000 per month

Since the Company's strategy is dependent upon acquisitions, the directors will keep under review the long term prospects for the Company and, should it become clear that no substantial acquisition is achievable, they will resolve that the Company should be wound up and its remaining assets returned to shareholders

At date of writing, the Company has re-engaged in dialogue with Lloyds Banking Group and the progress of these discussions will be a key determinant of the Company's future prospects

#### Corporate Governance

The directors support high standards of corporate governance and have strived, insofar as practicable given the Company's size and nature, to comply with the UK Corporate Governance Code. The directors believe that, in substantial part, they have been able to operate the Company in compliance with the Code. Accordingly, a Corporate Governance Report is set out at pages 9 to 12 and a Directors' Remuneration Report at pages 13 to 16.

both of which are deemed to be incorporated as part of this directors' report

#### Key performance indicators ('KPIs')

The principal financial KPI is the rate at which the Company is spending the listing proceeds. The directors monitor closely the management accounts of the Company to ensure that expenditure is proportionate and consistent with the Company's strategy. Suitable controls are in place to enable the directors to respond quickly to changes in the Company's circumstances. There is regular dialogue with shareholders, reflecting the Board's desire to keep them assured that their investment is being properly managed.

The principal non-financial KPI is the Company's progress towards an acquisition. The Board continuously monitors discussion progress and the chairman is personally and actively involved in all aspects of the discussions.

#### **Dividend policy**

Subject to an acquisition, the Company would seek to build up its operations during its first two to three years, during which time it is unlikely that the Company will pay dividends. Thereafter, and subject to compliance with the Companies Act 2006 and regulatory capital requirements, it would be the intention of the directors to pay dividends on the basis of a progressive dividend policy.

#### Principal risks and uncertainties

The principal risk for the Company is that its acquisition strategy fails. Should this be the case, the directors will resolve that the Company should be wound up and its remaining assets returned to shareholders.

The Board has developed a matrix of the principal risks that face the Company leading up to and immediately post any acquisition. Appropriate controls are in place to manage those risks and the Company has in place the resources necessary to manage acquisition negotiations effectively so that the Company can hit the ground running, once its first acquisition has been secured.

#### Directors' shareholdings

Beneficial interests in the ordinary shares of the Company as at 31 December 2011 are set out in the Directors' Remuneration report at page 16

#### Substantial shareholdings

The directors are aware of the following existing shareholders of the Company who hold an interest, either directly or indirectly, in 3% or more of the issued share capital of the Company as at 21 May 2012

Name	% of issued share capital held
Invesco Asset Management	29 50
Aviva Investors Global Services	11 60
Bailie Gifford & Co	9 60
Och Ziff Management	9 40
F & C Asset Management	9 00
Goldman Sachs International	8 00
BlackRock Investment Management (UK)	6 50
Apollo Nominees	5 90
Cenkos Channel Islands	3 60

#### Other shareholding disclosures

The Company is not aware of any person or entity who, directly or indirectly, jointly or severally, would or could exercise control over the Company and there are no arrangements in place, the operation of which could result in a change of control of the Company

There are no loans or guarantees granted or provided by the Company to or for the benefit of any of the directors

#### Directors' conflicts of interest

The directors are under a statutory duty to avoid conflicts of interest. The Board has established procedures to deal with conflicts and potential conflicts, which includes an annual review of the Board's conflicts registers. Each director has declared all matters that might give rise to a potential conflict of interest and these have been considered and, as required, approved by the Board. In the opinion of the directors, the procedures on managing conflicts of interest are working effectively.

No director has or has had any interest in any transaction with the Company which is or was unusual in its nature or conditions or significant to the business of the Company and effected during the year under report

#### Shareholder relations

The Company has a relatively small number of shareholders. In addition to the regulatory obligations to keep shareholders informed of developments through general announcements, the Company's NOMAD maintains dialogue and communication between the Board and shareholders The chairman and chief executive have attended many meetings shareholders and make themselves freely available for dialogue on request Shareholders (including shareholders within nominee companies where the nominee has made appropriate arrangements) receive a copy of the annual report and of any interim and half yearly statements. The Company intends to communicate with shareholders principally by electronic means but shareholders may 'opt in' to receipt of hard copy reports etc published by the Company Shareholders have access to the chairman or if they prefer to the senior independent director, Sir David Walker, should they wish to discuss any matters of concern

#### **Employee participation**

The Company has introduced a number of long term employee share schemes in anticipation of engaging senior staff. The details of these schemes are set out in full in the admission document and comprise options and a performance share plan for executives and SAYE and SIP arrangements to operate on an all-employee basis. Any awards made under the schemes will be published in the Directors' Remuneration Report.

#### Corporate Social Responsibility and Sustainability

The Company has not yet adopted policies on corporate social responsibility and sustainability, but will do so when its activities warrant

#### Charitable donations

The Company has not made any charitable donations to date. Following an acquisition, the directors may consider the establishment of a Charitable Foundation or similar.

#### Political donations

The Company has not made any payments or donations that would be classified as political donations and does not intend to seek shareholder approval in the immediate future to make such payments or donations

## Statement of directors' responsibilities in relation to the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy

at any time, the financial position of the Company, for safeguarding the assets of the Company, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report which complies with the requirements of the Companies Act 2006. The directors are responsible for preparing the annual report and financial statements in accordance with the Companies Act 2006. The directors have elected to prepare financial statements under International Financial Reporting Standards (IFRS) as adopted by the European Union

International Accounting Standard 1 requires that financial statements present fairly for each financial period under report, the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the IFRS 'framework for the preparation and presentation of financial statements' A fair presentation requires the directors to

- Consistently select and apply appropriate accounting policies.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information, and
- Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance

Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements

#### Statement of information given to auditors

The directors have confirmed that so far as they aware, there is no relevant audit information of which the Company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

#### Statement of going concern

The directors have disclosed the current status of the Company Other than interest income, it is not producing revenues and its future success relies on the ability to secure an acquisition of banking assets in the event that no such acquisition is achieved, the directors will determine whether it is appropriate for the Company to continue its activities and will review the situation when the outcome of the Lloyds Banking Group process is clear. The Company remains able to meet its liabilities as they fall due. The directors closely monitor the cash resources of the Company and its contractual commitments and have resolved that should the Company not fulfil its objectives, then a solvent liquidation would take place.

Shareholders accepted, when the Company listed on AIM, that there was a risk of the Company not being able to succeed in its strategy, in which event, they would not receive back the full value of their original investment

Notwithstanding the material uncertainties in respect of the future direction of the Company, the directors have concluded that it is appropriate for the Company's accounts to be prepared on a going concern basis

#### Auditors

A resolution will be proposed at the annual general meeting to re-appoint BDO LLP as auditors for the time being

By Order of the Board

Law Debenture Corporate Services Limited

Company Secretary

21 May 2012

#### **Corporate Governance**

The directors have resolved to comply with the provisions of the UK Corporate Governance Code (the 'Code') to the maximum extent practicable, notwithstanding the Company's status as an AIM listed Company

The following paragraphs set out how the Company has applied the main and supporting principles in the Code and explain, where appropriate, circumstances where it has not been possible to comply. The relevant version of the Code is that published in June 2010, applicable to reporting periods beginning on or after 29 June 2010. This corporate governance statement forms a part of the directors' report.

#### Board leadership

The Board is comprised of two executive directors (the Chairman and the Chief Executive Officer) and four non-executive directors ("NEDs"). Under the leadership of the chairman, Lord Levene, the Board operates in a consensual, open manner. There is a formal schedule of matters specifically reserved for the Board, which includes responsibility for strategy, financial performance (including treasury oversight), legal matters affecting the Company, communications with shareholders and overall policy matters.

The Board meets at least monthly and all directors strive to attend all meetings. The attendance record for each director is set out at page 11

Until 17 October 2011, the chairman spent at least one day each week on the business of the Company and since that date, three days per week. He was the driving force behind the advent of the Company and acting with his fellow directors, has set out the Company's strategic aims. All directors are provided with regular updates on the key developments of the Company and have access at all times to the chairman, the deputy chairman and the executive team. Active participation by the NEDs is encouraged at Board meetings and is forthcoming.

The NEDs bring with them a wealth of banking, political and legal experience. Each of them is committed to the strategic aims of the Company, but has the independence of character to scrutinise the performance of the Company's staff and advisers and where necessary, to ask searching questions. The Senior Independent Director is Sir David Walker.

#### Board independence

All of the NEDs were independent at appointment and remain so Lord Levene was not independent at appointment because he is an executive

#### Board effectiveness

The Board is of proportionate size and expertise to manage the Company's activities. It has the right balance of skills, experience, independence and knowledge to deliver the Company's strategic aims. When it becomes appropriate to change the Board's composition, the Nominations Committee will conduct a thorough search consistent with good governance requirements to ensure that future appointments are made on merit, against objective criteria, recognising the benefits to be had through diversity on the Board.

On appointment, each director signed a responsibility statement prior to listing and they all acquired appropriate knowledge of the Company and their obligations as NEDs as part of that process. There is a programme of continuing training in place and the directors have attended a mixture of group and individually tailored training sessions on relevant matters. The NEDs have access to the company secretary for advice on corporate matters and to ensure satisfactory information flows. They also have access to independent professional advice at the Company's expense and the Company has arranged appropriate insurance cover in respect of legal action against its directors.

The Board has implemented annual appraisal procedures so that its own performance and that of its committees, the chairman and individual directors can be assessed and monitored in accordance with Code requirements. The chairman formally appraised each director and personally led a review of the Board and committee performance, the results of which were discussed at a Board meeting. Separately, the directors met without the chairman to discuss the chairman's performance and the results of that meeting were conveyed to the chairman by the SID.

All directors are subject to annual re-election by shareholders

There are engagement letters in place governing the appointment of each director, further details of which are set out in the Directors' Remuneration Report It is a term of their engagement that directors make available sufficient time to commit to the duties expected of them

#### **Board committees**

The Board has established audit, remuneration, nomination and risk committees Following an acquisition, it will be necessary to establish other committees and to review the terms of reference of the existing committees to ensure that the Company is fully in compliance with the Walker Review

Each committee has terms of reference, which are published on the Company's website at <a href="http://nbnkinvestmentsplc.co.uk">http://nbnkinvestmentsplc.co.uk</a> All members of the committees are independent NEDs, except for the Nominations Committee which is chaired by Lord Levene A summary of each committee is set out below

#### **Audit Committee**

Members
Lord McFall (Chairman)
Lord Brennan
Lord Forsyth
Sir David Walker
Role

The Audit Committee is responsible for

- Monitoring the integrity of the financial statements of the Company, setting accounting policies, etc,
- Reviewing the effectiveness of the Company's internal controls and risk management systems,
- Reviewing arrangements for whistleblowing and fraud detection.
- Monitoring and reviewing the effectiveness of internal audit processes and management's response to any findings, and
- Overseeing the appointment and resignation of external auditors and managing the relationship, including reviewing findings of audits, etc

The report of the Audit Committee on its activities during the year is as follows

The Committee met three times during the year and took the following decisions

- Review and approval of annual report and financial statements (including a meeting with the auditors to review the audit findings and a review of non-audit services to ensure that independence was maintained),
- Consideration of the Company's long term audit requirements – in principle, the Company would

consider continuing to use a 'non-Big Four' auditor, but this would need to be subject to that firm being able to provide the resource necessary to audit a fully functioning bank,

- Review and approve the half yearly report to AIM, and
- Considered certain technical and accounting issues connected with the Company's Warrants

Non-audit fees are shown at note 2 to the accounts. The Company's policy is that non-audit work can be carried out by the Company's auditors unless there is a conflict of interest or someone else is considered to have more relevant experience.

#### Remuneration Committee

Members
Sir David Walker (Chairman)
Lord Brennan
Lord Forsyth
Lord McFall
Role

- To make recommendations to the Board about remuneration of the Company's chief executive, chairman, executive directors, chief risk officer and company secretary,
- To determine the Company's remuneration policy, including design and approval of incentive and bonus arrangements, policy for and scope of pension arrangements and for ensuring that the Company's remuneration arrangements have necessary regard for legal requirements, provisions and recommendations of the Code and the relevant listing rules,
- Overseeing major changes in employee benefit structures,
- · Appointing remuneration consultants, and
- Obtaining relevant and up to date information about remuneration in other, similar companies

A Directors' Remuneration Report is set out at pages 13 to 16

The report of the Remuneration Committee on its activities during the year is as follows

The Committee met seven times during the year to consider the following matters

- The grant of Founder Warrants,
- Remuneration arrangements for the chairman,
- Evaluation of the chairman's performance,
- Appointment of principal adviser on remuneration matters, and
- Consideration of proposals regarding the design of a senior executive remuneration framework, applicable following a successful acquisition

#### **Nominations Committee**

Members

Lord Levene (Chairman)

Lord Brennan

Lord Forsyth

Lord McFall

Sir David Walker

Role

- Reviewing the structure, size and composition of the Board and making recommendations for changes,
- Succession planning, identification and nomination (for Board approval) of candidates to fill Board vacancies
- Establishment of procedures to evaluate the skills knowledge and experience necessary for a particular appointment and managing the process of appointing new directors through to and including ensuring that formal letters of appointment are issued, and
- Recommending to the Board plans for succession for both executive and non-executive directors including in particular the key roles of chairman and chief executive, the senior independent director and changes to membership of the audit and remuneration committees

The Committee did not meet during the year

#### Risk Committee

Members

Sır David Walker (Chairman)

Lord Brennan

Lord Forsyth

Lord McFall

Role

 Advising the Board on risk management and risk appetite to assist the Board in setting future strategy,

- Providing the Remuneration Committee with qualitative and quantitative advice on risk weightings to be applied to performance objectives,
- Making appropriate recommendations to the Board on the Company's risk strategy and policies taking into account the current and prospective macroeconomic and financial environment and drawing on financial stability assessments published by the Bank of England, the FSA and other sources.
- Reviewing the effectiveness of the Company's risk management infrastructure by establishing stress and scenario testing procedures,
- Reviewing the Company's credit risk, market risk, liquidity risk and operational risk exposures,
- Reviewing the appointment, resignation or dismissal of the chief risk officer, and
- Ahead of an acquisition or disposal, ensuring the undertaking of an appropriate due diligence exercise

The report of the Risk Committee on its activities during the year is as follows

The Committee met once during the year It took the following decisions

- Approval of revisions to the Committee's Terms of Reference, in particular to ensure the independence of the chief risk officer.
- · Consideration and approval of the principal risk policy,
- Testing of the central economic forecasts and stress testing scenarios being used by the Executive in the preparation of acquisition bids, and
- Oversight of the Board education programme

During the year, there was a considerable overlap between the work of the Committee and matters considered at Board level. The Board has considered its risk matrix at each monthly meeting reflecting the importance of the need for risk management. Post an acquisition, the delineation between the Committee and the Board will become more distinct.

#### Attendance at meetings

	Board	Committees
N° of meetings	20	11
Lord Levene	20/20	n/a
Lord Brennan	19/20	10/11
Lord Forsyth	18/20	11/11

Lord McFall	19/20	11/11
Sir David Walker	17/20	11/11
Gary Hoffman	20/20	n/a

An exceptional number of Board meetings were held, reflecting the high level of activity as bids were prepared and submitted. Those directors not in attendance at any given meeting had all submitted comments in advance. The attendance of Gary Hoffman at meetings prior to his appointment as a director on 1 May 2011 was at the invitation of the Board. The chairman and chief executive were present at all Committee meetings by invitation of the relevant Committee chairman, except when matters of their own remuneration were being discussed.

#### Accountability and audit

The statement of directors' responsibilities in relation to the financial statements appears on page 7 of the directors' report. The independent auditor's report appears on page 17. The financial statements present a balanced and understandable assessment of the Company's position and prospects. The financial statements have been reviewed by the Audit Committee, then approved by the Board and signed by the chairman. The financial statements are prepared on a going concern basis.

#### Risk management and internal control

While the Company remains in pre-acquisition mode, the framework of internal controls in place to ensure that the Company complies with the Financial Reporting Council's guidance is relatively simple. The main features of the Company's internal control and risk management systems are as follows.

- The Company's matrix of key risks and the controls in place to mitigate them is reviewed by the Risk Committee and by the Board,
- An internal audit function is available to the Audit Committee as required,
- The Board receives periodic reports from the company secretary and external advisors about legal and regulatory developments and the steps that the Board must take to comply, and
- It reviews reports by the external auditors on the annual audit

In addition, the Board ensures that

 Proper accounting records are maintained so that it can rely on financial information it receives to make

- appropriate strategic and business decisions and that the Company's assets are safeguarded, and
- Systematic reporting is made to the Board on matters relating to insurance, taxation, accounting and cash management as well as legal, compliance and company secretarial issues

The Board believes that the systems of internal risk management and financial controls that is has designed are proportionate and provide reasonable assurance against fraud, mis-management and against material misstatement or loss

#### Remuneration

The Company's adherence to the Code provisions on remuneration is described within the Directors' Remuneration Report set out at pages 13 to 16

#### Relations with shareholders

The Company's means of keeping shareholders informed is set out in more detail in the directors' report

The annual general meeting will take place on 27 June 2012 at 9 30am at the Company's registered office and the Board welcomes the attendance of as many shareholders as can be present. Full disclosure of the number of votes cast for and against resolutions will be published on the Company's website. All directors are expected to be in attendance as will be the Company's senior executives and principal advisers. The notice of annual general meeting appears at page 36. The Board believes that the resolutions to be put to shareholders are in the best interests of the shareholders as a whole and, accordingly, recommends that the shareholders vote in favour of the resolutions, as the directors intend to do in respect of their beneficial shareholdings in the Company.

#### Summary

So far as it able, given the current status of the Company, the directors believe that the Company has complied during the year to 31 December 2011 with the requirements of the UK Corporate Governance Code

#### **Directors' Remuneration Report**

Dear Shareholder

I set out below the Remuneration Report for NBNK Investments pic for 2011 Some of the information in the report is historical, some forward-looking. As with its report on corporate governance, the Board wishes to be as transparent as possible and to meet high standards of governance and disclosure. This Report accordingly as far as possible seeks to meet the disclosure standards of a premium listed company and the principal compliance requirements of Section D of the UK Corporate Governance Code.

## 1 Remuneration Committee – membership and advisers

The members of the Remuneration Committee and its principal duties are set out at page 10. The members of the Committee are independent, non-executive directors.

The Committee relied on certain external advisers during the year None of them had any other connection with the Company unless otherwise indicated. The Committee's principal adviser was John Lee of FIT Remuneration Consultants LLP

#### 2 The Company's remuneration policy

Core elements of the policy formulated by the Remuneration Committee are as follows

- A Remuneration packages should be competitive to attract the right calibre of executive, but on the basis of rigorous benchmarking advice, salaries should be broadly in line with average salaries in the banking sector,
- B The Company will not introduce long-term incentive plans, short term bonus arrangements or other policies that might reward failure or yield benefit to individual employees irrespective of the performance of the Company, and
- C Notice periods should be kept to a minimum, consistent with normal market practice for senior executives in the banking industry

In addition, the Company will make use of short term contractors where it is prudent to do so

The overarching principle is that there should be a clear link between total remuneration and performance. A key ingredient in successful performance will be by the completion of a substantial acquisition. An acquisition is not likely to be deemed 'substantial' unless it delivers a geographically diverse, branch-driven High Street retail banking operation.

#### 3 The Chairman

The chairman was an initial founder of the Company and, prior to the hiring of other staff, was its sole executive. As a founder of the Company, Lord Levene was eligible for a grant of Founder warrants under the terms of the Admission Document at the discretion of the Remuneration Committee in consultation with shareholders. Section 8 below sets out the arrangements that apply

In terms of his fees as chairman, Lord Levene was paid £15,833 per month for the period from listing to the point that he ceased to be chairman of Lloyd's (14 October 2011) and £33,333 per month thereafter, reflecting an increase in his commitment from one to three days per week

Lord Levene has a fixed term contract with the Company, expiring on 9 December 2013. Following the expiration of the fixed term, either party can terminate on not less than six months' written notice.

#### 4 The Chief Executive Officer

Gary Hoffman joined the Board as the Company's chief executive officer on 1 May 2011 prior to which he was employed as chief executive designate. The terms of his remuneration are

Basic Salary - £750,000

Normal benefits (including a 20% supplement in lieu of pension contributions, a car allowance of £10,330 and normal insured benefits)

In addition, as part of his recruitment, the Company paid him £1 85m when his contract commenced largely in reflection of his leaving his previous employer

He is not entitled to any short term bonus arrangements

The Company granted him an option on becoming a director (as explained at section 6 below). His service contract requires 12 months notice from either side and reflects mitigation by only providing for payment on termination in respect of fixed remuneration. To protect the cost exposure of the Company if a substantial acquisition is not completed within 18 months of his joining, any sum due on termination will be assessed by reference to only six months' notice.

The Company has agreed that he may retain any fees arising from NED appointments with which the Board has agreed he may continue. This comprises Trinity Mirror plc (paid) and the Football Foundation (unpaid)

#### 5 Remuneration of non-executive directors

Each of the NEDs has entered into a letter of appointment with the Company under which they are paid fees for their services of £50,000 per annum. In the case of Sir David Walker, reflecting his status as SID and the consequent increased call on his time, his fee was increased to £120,000 from 1 June 2011. NEDs may also reclaim travelling expenses.

Each NED is appointed for an initial term of three years, subject to annual re-election by the shareholders, unless terminated earlier by either party upon three months notice in writing. Continuation of the contract of appointment is contingent on satisfactory performance and a NED may have his appointment terminated without notice or compensation in certain circumstances. There are no provisions for compensation payable on early termination of the appointment (save for the three month notice obligation). All NEDs are expected to attend all meetings of the Board and any of the committees on which they serve.

#### 6 Share incentive arrangements (audited)

As described in the Admission Document, the Company has shareholder agreement to introduce a number of long term employee share schemes to facilitate engagement of senior staff. Details of these schemes are set out in full in the Admission Document and comprise the usual suite of options and a performance share plan for executives and SAYE and SIP to operate on an all-employee basis.

To date, the only options granted are to Lord Levene and Gary Hoffman Lord Levene was awarded 200,000 options on admission to AIM at an exercise price of 10 pence, exercisable at any time between the date that he ceased to be Chairman of Lloyd's of London and 9 December 2013. The fair value of the options as at 31 December 2011 is shown at note 13 to the accounts.

On appointment as a director on 1 May 2011, Gary Hoffman was awarded a share option over 11.5 million shares at an exercise price of 130 pence per share. This will be exercisable as to 1/3 after 3 years from grant, 1/3 after 5 years and the final 1/3 after 6 years and, subject to normal good leaver provisions, is contingent on his continued employment to those dates. The option will be

subject to claw-back provisions in the event that the Remuneration Committee considers that the share price is impacted by information which resulted in the share price being misleading. The option is also contingent on a substantial fundraising and acquisition having been completed within 18 months of his joining.

#### 7 Directors' emoluments for the year ended 31 December 2011 (audited)

	Total salary/fees in	Benefits other	Total receivable for	Total received in
	2011	than cash	2011	2010
	£	£	£	
Lord Levene	304,627		304,627	47,499
Lord Brennan	50,000	-	50,000	18,205
Lord Forsyth	50,000	-	50,000	18,205
Lord McFali	50,000	-	50,000	18,205
Sir David Walker	90,833	-	90,833	18,205
Mr C McCreevy*	•	-	•	5,705
Mr G Hoffman **	910,330	2,612	912,942	-
Total	1,455,790	2,612	1,458,402	126,024

In line with Company policy, no short term bonus payments were made to any member of the Board

As at 31 December 2011, the directors were the key management personnel (defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company). Their compensation is set out above. Total employer's national insurance contributions of £447,853 were paid. In addition to these amounts, there were share based payments in the income statement totalling £844,183.

#### 8 Founder warrants (audited)

The Admission Document stated that the Board had delegated authority to the Remuneration Committee to grant Founder warrants over, in aggregate, up to 2.5 per cent of the Fully Diluted Share Capital (as defined in the Admission Document), exercisable at 130 pence per share

Lord Levene was granted Founder Warrants entitling him to subscribe for 0.7278 per cent of the Fully Diluted Share Capital Lord Levene has indicated that he would undertake only to exercise the warrants (i) on successful completion of a substantial acquisition by the Company and the listing of the Company's shares on the Official List and (ii) only in respect of up to 5.75 million shares (or 0.7278 per cent of the Fully Diluted Share Capital, if resulting in a lower number of shares). Further, Lord Levene has indicated that he would undertake (i) not to dispose of any shares issued on exercise of such warrants for a period of 3 years from such listing and (ii) that he would retain at least 500,000 of such shares for so long as he remains chairman

Kinmont Advisory and Cenkos Securities Plc may also receive Founder warrants (although no grant has been made to date) entitling them each to subscribe for 0 8861 per cent of the Fully Diluted Share Capital. Each has indicated that they would be prepared to undertake to the Company on the same terms as Lord Levene (as outlined above) save that they would undertake to exercise the warrants only in respect of up to 7 million shares (or 0 8861 per cent of the Fully Diluted Share Capital, if resulting in a lower number of shares), and they would not be required to retain a minimum of shares (other than on account of the three year lock-in following the listing)

The Committee considers that, if granted on the above terms, these warrants would result in significantly less dilution than envisaged in respect of the Founder warrants at the time the Admission Document was published

<sup>\*</sup> for the period 20 August 2010 to his resignation on 7 October 2010

<sup>\*\*</sup> as disclosed in paragraph 4 above, Gary Hoffman received a payment of £1,852,161 when his contract commenced

#### 9 Directors' shareholdings

The directors of the Company have beneficial interests in the Company's ordinary shares as follows

	Ordinary shares	Placee B Warrants **
		<u>%</u>
Lord Levene	100,000	0 015
Lord Brennan	50,000	0 007
Lord Forsyth	* 50,000	0 007
Lord McFall	20,000	0 003
Sir David Walker	100,000	0 015
Mr G Hoffman	•	-

<sup>\*</sup> Lord Forsyth's ordinary shares are held by A J Bell (PP) Trustees Limited, as trustees of Lord Forsyth's self-invested pension plan

#### 10 Approval of report

The Committee considers that the various components of the directors' remuneration set out above combined to produce an overall package that achieves an appropriate alignment between the interest of the directors and those of the shareholders and the Company

The Director's Remuneration Report was approved for issue by the Board on 21 May 2012 and signed on behalf of the Board

Sır David Walker

Chairman of the Remuneration Committee

<sup>\*\*</sup> The warrants set out above were issued on the initial subscription for shares on substantially the same terms as the warrants issued to institutional investors on the placing. They are immediately exercisable at a subscription price of £1 per share, are transferable and remain exercisable until 31 August 2020. They represent rights to subscribe for such shares as represent such percentage of the fully diluted share capital of the Company in the period to 20 February 2013. The fair value of the warrants at 31 December 2011 is set out at note 15 to the accounts.

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NBNK INVESTMENTS PLC

We have audited the financial statements of NBNK Investments Pic for the year ended 31 December 2011 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

#### Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

The directors have voluntarily chosen to include a corporate governance and going concern statement in the annual report detailing the extent of compliance with the UK Corporate Governance Code in accordance with the requirements of the Listing Rules of the Financial Services Authority ("the Listing Rules")

The directors have also voluntarily chosen to comply with certain requirements of the Listing Rules and Schedule 8 of the Large and Medium-Sized Companies and Groups (Accounts and Reports Regulations) 2008 made under Section 421 of the Companies Act 2006 ("Schedule 8")

Our responsibility is to audit and express an opinion on the corporate governance statement, the statement in relation to going concern and the directors' remuneration information contained in the directors' remuneration report as if the company were a Listed company

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

#### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then
  ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the directors' report for the financial year for which the financial statements are prepared, is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following

Under the Companies Act 2006 we are required to report to you if, in our opinion

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches

not visited by us, or

the financial statements are not in agreement with the accounting records and returns, or

certain disclosures of directors' remuneration specified by law are not made, or

we have not received all the information and explanations we require for our audit

**Other Matters** 

Under our additional responsibilities referred to above we are required to review

the directors' statement, set out on page 8, in relation to going concern, and

• the part of the corporate governance statement relating to the company's compliance with the nine provisions of the UK

Corporate Governance Code specified for our review, and certain elements of the report to shareholders by the Board on

directors' remuneration

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the

Companies Act 2006

Sprup

Daniel Taylor (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

55 Baker Street

London

W1U 7EU

United Kingdom

21 May 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

## Income statement

for the year ended 31 December 2011

	Notes	Year ended 31 December 2011	Period ended 31 December 2010
		£000	£000
Interest income	3	310	125
Administrative expenses	2	(24,589)	(1,514)
Operating loss		(24,279)	(1,389)
Decrease / (increase) in fair value of derivative financial liabilities	15	1,238	(424)
Loss before taxation	. <u>-</u>	(23,041)	(1,813)
Taxation	4	•	-
Loss for the year		(23,041)	(1,813)
Loss per share (pence) - basic	5	(46 04)	(4 95)

# **Statement of comprehensive income** for the year ended 31 December 2011

	Year ended 31 December 2011	Period ended 31 December 2010
	£000	£000
Loss for year and total comprehensive loss for the year	(23,041)	(1,813)

# Statement of financial position

as at 31 December 2011

	Notes	31 December 2011	31 December 2010
		9003	£000
Assets			
Non current assets			
Property, plant and equipment	6	223	138
Other intangible assets	7	7	8
Total non current assets		230	146
Current assets			
Other accrued income and prepaid expenses		175	70
Cash and cash equivalents	. 8	26,412	47,280
Total current assets		26,587	47,350
Total assets		26,817	47,496
Current liabilities			<u>-</u> '
Trade and other payables	9	2,906	280
Other taxation including social security		147	18
Derivative financial liabilities	15	82	1,320
Total current liabilities		3,135	1,618
Total net assets		23,682	45,878
Equity		<del></del>	<u> </u>
Called up share capital	10	5,005	5,005
Share premium	11	42,595	42,595
Capital redemption		45	45
Retained losses		(23,963)	(1,767)
Total equity		23,682	45,878

Approved and authorised for issue by the Board on 21 May 2012 and signed on its behalf by

Lord Levene of Portsoken KBE Chairman

Gary Hoffman Chief Executive Officer

The notes at pages 23 – 35 form part of these financial statements

# **Statement of changes in equity** for the year ended 31 December 2011

	Share capital	Share premium	Capital redemption	Retained losses	Total
	£000	£000	£000	£000	£000
Total equity as at 1 January 2011	5,005	42,595	45	(1,767)	45,878
Net loss and total comprehensive loss for the year	-	-	-	(23,041)	(23,041)
Share based payments	-	-	•	845	845
Total equity as at 31 December 2011	5,005	42,595	45	(23,963)	23,682

The notes at pages 23 - 35 form part of these financial statements

# Statement of cash flows

for the year ended 31 December 2011

	Notes	Year ended 31 December 2011	Period ended 31 December 2010
		£000	£000
Operating activities	-		<del>.</del>
Operating loss before taxation		(23,041)	(1,813)
Depreciation of property, plant and equipment	6	100	10
Amortisation of intangible assets	7	3	1
Share based payments - options		767	46
Share based payments – founder warrants		78	-
(Decrease) / increase in fair value of derivative financial instruments	15	(1,238)	424
Increase in receivables		(105)	(70)
Increase in payables		2,755	298
Cash flow from operating activities		(20,681)	(1,104)
Investing activities  Acquisition of property, plant and equipment	6	(185)	(148)
Expenditure on other intangible assets	7	(2)	(9)
Cash flow from investing activities		(187)	(157)
Financing activities			
Net proceeds of increase in share capital and share warrants		-	48,541
Cash flow from financing activities		-	48,541
Net (decrease) / increase in cash and cash equivalents		(20,868)	47,280
Cash and cash equivalents at 1 January		47,280	_

The notes at pages 23 - 35 form part of these financial statements

## Notes to the accounts

for the year ended 31 December 2011

#### 1 Summary of significant accounting policies

#### General Information

NBNK Investments pic is a public company incorporated in the United Kingdom. The address of the registered office is given on page 4. The Company's operations and its principal activities are to establish a new UK retail and SME banking and savings operation. The financial statements are presented in pounds sterling thousands because that is the currency of the primary economic environment in which the Company operates.

#### Basis of preparation

The financial statements of NBNK Investments plc have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union

The financial statements have been prepared under the historical cost convention as amended for use of fair value for derivative financial instruments and share based payments. Historical cost is based upon the fair value of consideration given in exchange for assets.

#### Critical accounting estimates and judgements

The preparation of the financial statements necessarily requires the exercise of judgement both in the application of accounting policies which are set out below and in the selection of assumptions used in the calculation of estimates. These estimates and judgements are reviewed on an ongoing basis and are continually evaluated based on experience and other factors. However, actual results may differ from these estimates. None of the estimates or judgements made in the preparation of these financial statements are considered critical.

The calculation of fair value of derivative financial instruments is dependent upon a number of estimates, including the volatility of the Company's share price. The Company has been listed for only a short period and the estimate of volatility has been arrived at by looking at a number of comparable companies.

#### Application of IFRS

NBNK Investments pic was incorporated during 2010 with the intention of building (primarily through acquisition) a new and substantial UK bank. The Company has to date made no acquisitions. Until the Company commences operation as a UK bank it is not appropriate to set out the accounting policies which will be applicable to that business.

#### New IFRSs, interpretations and amendments not yet effective

Whilst the Company continues not to operate as a bank, none of the new standards, interpretations or amendments but not yet effective are expected to have a material impact on the Company's future financial statements. However, given the current status of the Company, it cannot be stated with any degree of certainty which new standards, interpretations or amendments but not yet effective may ultimately have a material impact on the Company's future financial statements.

#### Segmental reporting

Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the directors in deciding how to allocate resources and in assessing performance. The Company comprises one operating segment

#### Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Depreciation is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives of three years.

#### intangible assets

#### Computer software

Computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight line basis over their estimated useful lives of three years.

#### Financial instruments

Financial instruments and equity instruments are classified according to the substance of the contractual arrangements entered into

#### Trade payables

Trade payables are not interest bearing and are stated at their nominal value

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks and other short term highly liquid investments with original maturities of three months or less

#### Share capital

Ordinary shares are classified as equity

#### Share based payments

Where share based payments are made in respect of goods or services received as consideration for the Company's own equity, these are accounted for as equity settled share based payments in accordance with IFRS 2. Such payments are measured at fair value at the date of grant using an appropriate option valuation technique, which is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. The fair value of these payments is not subsequently re-measured.

#### Derivative financial instruments

Derivative financial instruments are measured at fair value at date of issue and at any year end at which they are outstanding using an appropriate valuation technique and included in assets or liabilities on the statement of financial position. Differences arising between the issue date and the period end are charged or credited to the income statement.

#### Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial instruments issued by the Company are treated as liabilities if

- (a) they include contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, or
- (b) the instrument will or may be settled in the Company's own equity instruments and is either a non-derivative that includes an obligation to deliver a variable number of the Company's own equity instruments or is a derivative (other than a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments)

#### Taxation

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense which are either never taxable or deductible or are taxable or deductible in other periods. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each year end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to recover the asset. Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is expected to be settled or the asset is expected to be realised based on tax rates that have been enacted or substantively enacted at the year end date

#### Revenue recognition

Interest income

Interest income is accrued on a time basis using the effective interest rate applicable

#### Reserves

A description of each of the reserves follows

#### Share premium

This reserve represents the difference between the issue price of shares and the nominal value of shares at the date of issue, net of related issue costs

#### Capital redemption

This reserve was created on the cancellation of deferred shares gifted to the Company

#### Retained earnings

Net revenue profits and losses of the Company which are revenue in nature are dealt with in this reserve

#### Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividends are approved by shareholders

#### Leases

## Operating leases

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases, net of incentives received from the lessor, are charged to the income statement on a straight-line basis over the period of the lease.

#### 2 Administrative expenses

	2011	2010
	2000	£000
Administrative expenses include		
Salaries and directors' fees	2,539	133
Contract commencement fee	1,852	•
Social security costs	590	15
Depreciation – property, plant and equipment	100	10
Amortisation – intangible assets	3	1
Operating leases – land and buildings	136	28
Auditors' remuneration – statutory audit of the Company	35	21

During the year, the Company employed an average of 11 members of staff, including directors (2010-6)

Costs in relation to the initial listing of £nil (2010 £59,000) were paid to BDO as reporting accountant, before being appointed as auditors. These costs have been charged to share premium as transaction costs related to the issue of the new shares.

A description of the work of the audit committee is set out in the corporate governance report on page 10 and includes an explanation of how auditor objectivity and independence is safeguarded when non-audit services are provided by the auditors

#### Remuneration of directors

	2011	2010
	€000	£000
Directors' emoluments, which comprise the following, are included in administrative expenses		
Executive directors' fees	1,215	47
Non-executive directors' fees	240	79
Contract commencement fee	1,852	-
Total directors' fees	3,307	126
Share based payments – options	767	46
Share based payments – founder warrants	78	-
(Decrease) / increase in fair value of derivatives – Placee B warrants	(8)	3
Short term employee benefits	3	-
	4,147	175

In line with Company policy, no short term bonus payments were made to any member of the Board

The emoluments of the highest paid director totalled £912,942 (2010 £nil). In addition, as part of his recruitment, the Company paid him £1,852,161 when his contract commenced, largely in reflection of his leaving his previous employer.

Details of options held and emoluments of each director are shown in the Remuneration Report as is the statement on key management personnel (see pages 15 and 16)

#### 3 Interest

, morest		
	2011	2010
	0003	£000
Interest income		
Interest on bank deposits	310	125
	310	125
1 Taxatıon		
	2011	2010
	0003	£000
Taxation based on revenue for the year comprises	*	
UK Corporation tax at 26 5% (2010 28 0%)	<del>-</del>	<u>-</u>
	·	-
The charge for the year can be reconciled to the profit per the income statemen	t as follows	
	2011	2010
	€000	£000
Loss before taxation	(23,041)	(1,813)
Tax on ordinary activities at standard rate 26 5% (2010 28 0%)	(6,016)	(508)
Effects of		
Losses considered not recoverable	6,016	508
	•	-

Until the Company commences operation as a new UK bank, no deferred tax asset is being recognised for losses carried forward

#### 5 Loss per share from operations

Loss per share from operations for the year is based upon the attributable loss of £23,040,520 (period to 31 December 2010 loss of £1,813,134) and 50,050,000 (2010 36,662,022) shares, being the weighted average number of shares in issue during the year. The diluted weighted average number of shares in issue assuming exercise of options at less than fair value was 50,268,919 (2010 37,199,862). No diluted loss per share is provided as it would reduce the basic loss per share.

## 6 Property, plant and equipment

	Office furniture & equipment
	£000
Cost	
At 1 January 2011	148
Additions at cost	185
At 31 December 2011	333
Accumulated depreciation	
At 1 January 2011	10
Charge for the year	100
At 31 December 2011	110
Net book value at 31 December 2011	223
Net book value at 31 December 2010	138
Other intangible assets	
	2011
	Computer software
	£000£
Cost	
At 1 January 2011	9
Additions at cost	2
At 31 December 2011	11

# Accumulated amortisation At 1 January 2011

711 Foundary 2011		
Charge for the year		

At 31 December 2011	4
Net book value at 31 December 2011	7

Net book value at 31 December 2010	8

#### 8 Cash and cash equivalents

These compromise cash held at bank and short term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximates to their fair value

3

2011

## 9 Trade and other payables

Trade and other payables comprise amounts outstanding for ongoing costs. The carrying amount of these liabilities approximates to their fair value.

### 10 Share capital

	2011	2010
	£'000	£000
Issued and fully paid share capital		
Value		
At 1 January	5,005	-
Issued in the year	-	5,005
At 31 December	5,005	5,005
Shares	Number	Number
At 1 January	50,050,000	-
Issued in the year	<u> </u>	50,050,000
At 31 December	50,050,000	50,050,000
I Share premium		
	2011	2010
	£000	£000
At 1 January	42,595	-
On shares issued in the year	-	44,104
Related issue costs	•	(1,509
As at 31 December	42,595	42,595

#### 12 Financial instruments

The Company held the following categories of financial assets and liabilities, which have a carrying value the same as fair value at 31 December 2011

	2011	2010
	£000	£000
Assets		
Cash and cash equivalents – held as loans and receivables	26,412	47,280
Liabilities		
Trade and other payables – held at amortised cost	2,906	280
Derivative financial liabilities (see note 15) – held at fair value through profit or loss	82	1,320
	2,988	1,600

The inputs for calculating the fair value of derivative financial liabilities are not all based on observable market data and consequently they are classified as Level 3 financial instruments as defined by IFRS 7 (see note 15)

The principal risks facing the Company in respect of its financial instruments are

- Interest risk, arising from movements in interest rates on cash and cash equivalents. If interest rates during the year were 1% higher, the impact on the Company's loss for the year would have been to decrease it by £424,000. It is assumed that interest rates are unlikely to fall below the current level.
- credit risk, arising from the failure of another party to perform according to the terms of its contract. The Company
  reduces credit risk by placing cash and cash equivalents with highly rated financial institutions and restricts the maximum
  exposure to any single financial institution.

#### 13 Share based payments - options

On 1 May 2011, the Company granted Gary Hoffman a share option over 11.5 million shares at an exercise price of 130 pence per share. This will be exercisable as to one-third after 3 years from grant, one-third after 5 years of grant and the final third after 6 years and, subject to normal good leaver provisions, is contingent on his continued employment to those dates. The option will be subject to claw-back provisions in the event that the Remuneration Committee considers that the share price is impacted by information which resulted in the share price being misleading. The option is also contingent on a substantial fundraising and acquisition having been completed within 18 months of his joining on 1 May 2011.

On listing in 2010, the Company granted an option to Lord Levene to subscribe for 200,000 ordinary shares at 10p, exercisable from the date he ceases to be the Chairman of Lloyd's of London up until 9 December 2013 Lord Levene retired as Chairman of Lloyd's of London on 14 October 2011

Details of share options outstanding are as follows

		2011	
		Weighted average price	
		Pence	
At 1 January 2011	200,000	10	
Granted during the year	11,500,000	130	
Exercised during the year	-	-	
Outstanding at 31 December 2011	11,700,000	128	
Exercisable at 31 December 2011	200,000	10	

	Weighted average price	
	Pence	
200,000	10	
<u> </u>	<u> </u>	
200,000	10	
-	-	
	· .	

The options have been fair valued using the Monte Carlo valuation model. Assumptions used are as follows

	2011	2010
Expected volatility	39 51%	39 51%
Risk free interest rate at grant, dependent on expected life	1 97% - 2 90%	1 19%
Dividend yield	0%	0%
Expected life	3 to 7 years	3 years

Expected volatility was based on the historical share price log of comparable companies. The expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations for vesting

The fair value of the options granted during the year was £4,385,000 (£165,000 in the period ended 31 December 2010) and during the year, the Company recognised total expenses of £767,000 (£46,000 in the period ended 31 December 2010) in respect of share based payment transactions

#### 14 - Share based payments - founder warrants

On 1 May 2011, Lord Levene was granted founder warrants, entitling him to subscribe for 0.7278% of the Company's fully diluted share capital at 130 pence per ordinary share. The founder warrants will expire on 31 August 2020 unless previously exercised or lapsed. In addition, Lord Levene has indicated that he would undertake only to exercise the warrants (i) on successful completion of a substantial acquisition by the Company and the listing of the Company's shares on the Official List and (ii) only in respect of up to 5.75 million shares (or 0.7278% of the fully diluted share capital, if resulting in a lower number of shares). Further, Lord Levene has indicated that he would undertake (i) not to dispose of any shares issued on exercise of such warrants for a period of 3 years from such listing and (ii) that he would retain at least 500,000 of such shares for so long as he remains chairman.

Details of founder warrants outstanding are as follows

	Weighted average price
	Pence
	-
489,635	130
	<u> </u>
489,635	130
-	
	489,635 - 489,635

The options have been fair valued using the Monte Carlo valuation model. Assumptions used are as follows

	2011
Expected volatility	39 51%
Risk free interest rate at grant	1 55%
Dividend yield	0%
Expected life	3 years

Expected volatility was based on the historical share price log of comparable companies. The expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations for vesting

The fair value of the options granted during the year was £117,108 (£nil in the period ended 31 December 2010) and during the year, the Company recognised total expenses of £78,072 (£nil in the period ended 31 December 2010) in respect of share based payment transactions

#### 15 - Derivative financial liabilities - share warrants

On listing in 2010, the Company issued placee warrants to institutional shareholders, equivalent to 7 4% of the Company's fully diluted share capital, between 20 August 2010 and 19 February 2013. The placee warrants are exercisable at any time from issue at a subscription price of 100p per ordinary share and expire on 31 August 2020. In addition placee B warrants were issued, on similar terms to the placee warrants, to non-institutional shareholders equivalent to 0.08% of the fully diluted share capital. Of the monies raised on listing, £896,000 has been attributed to the fair value of the warrants issued at the same time for nil consideration.

Following the grant of share options to Gary Hoffman and founder warrants to Lord Levene on 1 May 2011, the fully diluted share capital of the Company increased by 12,958,965 shares to 67,271,546 shares, resulting in an increase of 969,331 in the number of places warrants in issue

		2011
		Weighted average price
Placee and placee B warrants		Pence
At 1 January 2011	4,062,581	100
Increase during the year	969,331	100
Exercised during the year	<u> </u>	
At 31 December 20†1	5,031,912	100
Exercisable at 31 December 2011	5,031,912	100
		£000
Fair value		
At 1 January 2011		1,320
Decrease in fair value credited to income statement		(1,238)
At 31 December 2011		82

The share warrants have been fair valued using the Monte Carlo valuation model. Assumptions used are as follows

2011
39 51%
1 19%
0 33%
0%
2 years

Expected volatility was based on the historical share price log of comparable companies. The expected life used in the model is based on management's best estimate of the behavioural considerations for vesting. As the Company's shares have been suspended since 6 September 2011, the warrants have been valued using a notional share price, based on the net asset value of the Company at 31 December 2011.

### 16 Lease commitments

At the year end, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows

	2011 £000	2010 £000
Less than one year	176	110
Two to five years	88	74
	264	184

### 17 Related party transactions

In the opinion of the Board, the related parties are the directors. There were no related party transactions during the year other than those disclosed in the Directors' Remuneration Report.

### 18 Financial commitments

The Company has no financial commitments

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the second Annual General Meeting of NBNK Investments Pic (the "Company") will be held on Wednesday 27 June 2012 at 9 30am at Fifth Floor, One Angel Court, London EC2R 7HJ for the transaction of the following purposes

To consider and, if thought fit, to pass the following resolutions, numbers 1 to 10 and 13 of which will be proposed as ordinary resolutions and numbers 11 and 12 will be proposed as special resolutions

- 1 THAT the Company's audited financial statements for the year ending 31 December 2011, together with the directors' report and the auditor's report on those accounts, be received
- 2 THAT Lord Levene of Portsoken be re-elected as a director of the Company
- 3 THAT Sir David Walker be re-elected as a director of the Company
- 4 THAT Lord Brennan of Bibury be re-elected as a director of the Company
- 5 THAT Lord Forsyth of Drumlean be re-elected as a director of the Company
- 6 THAT Lord McFall of Alcluith be re-elected as a director of the Company
- 7 THAT Gary Hoffman, who has been appointed as a director of the Company since the last Annual General Meeting, be elected as a director of the Company
- THAT BDO LLP be re-appointed as auditors of the Company until the conclusion of the next Annual General Meeting
- 9 THAT the directors be authorised to determine the auditors' remuneration
- 10 THAT for the purposes of section 551 of the Companies Act 2006 (the "Act") (and so that expressions used in this resolution bear the same meanings as in the said section 551)
  - (1) the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Act respectively up to a maximum nominal amount of £1,668,333 30 to such persons and at such times and on such terms as they think proper, during the period expiring, unless previously revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company.
  - (2) the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (as defined in section 560 of the Act) in connection with a rights issue in favour of the holders of equity securities and any other persons entitled to participate in such issue where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as maybe) to the respective number of equity securities held by them up to a maximum aggregate nominal amount of £1,668,333 30 during the period expiring, unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company to be held in 2013, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory, and

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(3) the Company be and is hereby authorised to make prior to the expiry of such period any offer or agreement which would or might require such shares or rights to be allotted or granted after the expiry of the said period and the directors may allot such shares or grant such rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution,

so that all previous authorities of the directors pursuant to the said section 551, other than that granted pursuant to paragraph (ii) of resolution 1 (B) passed in general meeting of the Company on 12 August 2010 by special resolution, be and are hereby revoked

- 11 THAT, subject to the passing of resolution 10 set out in the notice convening this meeting, the directors be and are empowered in accordance with section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred on them in resolution 10 above as if section 561(1) and sub-sections (1) (6) of section 562 of the Act did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to
  - (1) the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities (but in the case of the authority granted by resolution 10(2) above by way of a rights issue only) and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory, and
  - (2) the allotment (otherwise than pursuant to paragraph 11(1) above) of equity securities up to an aggregate nominal value not exceeding £250,250,

and this power shall expire unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company, but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired

- 12 THAT the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Act to make market purchases (as defined in section 693 of the Act) of ordinary shares of 10p each in the capital of the Company provided that
  - (1) the maximum number of ordinary shares hereby authorised to be purchased is 5,005,000,
  - (2) the minimum price (exclusive of expenses) which may be paid for such ordinary shares is 10p per share, being the nominal amount thereof,
  - (3) the maximum price (exclusive of expenses) which may be paid for such ordinary shares shall be an amount equal to the higher of (i) 5 per cent above the average of the middle market quotations for an ordinary share as derived from the AIM Appendix to The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made and (ii) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the trading venue where the purchase is carried out,
  - (4) the authority hereby conferred shall (unless previously renewed or revoked) expire at the end of the next Annual General Meeting of the Company, and

- (5) the Company may make a contract to purchase its own ordinary shares under the authority conferred by this resolution prior to the expiry of such authority, and such contract will or may be executed wholly or partly after the expiry of such authority, and the Company may make a purchase of ordinary shares in pursuance of any such contract
- 13 THAT the Company be and is hereby generally and unconditionally authorised to continue to pursue the Company's investing policy as described in the section headed "Business Strategy" of the Company's AIM Admission Document dated 20 August 2010 until such time as the investing policy has been substantially implemented, provided that this power shall expire, unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company

BY ORDER OF THE BOARD

Law Debenture Corporate Services Limited Company Secretary

21 May 2012

Registered office

Fifth Floor 100 Wood Street London EC2V 7EX

Registered company no 7303316

#### Notes to the notice of Annual General Meeting

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy to exercise all or any of the rights of the member to attend and speak and vote on his behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
- (2) To appoint a proxy you may
  - a use the Form of Proxy enclosed with this notice of Annual General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notanally certified or office copy of the same, must be received by post or (during normal business hours only) by hand at Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or at www.capitashareportal.com, in each case no later than 9 30am on 25 June 2012 (being not less than 48 hours before the meeting excluding non-working days), or
  - b If you hold your shares in uncertificated form, use the CREST electronic proxy appointment service as described in Note 8 below

Completion of the Form of Proxy or appointment of a proxy through CREST will not prevent a member from attending and voting in person

- (3) Any member attending the meeting has the right to ask any question at the meeting relating to the business of the meeting
- (4) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only shareholders registered in the register of members of the Company as at 6pm on 25 June 2012 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6pm on the day which is two days before the date fixed for the adjourned meeting Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting
- (5) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, senionty shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding
- (6) The Company has an issued share capital at 21 May 2012 (being the latest practicable date prior to publication of this notice of Annual General Meeting) of 50,050,000 Ordinary Shares with voting rights and no restrictions and no special rights with regard to control of the Company. There are no other classes of share capital and none of the Company's issued shares are held in treasury. Therefore, the total number of voting rights in the Company as at 21 May 2012 (being the latest practicable date prior to publication of this notice of Annual General Meeting) is 50,050,000.
- (7) In the following paragraphs, information is given about each resolution

NBNK Investments plc

Resolution 1 – annual report and audited financial statements (ordinary resolution). It is a legal requirement that the directors lay before the Company's shareholders the Company's accounts, directors' report and the audit report. The report and accounts cover the year ending 31 December 2011.

Resolutions 2 - 7 - election and re-election of directors (ordinary resolutions) The articles of association of the Company require the directors to retire at the subsequent annual general meeting following their appointment and the Board has separately resolved that all directors will retire and offer themselves for re-election annually. As such, Lord Levene, Sir

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Registered number 07303316

David Walker, Lord Brennan, Lord Forsyth and Lord McFall are seeking re-election as directors. Resolutions 2 to 6 propose their re-elections as directors. In accordance with the articles of association of the Company, Gary Hoffman was appointed as a director by the Board on 1 May 2011 and he now seeks election at this, the first annual general meeting since appointment. Brief biographies of the directors are set out on page 2 of the annual report and financial statements.

Resolutions 8 and 9 – appointment of auditors and determination of their remuneration (ordinary resolutions). The Company is required to appoint auditors at each annual general meeting at which accounts are presented, to hold office until the conclusion of the next such meeting. The Board first appointed BDO LLP as auditors for the Company's annual report and financial statements in 2010 and is satisfied with way that audits have been conducted. As the Company continues to develop its strategy, the directors will keep under review the Company's ongoing audit requirements. For the time being, the directors are content to recommend that shareholders appoint BDO LLP to continue in office until the conclusion of the Company's next annual general meeting. Resolution 9 authorises the directors, in accordance with standard practice, to negotiate and agree the remuneration of the auditors. In practice, the audit committee will consider the audit fees for recommendation to the Board.

Resolution 10 – general authority to allot shares (ordinary resolution) The resolution asks shareholders to grant the directors authority under section 551 of the Act to allot shares or grant such subscription or conversion rights as are contemplated by sections 551(1)(a) and (b) respectively of the Act up to a maximum aggregate nominal value of £3,336,66 60, being approximately 66 6 per cent of the nominal value of the issued ordinary share capital of the Company as at 21 May 2012 (being the latest practical date prior to publication of this notice of annual general meeting) £1,668,333 30 of this authority is reserved for a fully pre-emptive rights issue. This is the maximum permitted amount under best practice corporate governance guidelines. The authority will expire at the next annual general meeting of the Company in 2013. The directors have no present intention of exercising such authority.

All previous authorities of the directors pursuant to section 551, other than that in relation to certain warrants granted in general meeting of the Company on 12 August 2010 (the "Previous General Meeting") by special resolution stated to expire on 20 August 2013 (being three years from the date of admission to trading on AIM), are revoked

Resolution 11 – disapplication of statutory pre-emption rights (special resolution) If the directors wish to allot unissued shares or other equity securities for cash or sell any shares which the Company holds in treasury following a purchase of its own shares pursuant to the authority in resolution 12, the Act requires that such shares or other equity securities are offered first to existing shareholders in proportion to their existing holding. Resolution 10 asks shareholders to grant the directors authority to allot equity securities or sell treasury shares for cash up to an aggregate nominal value of £250,250 (being 5 per cent of the Company's issued ordinary share capital as at 21 May 2012 (being the latest practicable date prior to publication of this notice of annual general meeting)) without first offering the securities to existing shareholders. The resolution also disapplies the statutory pre-emption provisions in connection with a rights issue, but only in relation to the amount permitted under resolutions 10.1 and/or 10.2, and allows the directors, in the case of a rights issue, to make appropriate arrangements in relation to fractional entitlements or other legal or practical problems which might arise. The authority will expire at the next annual general meeting of the Company in 2013.

The directors believe that it is in the best interests of the Company to have the authority to allot or grant such subscription and conversion rights over a maximum of 2,502,500 Ordinary Shares other than on a pre-emptive basis. In addition to the disapplications sought under resolution 11, the existing disapplication in relation to certain warrants granted in the Previous General Meeting will continue on the basis outlined in the note in relation to resolution 10 above

Resolution 12 - Purchases of own shares by the Company (special resolution) Resolution 12 to be proposed at the Annual General Meeting seeks authority from holders of ordinary shares for the Company to make market purchases of ordinary shares, such authority being limited to the purchase of 10 per cent of the ordinary shares in issue as at 21 May 2012 (being the latest practicable date prior to publication of this notice of Annual General Meeting). The maximum price payable for the purchase by the Company of ordinary shares will be limited to the higher of 5 per cent, above the average of the middle market quotations of the ordinary shares, as derived from the AIM Appendix to the London Stock Exchange Daily

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Official List, for the five business days prior to the purchase and the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the trading venue where the purchase is carned out. The minimum price payable by the Company for the purchase of ordinary shares will be 10p per share (being the nominal value of an ordinary share). The authority to purchase ordinary shares will only be exercised if the directors consider that there is likely to be a beneficial impact on earnings per ordinary share and that it is in the best interests of the Company at the time. The Company is allowed to hold in treasury any shares purchased by it using its distributable profits. Such shares will remain in issue and capable of being re-sold by the Company or used in connection with certain of its share schemes. The Company would consider, at the relevant time, whether it was appropriate to take advantage of this ability to hold the purchased shares in treasury.

Options to subscribe for up to 11,700,000 ordinary shares have been granted and are outstanding as at 21 May 2012 (being the latest practicable date prior to publication of this document) representing 23 38 per cent of the issued ordinary share capital at that date. If the directors were to exercise in full the power for which they are seeking authority under resolution 12, the options outstanding as at 21 May 2012 (being the latest practicable date prior to publication of this document) would represent 25 97 per cent of the ordinary share capital in issue following such exercise.

Resolution 13 – Authorisation to continue investing policy (ordinary resolution) Resolution 13 to be proposed at the Annual General Meeting seeks authority from holders of ordinary shares for the Company to continue to pursue the Company's investing policy as described in the section headed "Business Strategy" of the Company's AIM Admission Document dated 20 August 2010, until such time as the investing policy has been substantially implemented. Under Rule 8 of the AIM Rules for Companies, companies such as NBNK whose primary business is, inter alia, the acquisition of one or more other businesses or companies, are required to seek shareholder approval to continue the pursuit of that business if they have not substantially completed their strategy within 18 months of admission to trading on AIM. The Company accordingly seeks approval to continue with its investing policy. If granted, this power will expire at the end of the next Annual General Meeting of the Company, unless sooner revoked or varied by the Company in general meeting.

(8) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual (<a href="https://www.euroclear.com/CREST">www.euroclear.com/CREST</a>) The message must be transmitted so as to be received by the issuer's agent, Capita Registrars (ID R055), by 9 30am on 25 June 2012 For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended)



# **AR01** (ef)

# **Annual Return**



Received for filing in Electronic Format on the: 19/07/2012

Company Name: NBNK INVESTMENTS PLC

Company Number: 07303316

Date of this return: 02/07/2012

*SIC codes:* **82990** 

Company Type: Public limited company

Situation of Registered FIFTH FLOOR 100 WOOD STREET

Office: LONDON EC2V 7EX

# Single Alternative Inspection Location (SAIL)

The address for an alternative location to the company's registered office for the inspection of registers is:

NORTHERN HOUSE WOODSOME PARK

FENAY BRIDGE HUDDERSFIELD WEST YORKSHIRE

HD8 0GA

There are no records kept at the above address

# Officers of the company

# Company Secretary 1

Type: Corporate

Name: LAW DEBENTURE CORPORATE SERVICES LIMITED

Registered or

principal address: 100 WOOD STREET

LONDON EC2V 7EX

European Economic Area (EEA) Company

Register Location: UNITED KINGDOM

Registration Number: 3388362

Company Director  Type: Full forename(s):	1 Person LORD DANIEL JOSEPH	
Surname:	BRENNAN	
Former names:		
Service Address:	5 CLIFFORD STREET LONDON W1S 2LG	
Country/State Usually Resident: UNITED KINGDOM		
Date of Birth: 19/03/1942 Occupation: UK	Nationality: BRITISH	

Company Director  Type: Full forename(s):	2 Person LORD MICHAEL BRUCE	
Surname:	FORSYTH	
Former names:		
Service Address:	5 CLIFFORD STREET LONDON W1S 2JG	
Country/State Usually Resident: UNITED KINGDOM		
Date of Birth: 16/10/1954 Occupation: BANKER	Nationality: BRITISH	

Type: Person
Full forename(s): MR GARY ANDREW

Surname: HOFFMAN

Former names:

Service Address recorded as Company's registered office

Country/State Usually Resident: ENGLAND

Date of Birth: 21/10/1960 Nationality: BRITISH

Occupation:

DIRECTOR

Company Director	4	
Type: Full forename(s):	Person LORD PETER KEITH	
Surname:	LEVENE	
Former names:		
Service Address:	5 CLIFFORD STREET LONDON UNITED KINGDOM W1S 2LG	
Country/State Usually Resident: UNITED KINGDOM		
Date of Birth: 08/12/1941 Occupation: DIRECTOR	Nationality: BRITISH	

Company Director	5
Type: Full forename(s):	Person LORD JOHN FRANCIS
Surname:	MCFALL
Former names:	
Service Address:	5 CLIFFORD STREET LONDON W1S 2LG
Country/State Usually Re	esident: UNITED KINGDOM
Date of Birth: 04/10/1944 Occupation: NONE	Nationality: BRITISH

Company Director 6

Type: Person

Full forename(s): SIR DAVID ALAN

Surname: WALKER

Former names:

Service Address: 5 CLIFFORD STREET

LONDON

UNITED KINGDOM

**W1S 2LG** 

Country/State Usually Resident: UNITED KINGDOM

Date of Birth: 31/12/1939 Nationality: BRITISH

Occupation: BANKER

## Statement of Capital (Share Capital)

Class of shares	ORDINARY	Number allotted	50050000
~	CDD	Aggregate nominal value	5005000
Currency	GBP	Amount paid per share	0.1
		Amount unpaid per share	0

Prescribed particulars

ALL SHARES RANK PARI PASSU AMONGST EACH OTHER AND HAVE EQUAL VOTING RIGHTS.

State	ment of Capital (To	otals)		
Currency	GBP	Total number of shares	50050000	
		Total aggregate nominal value	5005000	

The company's shares were admitted to trading on a market during the period of this return and it was an issuer to which the shareholders notification requirements of Chapter 5 of the FSA's Disclosure and Transparency Rules source book applied throughout the period of the return

The Company was not required to provide details of any shareholders

## Authorisation

Authenticated

This form was authorised by one of the following:

Director, Secretary, Person Authorised, Charity Commission Receiver and Manager, CIC Manager, Judicial Factor.

# NBNK INVESTMENTS PLC

\*A26TCIYR\*
A17 22/04/2013 #4

**Annual Report and Financial Statements** 

For the year ended 31 December 2012

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### Chairman's review

The Company was admitted to AIM on 20 August 2010 and over the following two years, worked to try and establish a customer-focused bank through an acquisition that would have given the Company a foothold from which to expand. The main target was the 'Project Verde' assets being divested by the Lloyds Banking Group

As announced on 28 June 2012, those discussions were unsuccessful and the directors began the process of unwinding the Company However, in the second half of 2012, funds within the WL Ross & Co Group made an offer to inject new capital into the Company by taking a sizeable stake, with a view to maintaining NBNK as an AlM listed company so that it could continue its search for suitable potential acquisition targets. Accordingly, on 13 December 2012, a proposed share subscription and tender offer was circulated. The tender offer was structured to enable those shareholders that wished to exit the Company to do so on broadly the same financial terms as would have applied had the Company been wound up

At a meeting of ordinary shareholders on 8 January 2013, the Company resolved to allot shares to certain funds in the WL Ross & Co Group and to accept tender offers from those shareholders who wished to sell shares at that time

Three of the directors - Lord Forsyth, Gary Hoffman and Lord Levene, each of whom had been directors throughout 2012 - stood down and I was appointed as a director and Chairman of the Company Lord Dan Brennan agreed to continue serving as a non-executive director

Our policy is to maintain the Company at minimal cost while we seek appropriate opportunities to make an acquisition in the financial services sector. Shareholders will be kept advised as and when there are developments to report

I would like to acknowledge the considerable work undertaken by the previous board, led by Lord Peter Levene, which did everything it could to try and create a new high street retail banking presence in the UK. I also acknowledge the continuing support of the great majority of institutional and other shareholders who have been with the Company since its inception and continue to support our ambitions.

Wilbur L. Ross, Jr Chairman

### The Board

### Wilbur L Ross, Jr (Chairman, non-executive Director)

Wilbur Ross, CEO of WL Ross & Co. LLC, may be one of the best known private equity investors in the U.S. His private equity funds bought Bethlehem Steel and several other bankrupt producers and revitalized them into the largest U.S. producer before merging them into Mittal Steel for \$4.5 billion. Mr. Ross remains a Director of what is now ArcelorMittal, the world's largest steel company. He also created and chairs International Textile Group, the most global American company in that industry, and International Auto Components Group, a \$4.5 billion producer of instrument panels and other interior components, operating in 17 countries, and recently sold Homeward Residential, a leading originator and servicer of subprime mortgages. He had chaired international Coal Group which was sold to Arch Coal for \$3.4 billion. He is a member of the Boards of Air Lease Corp., Assured Guaranty and BankUnited, all NYSE-listed, of PLASCAR listed in Brazil, and Sun Bancorp which is traded over the counter. He recently became Chairman of Diamond S Shipping which has committed to a 38 vessel tanker fleet, and is a director of Navigator which has 24 LPG tankers. Most recently WL Ross has acquired substantial interests in five U.S. banks and in Bank of Ireland and England's Virgin Money. Mr. Ross is also a Board member of Bank of Ireland, Talmer Bancorp and of the Brookings Institution Economics Studies Council.

Mr Ross was Executive Managing Director of Rothschild Inc for 24 years before acquiring that firm's private equity partnerships in 2000. He is a Board Member of Yale University School of Management, The Dean's Advisory Board of Harvard Business School, Partnership for New York City, Palm Beach Civic Association, Business Roundtable, The Blenheim American Foundation, Palm Beach Preservation Foundation and the Council of the U.S./India Business Council. He is Chairman of the Japan Society and a Trustee of the Town of Palm Beach Retirement System. President Kim Dae Jung awarded him a medal for his assistance in Korea's financial crisis, President Clinton appointed him to the Board of the U.S.-Russia Investment Fund and he served as Privatization Advisor to New York City Mayor Rudy Giuliani. Mr Ross formerly served as Chairman of the Smithsonian Institution National Board. Bloomberg Markets magazine designated him one of the 50 most influential people in Global Finance. Mr Ross is a graduate of Yale University and of Harvard Business School (with distinction). He is the only person elected both to the Private Equity Hall of Fame and the Turnaround Management Association Hall of Fame. In 2011, Bloomberg BusinessWeek designated him one of the 50 Most Important Financiers in the World.

### Lord Brennan of Bibury QC (Non-executive Director)

Lord Brennan is a member of the House of Lords. In 1999 he was Chairman of the Bar of England and Wales. He is also Chairman of the Caux Round Table Global Governing Board, Chairman of Jundica Investments Limited, Chairman of Omega Business Solutions Pvt Limited and Vice Chairman of AJ Prospekt Capital Limited. His special interests include international development and financial and corporate governance, in particular in connection with the recent financial crisis.

### **Corporate Advisers**

### Registered office

Fifth Floor 100 Wood Street

London

EC2V 7EX

Company number 07303316

### Nominated Advisers

Cenkos Secunties Plc

6 7 8 Tokenhouse Yard

London

EC2R 7AS

### **Company Secretary**

Law Debenture Corporate Services Limited

Fifth Floor

100 Wood Street

London

EC2V 7EX

### Financial Advisers

Kinmont Advisory

5 Clifford Street

London

W1S 2LG

### Solicitors

Travers Smith LLP

10 Snow Hill

London

EC1A 2AL

### Registrars

Capita Registrars

Northern House

Woodsome Park

Fenay Bridge

Huddersfield

West Yorkshire

HD8 0LA

### **Auditors**

**BDO LLP** 

55 Baker Street

London

W1U 7EU

### Bankers

Coutts & Co 440 Strand London

WC2R 0QS

### Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2012. The Company, which is listed on AIM, has one non-trading subsidiary (see note 19). Therefore, the financial statements at pages 15 to 32 relate to the Company's activities alone.

Following the year end, on 8 January 2013, shareholders and warrant holders met in general meetings to consider a proposed share subscription, tender offer, amendment to terms of warrants and the issue of Founder warrants Subsequently, on 11 January 2013, new shares were issued, some existing shares were purchased and cancelled, certain Founder warrants were surrendered and new Founder warrants issued

### Share capital at year end

At 31 December 2012, the Company had issued 50,050,000 ordinary shares of 10 pence each in addition, certain warrants were in issue as follows

- Placee warrants issued pro rata to institutional shareholders at listing to an aggregate total of 7 4% of the fully diluted share capital at a subscription price of 100 pence per share. The warrants are transferable and can be exercised at any time up until 31 August 2020. There have been no exercises to the date of this report.
- Placee B warrants issued to the directors and certain others at listing up to a maximum of 0 08% of the fully diluted share capital at a subscription price of 100 pence per share. The exercise period is as described above. Details of the Placee B warrants issued to the directors are included within the Directors' Remuneration Report on page 12,
- Founder warrants the Remuneration Committee awarded Founder warrants to Lord Levene in 2011, details are included within the Directors' Remuneration Report on page 11

### Share capital post 11 January 2013

Following the shareholder meetings on 8 January and the allotment of shares to certain funds within the WL Ross Group (WLR Funds') as new significant shareholders, the Company's issued share capital was 53,771,229 ordinary shares of 10 pence each. The Company's warrant structure is now as follows.

 Placee warrants – the WLR Funds were issued with Placee warrants entitling them to subscribe for ordinary shares representing 2 4092% of the fully diluted share capital of the Company on the same terms as the pre-existing Placee warrants as described above,

- Placee B warrants no further Placee B warrants issued, and
- Founder warrants as part of the subscription and tender, Lord Levene surrendered his entitlement to Founder warrants granted to him in 2011, representing 0.7278% of the fully diluted share capital of the Company New Founder warrants were issued entitling Kinmont Advisory (financial adviser) and Cenkos Securities plc (NOMAD and broker) to subscribe for ordinary shares representing 0.44% each of the fully diluted share capital of the Company In addition, shareholders on the register on 11 January 2013 (including the WLR Funds) were granted Founder warrants entitling them to subscribe in aggregate for 1.63% of the fully diluted share capital of the Company

As announced on 1 February 2013, the fully diluted share capital of the Company following the share subscription and tender offer is 60,893,143

### **Business review**

The directors of the Company who served in the year are

Lord Levene of Portsoken KBE (resigned 11 January 2013).

Lord Brennan of Bibury QC,

Lord McFall of Alcluith, (resigned 17July 2012)

Sir David Walker, (resigned 13 August 2012)

Lord Forsyth of Drumlean (resigned 11 January 2013), and

Gary Hoffman (resigned 11 January 2013)

The Company was established to try and launch a new UK retail and SME banking and savings operation

During the first half of 2012, the Company retained a small number of staff to monitor developments following the decision by the Lloyds Banking Group in December 2011 to divest its 'Project Verde' assets to the Co-operative Bank. The Company successfully managed to re-engage

in dialogue with Lloyds Banking Group and was invited to re-enter the Project Verde bidding process. Having done so, and as announced on 27 June 2012, having once again been unsuccessful, the directors concluded at that time that there were no other UK banking assets available for sale that would meet the Company's objectives. Accordingly, the Company's shares were restored to listing (having been suspended since 6 September 2011) and the directors commenced steps to wind up the Company on a solvent basis.

The small number of staff that had been retained in the first half year were immediately released in accordance with their contract terms. The directors agreed to remain in post but without remuneration and having waived their entitlement to full payment in lieu of notice. Steps were taken to terminate the few remaining contracts for services and the Company scaled down operations to the lowest possible cost basis.

During the autumn of 2012, a formal proposal was received from the WLR Funds, offering to inject new capital into the Company by subscribing for shares with the aim of continuing the search for suitable potential acquisition targets

The board, in consultation with its advisers, engaged in negotiations with the WLR Funds, the result of which was a formal proposal to shareholders, circulated on 13 December 2012. The circular sets out in detail the resolutions that shareholders were asked to consider. In brief

- The previously announced winding up plans were to be deferred,
- New shares were to be issued to the WLR Funds,
- Shareholders that wished to do so were invited to tender their ordinary shares (and attached warrants (if any)) for repurchase by the Company,
- Pre-existing Founder warrants were to be surrendered, with new Founder warrants issued representing 2 5% of the fully diluted share capital of the Company,
- Placee warrants were to be issued to the WLR
   Funds subscribing for ordinary shares, and

 Certain consequential amendments were to be made to the warrant instruments

Post the balance sheet date, meetings of the ordinary shareholders and warrant holders were held at which resolutions to effect the above proposals were approved Accordingly, the Company is now structured as described above under the heading 'Share capital post 11 January 2013'

The new board intends to maintain the Company at the lowest possible cost base while other potential acquisition targets are sought. Any remaining commitments (including the lease at One Angel Court, which expires in June 2013) will be disposed of as quickly as possible. The directors will not receive a fee and advisory costs will be kept to a bare minimum. Shareholders will be kept informed of any progress on potential acquisitions, through the usual channels. As set out in the 13 December circular, if no successful acquisition has been achieved by 11 January 2016, the directors will review the position at that time and consider if it is appropriate to return unused funds to shareholders and/or to wind up the Company.

### Corporate Governance

While the Company was in the process of bidding for the Project Verde assets, the directors strived insofar as practicable given the Company's size and nature, to comply with the UK Corporate Governance Code Following the initial decision in June 2012 to wind up the Company, the directors considered it necessary only to maintain the standards required for AIM compliance Following the admission of the WLR Funds as principal shareholder on 11 January 2013, the board will be operated on a streamlined, low cost basis, compliant with the obligations of an AIM listed company. As and when required, the composition of the board will be reviewed and if deemed necessary or appropriate, it will aim to comply with the full Code.

A report on corporate governance matters for the year ended 31 December 2012 is as follows

The chairman, Lord Levene, spent at least three days each week on the business of the Company. He was not deemed independent at appointment because he performed an executive role. Gary Hoffman operated as full time chief executive until 30 June 2012 and thereafter continued to provide oversight of the Company as a (unpaid) director.

All of the other directors who served during the year were non-executive directors ('NEDs') and were independent throughout the period that they served

The Audit Committee (chaired by Lord McFall) met once to approve the 2011 annual report and accounts and review the audit process. The Remuneration Committee (chaired by Sir David Walker) met once to consider terms of contract severance for the small number of employees retained by the Company. A remuneration report is set out at pages 9 to 12.

Reflecting the unusual circumstances of the Company during the period, the board itself assumed responsibility for all aspects of the Company's operations including strategy, financial performance, legal matters and communications with shareholders Accordingly, the board met very frequently – a total of fifteen meetings and an additional two meetings of board committees. All directors were present at all meetings that they were required to attend, barring Lord Brennan who missed one meeting and Sir David Walker who missed two

All directors were subject to annual re-election by shareholders. There were engagement letters in place governing their appointments. Appropriate insurance cover in respect of legal action against the directors was maintained and the directors had access to independent professional advice at the Company's expense (although no director took advantage of this)

### Key performance indicators ('KPIs')

The principal financial KPI is the rate at which the Company is spending its listing proceeds. The directors monitor closely the management accounts of the Company to ensure that expenditure is proportionate and consistent with the Company's strategy. Suitable controls are in place to enable the directors to respond quickly to changes in the Company's circumstances. There is regular dialogue with shareholders, reflecting the Board's desire to keep them assured that their investment is being properly managed.

The principal non-financial KPI is the Company's progress towards an acquisition. The Board monitors discussion progress and the chairman is personally and actively involved in all aspects of the discussions.

### Dividend policy

Subject to an acquisition, the Company would seek to build up its operations during its first two to three years, during which time it is unlikely that the Company will pay NBNK Investments plc

dividends Thereafter, and subject to compliance with the Companies Act 2006 and regulatory capital requirements, it would be the intention of the directors to pay dividends on the basis of a progressive dividend policy

### Principal risks and uncertainties

The principal risk for the Company remains that it fails to secure an acquisition. Should this be the case by 11 January 2016, the directors will review the position and consider if it is appropriate to return unused funds to shareholders and/or to wind up the Company.

Appropriate controls are in place to manage acquisition risk and the Company has in place the resources necessary to manage acquisition negotiations effectively so that the Company can hit the ground running, once its first acquisition has been secured

### Risk management and internal control

While the Company remains in pre-acquisition mode, the framework of internal controls is relatively simple. The main features of the Company's internal control and risk management systems are as follows.

- The board receives periodic reports from the company secretary and external advisers about legal and regulatory developments and the steps that the board must take to comply,
- It reviews reports by the external auditors on the annual audit,
- The board ensures that proper accounting records are maintained so that it can rely on financial information it receives to make appropriate strategic and business decisions and that the Company's assets are safeguarded, and
- Systematic reporting is made to the board on matters relating to insurance, taxation, accounting and cash management as well as legal, compliance and company secretarial issues

The board believes that the systems of internal risk management and financial controls that it has designed are proportionate to the Company's operational status and provide reasonable assurance against fraud, mismanagement and against material mis-statement of loss

### Directors' shareholdings

Beneficial interests in the ordinary shares of the Company are set out in the Directors' Remuneration report on page

### Substantial shareholdings

The directors are aware of the following existing shareholders of the Company who hold an interest, either directly or indirectly, in 3% or more of the issued share capital of the Company as at 2 April 2013

Name	% of issued share capital held
WL Ross and Co Funds	29 90
Invesco Asset Management	27 45
Aviva Investors Global Services	10 74
Bailie Gifford & Co	8 93
Goldman Sachs International	7 41
BlackRock Investment Management (UK)	5 99
Cenkos Channel Islands	3 13

### Other shareholding disclosures

The Company is not aware of any person or entity who, directly or indirectly, jointly or severally, would or could exercise control over the Company and there are no arrangements in place, the operation of which could result in a change of control of the Company

There are no loans or guarantees granted or provided by the Company to or for the benefit of any of the directors

### Directors' conflicts of interest

The directors are under a statutory duty to avoid conflicts of interest. The Board has established procedures to deal with conflicts and potential conflicts, which includes an annual review of the Board's conflicts registers. Each director has declared all matters that might give rise to a potential conflict of interest and these have been considered and, as required, approved by the Board. In the opinion of the directors, the procedures on managing conflicts of interest are working effectively.

No director has or has had any interest in any transaction with the Company which is or was unusual in its nature or

conditions or significant to the business of the Company and effected during the year under report

### Shareholder relations

The Company has a relatively small number of shareholders in addition to the regulatory obligations to keep shareholders informed of developments through general announcements, the Company's NOMAD maintains dialogue and communication between the Board and shareholders. The chairman and chief executive attended many meetings with shareholders during the year and made themselves freely available for dialogue on request. Shareholders (including shareholders within nominee companies where the nominee has made appropriate arrangements) receive a copy of the annual report and of any interim and half yearly statements. Shareholders had access to the chairman or to the senior independent director (while one was in place) should they have wished to discuss any matters of concern.

The annual general meeting will take place on Friday 10 May 2013 at the Company's registered office. Full disclosure of the number of votes cast for and against resolutions will be published on the Company's website. The Notice of Annual General Meeting appears at page 33. The board believes that the resolutions to be put to shareholders are in the best interests of the shareholders as a whole and, accordingly, recommends that the shareholders vote in favour of the resolutions, as the directors intend to do in respect of their beneficial shareholdings in the Company.

### **Employee participation**

The Company introduced a number of long term employee share schemes in anticipation of engaging senior staff. The details of these schemes are set out in full in the initial admission document published on 17 August 2010 and comprise options and a performance share plan for executives and SAYE and SIP arrangements to operate on an all-employee basis. Any awards made under the schemes (which will be reviewed by the new board as required, reflecting prevailing circumstances) will be published in the Directors' Remuneration Report.

### Corporate Social Responsibility and Sustainability

The Company has not yet adopted policies on corporate social responsibility and sustainability, but will do so when its activities warrant

### Charitable donations

The Company has not made any charitable donations to date

#### Political donations

The Company has not made any payments or donations that would be classified as political donations and does not intend to seek shareholder approval in the immediate future to make such payments or donations

## Statement of directors' responsibilities in relation to the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time, the financial position of the Company, for safeguarding the assets of the Company, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report which complies with the requirements of the Companies Act 2006. The directors are responsible for preparing the annual report and financial statements in accordance with the Companies Act 2006. The directors have elected to prepare financial statements under International Financial Reporting Standards (IFRS) as adopted by the European Union.

International Accounting Standard 1 requires that financial statements present fairly for each financial period under report, the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the IFRS 'framework for the preparation and presentation of financial statements'. A fair presentation requires the directors to

- Consistently select and apply appropriate accounting policies,
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information, and
- Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance

Financial statements are published on the Company's website in accordance with legislation in the United

Kingdom governing the preparation and dissemination of financial statements

### Statement of information given to auditors

The directors have confirmed that so far as they aware, there is no relevant audit information of which the Company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

### Statement of going concern

The directors have disclosed the current status of the Company Other than interest income, it is not producing revenues and its future success relies on the ability to secure an acquisition of assets. In the event that no such acquisition is achieved, the directors will determine whether it is appropriate for the Company to continue its activities. The Company remains able to meet its liabilities as they fall due. The directors closely monitor the cash resources of the Company and its contractual commitments and have resolved that should the Company not fulfil its objectives, then a solvent liquidation would take place.

Shareholders accepted, when the Company listed on AlM, and ongoing in January 2013 when the WLR Funds were admitted, that there was a risk of the Company not being able to succeed in its strategy, in which event, they would not receive back the full value of their original investment

Notwithstanding the uncertainties in respect of the future direction of the Company, the directors have concluded that it is appropriate for the Company's accounts to be prepared on a going concern basis

### Auditors

A resolution will be proposed at the annual general meeting to re-appoint BDO LLP as auditors for the time being

By order of the Board
Law Debenture Corporate Services Limited
Company Secretary
2 April 2013

### Remuneration Report

Set out below is a Remuneration Report for NBNK Investments pic for 2012 All of the information in the report is historical

## 1 Remuneration Committee - membership and advisers

The Remuneration Committee, members of which were independent, non-executive directors, met once before 30 lune.

### 2 The Company's remuneration policy

Core elements of the policy formulated by the Remuneration Committee were as follows

- A Remuneration packages should be competitive to attract the right calibre of executive, but on the basis of rigorous benchmarking advice, salaries should be broadly in line with average salaries in the banking sector:
- B The Company will not introduce long-term incentive plans, short term bonus arrangements or other policies that might reward failure or yield benefit to individual employees irrespective of the performance of the Company, and
- C Notice periods should be kept to a minimum, consistent with normal market practice for senior executives in the banking industry

In addition, the Company makes use of short term contractors where it is prudent to do so

There should be a clear link between total remuneration and performance

### 3 The Chairman

The chairman throughout the period was Lord Levene, an initial founder of the Company and, prior to the hiring of other staff, its sole executive. As a founder of the Company, Lord Levene received a grant of Founder warrants in 2011 under the terms of the initial Admission Document – see section 8 below

Lord Levene was paid £33,333 per month until 31 July 2012 and nothing thereafter

Lord Levene had a fixed term contract with the Company, expiring on 9 December 2013. He agreed with the Company that his contract should end on 31 July 2012.

and waived entitlement to his 6 months' notice period compensation

### 4 The Chief Executive Officer

Gary Hoffman joined the Board as the Company's chief executive officer on 1 May 2011. The terms of his remuneration were, until 30 June 2012.

Basic Salary - £750,000

Normal benefits (including a 20% supplement in lieu of pension contributions, a car allowance of £10,330 and normal insured benefits)

In addition, as part of his recruitment, the Company paid him £1 85m when his contract commenced largely in reflection of his leaving his previous employer. His service contract required 12 months' notice from either side and reflected mitigation by only providing for payment on termination in respect of fixed remuneration. He waived his full notice entitlement at 30 June 2012 and received 6 months' salary in lieu of notice.

### 5 Remuneration of non-executive directors

Each of the NEDs had entered into a letter of appointment with the Company under which they were paid fees for their services of £50,000 per annum, barring Sir David Walker, who was paid £120,000 All NEDs agreed to waive any further payments from 31 July, including waiving their entitlement to payments in lieu of notice

Each NED was appointed for an initial term of three years, subject to annual re-election by the shareholders, unless terminated earlier by either party upon three months' notice in writing. Continuation of the contract of appointment was contingent on satisfactory performance and a NED may have had his appointment terminated without notice or compensation in certain circumstances. There were no provisions for compensation payable on early termination of the appointment (save for the three month notice obligation). All NEDs were expected to attend all meetings of the Board and any of the committees on which they served.

### 6 Share incentive arrangements (audited)

As described in the initial Admission Document, the Company has shareholder agreement to introduce a number of long term employee share schemes to facilitate engagement of senior staff Details of these schemes are set out in full in the initial Admission Document and comprise the usual suite of options and a performance

share plan for executives and SAYE and SIP to operate on an all-employee basis

Lord Levene was awarded 200,000 options on admission to AIM at an exercise price of 10 pence, exercisable at any time between the date that he ceased to be Chairman of Lloyd's of London and 9 December 2013

On appointment as a director on 1 May 2011, Gary Hoffman was awarded a share option over 11.5 million shares at an exercise price of 130 pence per share. The options were contingent on a substantial fundraising and acquisition having been completed within 18 months of his joining. Accordingly, the options lapsed on 1 November 2012.

### 7 Directors' empluments for the year ended 31 December 2012 (audited)

	Total salary/fees in	Benefits other	Total receivable for	Total received in
	2012	than cash	2012	2011
	£	£	£	£
Lord Levene	233,333	23,025	256,358	304,627
Lord Brennan	29,167	-	29,167	50,000
Lord Forsyth	29,167	-	29,167	50,000
Lord McFall*	29,167	-	29,167	50,000
Sır Davıd Walker*	70,000	-	70,000	90,833
Mr G Hoffman **	850,357	3,201	853,558	912,942
Total	1,241,191	26,226	1,267,417	1,458,402

In line with Company policy, no short term bonus payments were made to any member of the Board

As at 31 December 2012, the directors were the key management personnel (defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company). Their compensation is set out above. Total employer's national insurance contributions of £168,261 were paid (2011 £447,853). In addition to these amounts, there was a write-back of share based payments made in prior periods in the income statement totalling £608,075 (2011 charge of £844,183).

### 8 Founder warrants (audited)

The initial Admission Document stated that the Board had delegated authority to the Remuneration Committee to grant Founder warrants over, in aggregate, up to 2.5 per cent of the Fully Diluted Share Capital (as defined in the initial Admission Document), exercisable at 130 pence per share

Lord Levene was granted Founder warrants (subject to certain voluntarily accepted restrictions) entitling him to subscribe for 0 7278 per cent of the Fully Diluted Share Capital. The Founder warrants had no value as at 31 December 2012 – see note 14 to the accounts. On 11 January 2013, Lord Levene voluntarily cancelled his entitlement to these warrants.

<sup>\*</sup> Lord McFall resigned on 17 July 2012, Sir David Walker resigned on 13 August 2012

<sup>\*\*</sup> Included in Gary Hoffman's total salary/fees are amounts of £375,000 paid in lieu of notice when his contract was terminated on 30 June and £20,192 paid in lieu of untaken holiday entitlement

### 9 Directors' shareholdings

At 31 December 2012, the directors of the Company had beneficial interests in the Company's ordinary shares as follows

	Ordinary shares		<u>Placee B wa</u>	errants **
	<u>2012</u>	<u> 2011</u>	<u>2012</u>	<u>2011</u>
Lord Levene	100,000	100,000	0 015	0 015
Lord Brennan	50,000	50,000	0 007	0 007
Lord Forsyth	* 50,000	*50,000	0 007	0 007
Lord McFall	n/a	20,000	n/a	0 003
Sır David Walker	n/a	100,000	n/a	0 015
Mr G Hoffman	-	-	-	-

<sup>\*</sup> Lord Forsyth's ordinary shares are held by A J Bell (PP) Trustees Limited, as trustees of Lord Forsyth's self-invested pension plan

<sup>\*\*</sup> The warrants set out above were issued on the initial subscription for shares in August 2010. They are immediately exercisable at a subscription price of £1 per share, are transferable and remain exercisable until 31 August 2020. They represent rights to subscribe for such shares as represent such percentage of the fully diluted share capital of the Company in the period to 20 February 2013. The fair value of the warrants at 31 December 2012 is zero as set out at note 15 to the accounts.

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NBNK INVESTMENTS PLC

We have audited the financial statements of NBNK Investments Pic for the year ended 31 December 2012 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

### Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/pnvate cfm

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then
  ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- . the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the directors' report for the financial year for which the financial statements are prepared, is consistent with the financial statements

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- · we have not received all the information and explanations we require for our audit

Barre

Daniel Taylor (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
London
W1U 7EU
United Kingdom

2 April 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

## Income statement

for the year ended 31 December 2012

	Notes	Year ended 31 December 2012 £000	Penod ended 31 December 2011 £000
Interest income	3	166	310
Administrative expenses	2	(3,773)	(24,589)
Loss on disposal of property, plant and equipment		(155)	-
Loss on disposal of intangible assets		(5)	-
Operating loss	<del></del> _	(3,767)	(24,279)
Decrease in fair value of denvative financial liabilities	15	82	1,238
Loss before taxation		(3,685)	(23,041)
Taxation	4	-	-
Loss for the year		(3,685)	(23,041)
Loss per share (pence) - basic	5	(7 36)	(46 04)

## **Statement of comprehensive income** for the year ended 31 December 2012

	Year ended 31 December 2012	Period ended 31 December 2011
	£000	£000
Loss for year and total comprehensive loss for the year	(3,685)	(23,041)

## Statement of financial position as at 31 December 2012

	Notes	31 December 2012	31 December 2011
		£000	£000
Assets			
Non current assets			
Property, plant and equipment	6	•	223
Other intangible assets	7		7
Total non current assets			230
Current assets			
Other accrued income and prepaid expenses		150	175
Cash and cash equivalents	8	19,511	26,412
Total current assets		19,661	26,587
Total assets		19,661	26,817
Current liabilities	· · · · ·		
Trade and other payables	9	272	2,906
Other taxation including social security		•	147
Derivative financial liabilities	15	•	82
Total current liabilities		272	3,135
Total net assets		19,389	23,682
Equity			
Called up share capital	10	5,005	5,005
Share premium	11	42,595	42,595
Capital redemption		45	45
Retained losses		(28,256)	(23,963)
Total equity		19,389	23,682

Approved and authorised for issue by the Board on 2 April 2013 and signed on its behalf by

Wilbur Ross, Jr Chairman

Lord Brennan of Bibury QC Director

The notes at pages 19 - 32 form part of these financial statements

## Statement of changes in equity for the year ended 31 December 2012

	Share capital	Share premium	Capital redemption	Retained losses	Total
	£000	£000	£000	£000	£000
Total equity as at 1 January 2012	5,005	42,595	45	(23,963)	23,682
Net loss and total comprehensive loss for the year	•	-	-	(3,685)	(3,685)
Share based payments	•	-	-	(608)	(608)
Total equity as at 31 December 2012	5,005	42,595	45	(28,256)	19,389

The notes at pages 19 - 32 form part of these financial statements

## Statement of cash flows

for the year ended 31 December 2012

	Notes	Year ended 31 December 2012	Period ended 31 December 2011
		£000	£000
Operating activities		<del></del> .	<u> </u>
Operating loss before taxation		(3,685)	(23,041)
Depreciation of property, plant and equipment	6	59	100
Amortisation of intangible assets	7	2	3
Loss on disposal of property, plant and equipment		155	-
Loss on disposal of intangible assets		5	-
Share based payments - options		(808)	767
Share based payments – founder warrants		-	78
Decrease in fair value of derivative financial instruments	15	(82)	(1,238)
Decrease / (increase) in receivables		25	(105)
(Decrease) / increase in payables		(2,781)	2,755
Cash flow from operating activities		(6,910)	(20,681)
Investing activities			
Acquisition of property, plant and equipment	6	-	(185)
Expenditure on other intangible assets	7	-	(2)
Proceeds on disposal of fixed assets		9	-
Cash flow from investing activities		9	(187)
Net decrease in cash and cash equivalents		(6,901)	(20,868)
Cash and cash equivalents at 1 January		26,412	47,280
Cash and cash equivalents at 31 December		19,511	26,412

The notes at pages 19 - 32 form part of these financial statements

### Notes to the accounts

for the year ended 31 December 2012

### 1 Summary of significant accounting policies

### General Information

NBNK Investments plc is a public company incorporated in the United Kingdom. The address of the registered office is given on page 3. The Company's operations and its principal activities are to acquire a financial institution. The financial statements are presented in pounds sterling thousands because that is the currency of the primary economic environment in which the Company operates.

### Basis of preparation

The financial statements of NBNK Investments pic have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union

The financial statements have been prepared under the historical cost convention as amended for use of fair value for derivative financial instruments and share based payments. Historical cost is based upon the fair value of consideration given in exchange for assets.

### Critical accounting estimates and judgements

The preparation of the financial statements necessarily requires the exercise of judgement both in the application of accounting policies which are set out below and in the selection of assumptions used in the calculation of estimates. These estimates and judgements are reviewed on an ongoing basis and are continually evaluated based on experience and other factors. However, actual results may differ from these estimates. None of the estimates or judgements made in the preparation of these financial statements are considered critical.

The calculation of fair value of derivative financial instruments is dependent upon a number of estimates, including the volatility of the Company's share price. The Company has been listed for only a short period and the estimate of volatility has been arrived at by looking at a number of comparable companies.

### Application of IFRS

NBNK Investments pic was incorporated during 2010 with the intention of building (primarily through acquisition) a new and substantial UK bank. The Company has to date made no acquisitions. Until the Company commences operation it is not appropriate to set out the accounting policies which will be applicable to that business.

### New IFRSs, interpretations and amendments not yet effective

Whilst the Company continues not to operate, none of the new standards, interpretations or amendments but not yet effective are expected to have a material impact on the Company's future financial statements. However, given the current status of the Company, it cannot be stated with any degree of certainty which new standards, interpretations or amendments but not yet effective may ultimately have a material impact on the Company's future financial statements.

### Segmental reporting

Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the directors in deciding how to allocate resources and in assessing performance. The Company comprises one operating segment.

### Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Depreciation is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives.

### Intangible assets

### Computer software

Computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight line basis over their estimated useful lives

#### Financial instruments

Financial instruments and equity instruments are classified according to the substance of the contractual arrangements entered ınto

### Trade payables

Trade payables are not interest bearing and are stated at their nominal value

### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks and other short term highly liquid investments with original maturities of three months or less

### Share capital

Ordinary shares are classified as equity

### Share based payments

Where share based payments are made in respect of goods or services received as consideration for the Company's own equity, these are accounted for as equity settled share based payments in accordance with IFRS 2. Such payments are measured at fair value at the date of grant using an appropriate option valuation technique, which is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. The fair value of these payments is not subsequently re-measured

### Derivative financial instruments

Derivative financial instruments are measured at fair value at date of issue and at any year end at which they are outstanding using an appropriate valuation technique and included in assets or liabilities on the statement of financial position. Differences arising between the issue date and the period end are charged or credited to the income statement

### Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial instruments issued by the Company are treated as liabilities if

- (a) they include contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, or
- (b) the instrument will or may be settled in the Company's own equity instruments and is either a non-derivative that includes an obligation to deliver a variable number of the Company's own equity instruments or is a derivative (other than a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments)

### Taxation

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense which are either never taxable or deductible or are taxable or deductible in other periods. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end date

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each year end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to recover the asset. Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is expected to be settled or the asset is expected to be realised based on tax rates that have been enacted or substantively enacted at the year end date

### Revenue recognition

Interest income

Interest income is accrued on a time basis using the effective interest rate applicable

#### Reserves

A description of each of the reserves follows

### Share premium

This reserve represents the difference between the issue price of shares and the nominal value of shares at the date of issue, net of related issue costs

### Capital redemption

This reserve was created on the cancellation of deferred shares gifted to the Company

### Retained earnings

Net revenue profits and losses of the Company which are revenue in nature are dealt with in this reserve

### Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividends are approved by shareholders

### Leases

### Operating leases

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases, net of incentives received from the lessor, are charged to the income statement on a straight-line basis over the period of the lease.

### 2 Administrative expenses

	2012	2011
	0003	£000
Administrative expenses include		<del></del>
Salaries and directors' fees	2,377	2,539
Contract commencement fee	-	1,852
Social security costs	319	590
Depreciation – property, plant and equipment	59	100
Amortisation – intangible assets	2	3
Operating leases – land and buildings	233	136
Auditors' remuneration - statutory audit of the Company	24	35

There were no employees of the Company at the year end, contracts having being terminated in June 2012. During the period January to June 2012, the Company employed an average of 11 members of staff, including directors (2011) 11)

### Remuneration of directors

	2012	2011
	£000	£000
Directors' emoluments, which comprise the following, are included in administrative expenses		···
Executive directors' fees	1,084	1,215
Non-executive directors' fees	158	240
Contract commencement fee	-	1,852
Share based payments – options	(647)	767
Share based payments – Founder warrants	39	78
(Decrease) / increase in fair value of derivatives – Placee B warrants	(82)	(8)
Short term employee benefits	26	3
	578	4,147

In line with Company policy, no short term bonus payments were made to any member of the Board

The emoluments of the highest paid director totalled £853,558 (2011 £912,942) In addition, as part of his recruitment, in 2011 the Company paid him £1,852,161 when his contract commenced, largely in refection of his leaving his previous employer

Details of options held and emoluments of each director are shown in the Remuneration Report as is the statement on key management personnel (see pages 9 - 12)

### 3 Interest

	2012	2011
	£000	£000
Interest income	<del></del>	
Interest on bank deposits	166	310
	166	310
Taxation		
	2012	2011
	£000	£000
Taxation based on revenue for the year comprises		
UK Corporation tax at 24 5% (2011 26 5%)	<u> </u>	
UK Corporation tax at 24 5% (2011 26 5%)		
	-	-
UK Corporation tax at 24 5% (2011 26 5%)  The charge for the year can be reconciled to the profit per the income statement as for	-	2011
	- Dillows	2011 £000
	ollows	£000
he charge for the year can be reconciled to the profit per the income statement as fo	2012 £000	£000 (23,041)
he charge for the year can be reconciled to the profit per the income statement as for the charge for the year can be reconciled to the profit per the income statement as for the charge for the year can be reconciled to the profit per the income statement as for the charge for the year can be reconciled to the profit per the income statement as for the charge for the year can be reconciled to the profit per the income statement as for the charge for the year can be reconciled to the profit per the income statement as for the charge for the year can be reconciled to the profit per the income statement as for the charge for the year can be reconciled to the profit per the income statement as for the year can be reconciled to the profit per the income statement as for the year can be reconciled to the profit per the income statement as for the year can be reconciled to the profit per the year can be reconciled to the year can	2012 £000 (3,685)	

Until the Company commences operation, no deferred tax asset is being recognised for losses carned forward

### 5 Loss per share from operations

Loss per share from operations for the year is based upon the attributable loss of £3,684,613 (year to 31 December 2011 loss of £23,040,520) and 50,050,000 (2011 50,050,000) shares, being the weighted average number of shares in issue during the year. The diluted weighted average number of shares in issue assuming exercise of options at less than fair value was 50,220,718 (2011 50,268,919). No diluted loss per share is provided as it would reduce the basic loss per share.

### 6 Property, plant and equipment

	2012
	Office furniture & equipment
	£000
Cost	
At 1 January 2012	333
Disposals	(333)
At 31 December 2012	-
Accumulated depreciation	
At 1 January 2012	110
Disposals	(110)
At 31 December 2012	
Net book value at 31 December 2012	
Net book value at 31 December 2011	223
Other intangible assets	
	2012
	Computer
	software
Cost	software
Cost At 1 January 2012	software
	software £000
At 1 January 2012	software £000
At 1 January 2012 Disposals	software £000 11 (11)
At 1 January 2012 Disposals At 31 December 2012 Accumulated amortisation	software £000 11 (11)
At 1 January 2012 Disposals At 31 December 2012 Accumulated amortisation At 1 January 2012	software £000 11 (11)
At 1 January 2012 Disposals At 31 December 2012	software £000 11 (11)

### 8 Cash and cash equivalents

Net book value at 31 December 2011

These compromise cash held at bank and short term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximates to their fair value.

### 9 Trade and other payables

Trade and other payables comprise amounts outstanding for ongoing costs. The carrying amount of these liabilities approximates to their fair value

### 10 Share capital

	2012	2011
	£000£	£000
Issued and fully paid share capital		
Value		
At 1 January	5,005	5,005
Issued in the year	<u> </u>	
At 31 December	5,005	5,005
Shares	Number	Number
At 1 January	50,050,000	50,050,000
Issued in the year	-	
At 31 December	50,050,000	50,050,000
1 Share premium		
Share premium	2012	2011
	€000	£000
At 1 January	42,595	42,595
On shares issued in the year	-	
Related issue costs	-	
As at 31 December	42,595	42,595

### 12 Financial instruments

The Company held the following categories of financial assets and liabilities, which have a carrying value the same as fair value at 31 December 2012

	2012	2011
	£000	£000
Assets		
Cash and cash equivalents – held as loans and receivables	19,511	26,412
Liabilities		
Trade and other payables – held at amortised cost	272	2,906
Derivative financial liabilities (see note 15) – held at fair value through profit or loss	-	82
	272	2,988

The inputs for calculating the fair value of derivative financial liabilities are not all based on observable market data and consequently they are classified as Level 3 financial instruments as defined by IFRS 7 (see note 15)

The principal risks facing the Company in respect of its financial instruments are

- interest risk, arising from movements in interest rates on cash and cash equivalents. If interest rates during the year were 1% higher, the impact on the Company's loss for the year would have been to decrease it by £310,292 (2011 £424,000). It is assumed that interest rates are unlikely to fall below the current level.
- credit risk, ansing from the failure of another party to perform according to the terms of its contract. The Company
  reduces credit risk by placing cash and cash equivalents with highly rated financial institutions and restricts the maximum
  exposure to any single financial institution.

### 13 Share based payments - options

On 1 May 2011, the Company granted Gary Hoffman a share option over 11 5 million shares at an exercise price of 130 pence per share. The option was contingent on a substantial fundraising and acquisition having been completed within 18 months of his joining on 1 May 2011 and therefore lapsed on 1 November 2012.

On listing in 2010, the Company granted an option to Lord Levene to subscribe for 200,000 ordinary shares at 10p, exercisable from the date he ceased to be the Chairman of Lloyd's of London (14 October 2011) up until 9 December 2013 These were not exercised during the year

Details of share options outstanding are as follows

	2012	
		Weighted average price
		Pence
At 1 January 2012	11,700,000	128
Granted during the year	-	•
Lapsed / exercised during the year	11,500,000	130
Outstanding at 31 December 2012	200,000	10
Exercisable at 31 December 2012	200,000	10

	201	
		Weighted average price Perice
At 1 January 2011	200,000	10
Granted during the year	11,500,000	130
Lapsed / exercised during the year	<u> </u>	
Outstanding at 31 December 2011	11,700,000	128
Exercisable at 31 December 2011	200,000	10

### 14 Share based payments - Founder warrants

On 1 May 2011, Lord Levene was granted Founder warrants, entitling him to subscribe for 0 7278% of the Company's fully diluted share capital at 130 pence per ordinary share. The Founder warrants would expire on 31 August 2020 unless previously exercised or lapsed. In addition, Lord Levene indicated that he would undertake only to exercise the warrants (i) on successful completion of a substantial acquisition by the Company and the listing of the Company's shares on the Official List and (ii) only in respect of up to 5.75 million shares (or 0.7278% of the fully diluted share capital, if resulting in a lower number of shares). Further, Lord Levene indicated that he would undertake (i) not to dispose of any shares issued on exercise of such warrants for a period of 3 years from such listing and (ii) that he would retain at least 500,000 of such shares for so long as he remained chairman.

See note 20 Post balance sheet event – these warrants were voluntarily surrendered on 11 January 2013

Details of Founder warrants outstanding at 31 December 2012 are as follows

201	
Weighte average pric	
489.635	Pence 130
-	•
489,635	130
-	-
	<u>-</u>

	_	2011
		Weighted average price Pence
At 1 January 2011	-	-
Granted during the year	489,635	130
Lapsed / exercised during the year		
Outstanding at 31 December 2011	489,635	130
Exercisable at 31 December 2011	-	-

The options have been fair valued using the Monte Carlo valuation model. Assumptions used are as follows

	2012
Expected volatility	25 00%
Risk free interest rate at grant	0 33%
Dividend yield	0%
Expected life	1 year

Expected volatility was based on the historical share price log of comparable companies. The expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations for vesting

There were no Founder warrants granted during the year (£117,108 in the year ended 31 December 2011) and during the year, the Company recognised total expenses of £39,039 (£78,072 in the year ended 31 December 2011) in respect of Founder warrant share based payment transactions

### 15 Derivative financial liabilities - share warrants

On listing in 2010, the Company issued Placee warrants to institutional shareholders, equivalent to 7 4% of the Company's fully diluted share capital. In addition Placee B warrants were issued, on similar terms to the Placee warrants, to non-institutional shareholders equivalent to 0 08% of the fully diluted share capital. Of the monies raised on listing, £896,000 has been attributed to the fair value of the warrants issued at the same time for nil consideration.

Following the grant of share options to Gary Hoffman and founder warrants to Lord Levene on 1 May 2011, the fully diluted share capital of the Company was 67,271,546 shares. The fully diluted share capital at 31 December 2012 was 54,743,213 shares following the lapse of Gary Hoffman's options - see note 13

		2012
	· · · · · · · · · · · · · · · · · · ·	Weighted average price
Placee and Placee B warrants		Pence
At 1 January 2012	5,031,912	100
Increase during the year	-	100
Lapsed / exercised during the year	538,699	-
At 31 December 2012	4,493,213	100
Exercisable at 31 December 2012	4,493,213	100
	· · · · · · · · · · · · · · · · · · ·	£000
Fair value		
At 1 January 2012		82
Decrease in fair value credited to income statement		(82)
At 31 December 2012		

The share warrants have been fair valued using the Monte Carlo valuation model. Assumptions used are as follows

2012
25 00%
1 19%
0 33%
0%
1 year

Expected volatility was based on the historical share price log of comparable companies. The expected life used in the model is based on management's best estimate of the behavioural considerations for vesting

### 16 Lease commitments

At the year end, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows

	2012 £000	2011 £000
Less than one year	88	176
Two to five years	•	88
	88	264

### 17 Related party transactions

In the opinion of the Board, the related parties are the directors. There were no related party transactions during the year other than those disclosed in the Directors' Remuneration Report.

### 18 Financial commitments

The Company has no financial commitments

### 19 Investment in subsidiary

The Company owns all of the issued share capital (being £1) of NGB New Generation Limited, incorporated on 15 December 2011. The subsidiary is dormant and has not traded to date

### 20 Post balance sheet events

During the autumn of 2012, a formal proposal was received from the Wilbur Ross Group ('the WLR Funds') offering to inject new capital into the Company by subscribing for shares with the aim of continuing the search for suitable potential acquisition targets. The board, in consultation with its advisers, engaged in negotiations with the WLR Funds, the result of which was a formal proposal to shareholders, circulated on 13 December 2012. The circular sets out in detail the resolutions that shareholders were asked to consider. In binef

- · The previously announced winding up plans were to be deferred,
- New shares were to be issued to the WLR Funds,
- Shareholders that wished to do so were invited to tender their ordinary shares (and attached warrants (if any)) for repurchase by the Company,
- Pre-existing Founder warrants were to be surrendered, with new Founder warrants issued representing 2 5% of the fully diluted share capital of the Company, and
- Placee warrants were to be issued to the WLR Funds subscribing for ordinary shares, and certain consequential
  amendments were to be made to the warrant instruments.

Meetings of the ordinary shareholders and warrant holders were held on 8 January 2013 at which resolutions to effect the above proposals were approved. All resolutions became effective on 11 January 2013, that date being the date of admission of the WLR Funds. Accordingly, the Company is now structured as described in the directors' report under the heading 'Share capital post 11 January 2013' on page 4. The financial effect of the above was to increase the Company's cash balance from £19,511,468, at 31 December 2012 to £20,940,596 as at 11 January 2013.

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the third Annual General Meeting of NBNK Investments Pic (the "Company") will be held on Friday 10 May 2013 at 2 00pm at Fifth Floor, 100 Wood Street, London EC2V 7EX for the transaction of the following business

To consider and, if thought fit, to pass the following resolutions, numbers 1 to 6 and 9 of which will be proposed as ordinary resolutions and numbers 7 and 8 of which will be proposed as special resolutions

- 1 THAT the Company's audited financial statements for the year ending 31 December 2012, together with the directors' report and the auditor's report on those statements, be received
- 2 THAT Wilbur L. Ross, Jr, who has been appointed as a director of the Company since the last Annual General Meeting of the Company, be elected as a director of the Company
- 3 THAT Lord Brennan of Bibury be re-elected as a director of the Company
- 4 THAT BDO LLP be re-appointed as auditors of the Company until the conclusion of the next Annual General Meeting of the Company
- 5 THAT the directors be authorised to determine the auditors' remuneration
- THAT for the purposes of section 551 of the Companies Act 2006 (the "Act") (and so that expressions used in this resolution bear the same meanings as in the said section 551)
  - (1) the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Act respectively up to a maximum nominal amount of £1,792,356 38 to such persons and at such times and on such terms as they think proper, during the period expiring, unless previously revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company,
  - (2) the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (as defined in section 560 of the Act) in connection with a rights issue in favour of the holders of equity securities and any other persons entitled to participate in such issue where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as maybe) to the respective number of equity securities held by them up to a maximum aggregate nominal amount of £1,792,356 38 during the period expiring, unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory, and
  - (3) the Company be and is hereby authorised to make prior to the expiry of such period any offer or agreement which would or might require such shares or rights to be allotted or granted after the expiry of the said period and the directors may allot such shares or grant such rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution,

so that all previous authorities of the directors pursuant to the said section 551 be and are hereby revoked

- 7 THAT, subject to the passing of resolution 6 set out in the notice convening this meeting, the directors be and are empowered in accordance with section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred on them in resolution 6 above as if section 561(1) and sub-sections (1) (6) of section 562 of the Act did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to
  - (1) the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities (but in the case of the authority granted by resolution 6(2) above by way of a rights issue only) and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory, and
  - (2) the allotment (otherwise than pursuant to paragraph 7(1) above) of equity securities up to an aggregate nominal value not exceeding £268,856,

and this power shall expire unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company, but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired

- 8 THAT the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Act to make market purchases (as defined in section 693 of the Act) of ordinary shares of 10p each in the capital of the Company provided that
  - (1) the maximum number of ordinary shares hereby authorised to be purchased is 5,377,122,
  - (2) the minimum price (exclusive of expenses) which may be paid for such ordinary shares is 10p per share, being the nominal amount thereof,
  - (3) the maximum pince (exclusive of expenses) which may be paid for such ordinary shares shall be an amount equal to the higher of (i) 5 per cent above the average of the middle market quotations for an ordinary share as derived from the AIM Appendix to The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made and (ii) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the trading venue where the purchase is carried out,
  - (4) the authority hereby conferred shall (unless previously renewed or revoked) expire at the end of the next Annual General Meeting of the Company, and
  - (5) the Company may make a contract to purchase its own ordinary shares under the authority conferred by this resolution prior to the expiry of such authority, and such contract will or may be executed wholly or partly after the expiry of such authority, and the Company may make a purchase of ordinary shares in pursuance of any such contract
- THAT the Company be and is hereby generally and unconditionally authorised to continue to pursue the Company's investing policy as described in the section headed "Business Strategy" of the Company's AIM Admission Document dated 20 August 2010, as amended by the terms of the section headed "Investment policy following Share Subscription and Tender Offer" of the Company's Subscription and Tender Offer Circular dated 13 December 2012,

until such time as the investing policy has been substantially implemented, provided that this power shall expire, unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company

BY ORDER OF THE BOARD

Law Debenture Corporate Services Limited, Secretary

2 April 2013

Registered office

Fifth Floor 100 Wood Street London EC2V 7EX

Registered company no 7303316

#### Notes to the notice of Annual General Meeting

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy to exercise all or any of the rights of the member to attend and speak and vote on his behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
- (2) To appoint a proxy you may
  - a use the Form of Proxy enclosed with this notice of Annual General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notanally certified or office copy of the same, must be received by post or (during normal business hours only) by hand at Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or at www capitashareportal com, in each case no later than 2 00pm on 8 May 2013 (being not less than 48 hours before the meeting excluding non-working days), or
  - b if you hold your shares in uncertificated form, use the CREST electronic proxy appointment service as described in Note 8 below

Completion of the Form of Proxy or appointment of a proxy through CREST will not prevent a member from attending and voting in person

- (3) Any member attending the meeting has the right to ask any question at the meeting relating to the business of the meeting
- (4) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only shareholders registered in the register of members of the Company as at 6pm on 8 May 2013 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6pm on the day which is two days before the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- (5) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, senionty shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding
- (6) The Company has an issued share capital at 2 April 2013 (being the latest practicable date prior to publication of this notice of Annual General Meeting) of 53,771,229 Ordinary Shares with voting rights and no restrictions and no special rights with regard to control of the Company. There are no other classes of share capital and none of the Company's issued shares are held in treasury. Therefore, the total number of voting rights in the Company as at 2 April 2013 (being the latest practicable date prior to publication of this notice of Annual General Meeting) is 53,771,229.
- (7) In the following paragraphs, information is given about each resolution

NBNK Investments plc

Resolution 1 – annual report and audited financial statements (ordinary resolution) It is a legal requirement that the directors lay before the Company's shareholders the Company's accounts, directors' report and the audit report. The report and financial statements cover the year ending 31 December 2012.

Resolutions 2 - 3 - election and re-election of directors (ordinary resolutions) The articles of association of the Company require the directors to retire at the subsequent annual general meeting following their appointment and the Board has separately resolved that all directors will retire and offer themselves for re-election annually. In accordance with the

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Registered number 07303316

articles of association of the Company, Wilbur L. Ross, Jr. was appointed as a director by the Board on 11 January 2013 and he now seeks election at this, the first annual general meeting since appointment. Lord Brennan is seeking re-election as a director. Brief biographies of the directors are set out on page 2 of the annual report and financial statements. The Board supports the respective election and re-election of both directors.

Resolutions 4 and 5 – appointment of auditors and determination of their remuneration (ordinary resolutions). The Company is required to appoint auditors at each annual general meeting at which financial statements are presented, to hold office until the conclusion of the next such meeting. The Board first appointed BDO LLP as auditors for the Company's annual report and financial statements in 2010 and is satisfied with the way that audits have been conducted. As the Company continues to develop its strategy, the directors will keep under review the Company's ongoing audit requirements. For the time being, the directors are content to recommend that shareholders appoint BDO LLP to continue in office until the conclusion of the Company's next annual general meeting. Resolution 5 authorises the directors, in accordance with standard practice, to negotiate and agree the remuneration of the auditors.

Resolution 6 – general authority to allot shares (ordinary resolution) The resolution asks shareholders to grant the directors authority under section 551 of the Act to allot shares or grant such subscription or conversion rights as are contemplated by sections 551(1)(a) and (b) respectively of the Act up to a maximum aggregate nominal value of £3,584,712 76, being approximately 66 6 per cent of the nominal value of the issued ordinary share capital of the Company as at 2 April 2013 (being the latest practical date prior to publication of this notice of annual general meeting) £1,792,356 38 of this authority is reserved for a fully pre-emptive rights issue. This is the maximum permitted amount under best practice corporate governance guidelines. The authority will expire at the next annual general meeting of the Company in 2014. The directors have no present intention of exercising such authority. All previous authorities of the directors pursuant to section will be revoked.

Resolution 7 – disapplication of statutory pre-emption rights (special resolution) If the directors wish to allot unissued shares or other equity securities for cash or sell any shares which the Company holds in treasury following a purchase of its own shares pursuant to the authority in resolution 8, the Act requires that such shares or other equity securities are offered first to existing shareholders in proportion to their existing holding. Resolution 7 asks shareholders to grant the directors authority to allot equity securities or sell treasury shares for cash up to an aggregate nominal value of £268,856 (being 5 per cent of the Company's issued ordinary share capital as at 2 April 2013 (being the latest practicable date prior to publication of this notice of annual general meeting)) without first offering the securities to existing shareholders. The resolution also disapplies the statutory pre-emption provisions in connection with a rights issue, but only in relation to the amount permitted under resolutions 6(1) and/or 6(2), and allows the directors, in the case of a rights issue, to make appropriate arrangements in relation to fractional entitlements or other legal or practical problems which might arise. The authority will expire at the next annual general meeting of the Company, in 2014

The directors believe that it is in the best interests of the Company to have the authority to allot or grant such subscription and conversion rights over a maximum of 2,688,561 Ordinary Shares other than on a pre-emptive basis

Resolution 8 - Purchases of own shares by the Company (special resolution) Resolution 8 to be proposed at the Annual General Meeting seeks authority from holders of ordinary shares for the Company to make market purchases of ordinary shares, such authority being limited to the purchase of 10 per cent of the ordinary shares in issue as at 2 April 2013 (being the latest practicable date prior to publication of this notice of Annual General Meeting). The maximum price payable for the purchase by the Company of ordinary shares will be limited to the higher of 5 per cent above the average of the middle market quotations of the ordinary shares, as derived from the AIM Appendix to the London Stock Exchange Daily Official List, for the five business days prior to the purchase and the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the trading venue where the purchase is carned out. The minimum price payable by the Company for the purchase of ordinary shares will be 10p per share (being the nominal value of an ordinary share). The authority to purchase ordinary shares will only be exercised if the directors consider that there is likely to be a beneficial impact on earnings per ordinary share and that it is in the best interests of the Company at the time. The Company is allowed to hold in treasury any shares purchased by it using its

distributable profits. Such shares will remain in issue and capable of being re-sold by the Company or used in connection with certain of its share schemes. The Company would consider, at the relevant time, whether it was appropriate to take advantage of this ability to hold the purchased shares in treasury.

Options to subscribe for up to 200,000 ordinary shares have been granted and are outstanding as at 2 April 2013 (being the latest practicable date prior to publication of this document) representing 0 37 per cent of the issued ordinary share capital at that date. If the directors were to exercise in full the power for which they are seeking authority under resolution 8, the options outstanding as at 2 April 2013 (being the latest practicable date prior to publication of this document) would represent 0 41 per cent of the ordinary share capital in issue following such exercise.

Resolution 9 – Authorisation to continue investing policy (ordinary resolution) Resolution 9 to be proposed at the Annual General Meeting seeks authority from holders of ordinary shares for the Company to continue to pursue the Company's investing policy as described in the section headed "Business Strategy" of the Company's AIM Admission Document dated 20 August 2010, as amended by the terms of the section headed "Investment policy following Share Subscription and Tender Offer" of the Company's Subscription and Tender Offer Circular dated 13 December 2012, until such time as the investing policy has been substantially implemented. Under Rule 8 of the AIM Rules for Companies, companies (such as NBNK Investments plc) whose primary business is, inter alia, the acquisition of one or more other businesses or companies, are required to seek shareholder approval to continue the pursuit of that business if they have not substantially completed their strategy within 18 months of admission to trading on AIM. The Company accordingly seeks approval to continue with its investing policy. If granted, this power will expire at the end of the next Annual General Meeting of the Company, unless sooner revoked or varied by the Company in general meeting.

(8) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual (<a href="https://www.euroclear.com/CREST">www.euroclear.com/CREST</a>) The message must be transmitted so as to be received by the issuer's agent, Capita Registrars (ID R055), by 2 00pm on 8 May 2013 For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended)

# NBNK INVESTMENTS PLC



Annual Report and Financial Statements
For the year ended 31 December 2013

NBNK Investments plc

Registered number: 07303316

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NBNK Investments plc Registered number: 07303316

#### Chairman's review

As you will recall, in the second half of 2012, funds within the WL Ross & Co Group made an offer to inject new capital into the Company by taking a sizeable stake, with a view to maintaining NBNK as an AIM listed company so that it could continue its search for suitable potential acquisition targets. Accordingly, on 13 December 2012, a proposed share subscription and tender offer was circulated. The tender offer was structured to enable those shareholders that wished to exit the Company to do so on broadly the same financial terms as would have applied had the Company been wound up.

At a meeting of ordinary shareholders on 8 January 2013, the Company resolved to allot shares to certain funds in the WL Ross & Co Group and to accept tender offers from those shareholders who wished to sell shares at that time.

Our policy is to maintain the Company at minimal cost while we seek appropriate opportunities to make an acquisition in the financial services sector. We have not identified any opportunities at this time that we felt would represent good value for shareholders, but the search continues. Shareholders will be kept advised as and when there are developments to report.

Wilbur L. Ross, Jr. Chairman

#### The Board

#### Wilbur L Ross, Jr. (Chairman, non-executive Director)

Wilbur Ross, Chairman and Chief Strategist of WL Ross & Co. LLC, may be one of the best known private equity investors in the U.S. His private equity funds bought Bethlehem Steel and several other bankrupt producers and revitalized them into the largest U.S. producer before merging them into Mittal Steel for \$4.5 billion. He remains a Director of what is now ArcelorMittal, the world's largest steel company. He also created and chairs International Textile Group, the most global American company in that industry and International Auto Components Group, a \$4.5 billion producer of instrument panels and other interior components operating in 17 countries. He is the Chairman of Diamond S Shipping and previously chaired International Coal Group which was sold to Arch Coal for \$4.3 billion. He is a member of the boards of Assured Guaranty, Bank of Ireland, BankUnited, EXCO and Ocwen and the director of Navigator, all NYSE listed. He is also a member of the board of Sun Bancorp which is traded over the counter, and Talmer Bancorp which recently filed for an initial public offering and will be listed on the NASDAQ.

Mr. Ross was Executive Managing Director of Rothschild Inc. for 24 years before acquiring that firm's private equity partnerships in 2000. He is a member of the boards of Yale University School of Management, The Dean's Advisory Board of Harvard Business School, Partnership for New York City, Palm Beach Civic Association, Business Roundtable and the Palm Beach Preservation Foundation. He is Chairman of the Japan Society and the Brookings Institution Economics Studies Council and a trustee of the Town of Palm Beach Retirement System and the Magritte Museum in Brussels. President Kim Dae Jung awarded him a medal for his assistance in Korea's financial crisis, President Clinton appointed him to the Board of the U.S.-Russia Investment Fund and he served as Privatization Advisor to New York City Mayor Rudy Giuliani. Mr. Ross formerly served as Chairman of the Smithsonian Institution National Board. He is a graduate of Yale University and of Harvard Business School (with distinction). He is the only person\_elected\_to\_both\_the\_Private\_Equity\_Hall\_of\_Fame\_and\_the\_Turnaround\_Management Association Hall of Fame. Bloomberg BusinessWeek designated him one of the 50 most influential people in global finance.

#### Lord Brennan of Bibury QC (Non-executive Director)

Lord Brennan is a member of the House of Lords. In 1999 he was Chairman of the Bar of England and Wales. He is also Chairman of the Caux Round Table Global Governing Board, Chairman of Juridica Investments Limited, Chairman of Omega Business Solutions Pvt Limited and Vice Chairman of AJ Prospekt Capital Limited. His special interests include international development and financial and corporate governance, in particular in connection with the recent financial crisis.

#### **Corporate Advisers**

#### Registered office

Fifth Floor

100 Wood Street

London

EC2V 7EX

Company number: 07303316

#### **Nominated Advisers**

Cenkos Securities Plc

6.7.8. Tokenhouse Yard

London

EC2R 7AS

#### **Company Secretary**

Law Debenture Corporate Services Limited

Fifth Floor

100 Wood Street

London

EC2V 7EX

#### **Financial Advisers**

Kinmont Advisory

5 Clifford Street

London

W1S 2LG

#### Solicitors

Travers Smith LLP

10 Snow Hill

London

EC1A 2AL

#### Registrars

Capita Registrars

Northern House

Woodsome Park

Fenay Bridge

Huddersfield

West Yorkshire

HD8 0LA

#### **Auditors**

**BDO LLP** 

55 Baker Street

London

W1U 7EU

#### **Bankers**

Coutts & Co

440 Strand

London

WC2R 0QS

#### Strategic report

The directors present their strategic report for the year ended 31 December 2013.

#### Objective, business model and strategy

The Company's objective is to try and make a significant acquisition in the financial services sector. It has raised a significant sum from shareholders for this purpose and the directors are engaged in seeking acquisition opportunities to meet its objective. If the objective is not met by 11 January 2016, the directors will consider whether it is appropriate to return unused funds to shareholders.

The business model is to run the Company at minimal cost. To that end, we retain only a registrar, company secretary and our NOMAD. We do pay to keep up the Company's proprietary and intellectual rights, its insurances, its telecom needs and its regulatory costs, but these costs are managed carefully.

#### Review of 2013

On 8 January 2013, shareholders and warrant holders met in general meetings to consider a proposed ohere-subscription, tender offer, amendment to terms of warrants and the issue of Founder warrants. Subsequently, on 11 January 2013, new shares were issued, some existing shares were purchased and cancelled, certain Founder warrants were surrendered and new Founder warrants issued.

During the year, the directors considered a number of possible acquisitions, but upon detailed examination (funded by the WL Ross Group) none of these were considered worthy of further development.

In June 2013, our lease commitments of One Angel Court came to an end and we received in full the deposit paid when the premises were first acquired.

#### Share capital

Following the shareholder meetings and the allotment of shares to certain funds within the WL Ross Group ('WLR Funds') as new significant shareholders, the Company's issued share capital was 53,771,229 ordinary shares of 10 pence each at 31 December 2013. The Company's warrant structure is as follows:

Placee warrants – the WLR Funds were issued with Placee warrants entitling them to subscribe for ordinary shares representing 2.4092% of the fully diluted share capital of the Company on the same terms as the pre-existing Placee warrants as described above;

- Placee B warrants issued to the directors and certain others at listing up to a maximum of 0.08% of the fully diluted share capital at a subscription price of 100 pence per share. The exercise period is as described above. Details of the Placee B warrants issued to the directors are included within the Directors' Remuneration Report on page 8. No further Placee B warrants were issued in January 2013; and
- Founder warrants as part of the subscription and tender, Lord Levene surrendered his entitlement to Founder warrants granted to him in 2011, representing 0.7278% of the fully diluted share capital of the Company. New Founder warrants were issued entitling Kinmont Advisory (financial adviser) and Cenkos Securities plc (NOMAD and broker) to subscribe for ordinary shares representing 0.44% each of the fully diluted share capital of the Company. In addition, shareholders on the register on 11 January 2013 (including the WLR Funds) were granted Founder warrants entitling them to subscribe in aggregate for 1.63% of the fully diluted share capital of the Company.

The fully diluted share capital of the Company at the date of this report was 60,609,466.

#### **Corporate Governance**

While the Company was in the process of bidding for the Project Verde assets, the directors strived insofar as practicable given the Company's size and nature, to comply with the UK Corporate Governance Code. Following the initial decision in June 2012 to wind up the Company, the directors considered it necessary only to maintain the standards required for AIM compliance. Following the admission of the WLR Funds as principal shareholder on 11 January 2013, the board has operated on a streamlined, low cost basis, compliant with the obligations of an AIM listed company. As and when required, the composition of the board will be reviewed and if deemed necessary or appropriate, it will aim to comply with the full Code. For the time being, reflecting the status of the Company, our corporate governance report for the year ended 31 December 2013 is abbreviated to the following:

All of the directors who served during the year were nonexecutive directors ('NEDs') and were independent throughout the period that they served. There were two board meetings attended by all directors.

Reflecting the unusual circumstances of the Company during the period, the board itself assumed responsibility for all aspects of the Company's operations including strategy, financial performance, legal matters and communications with shareholders. Accordingly, the board currently does not operate separate committees. All directors were present at all meetings that they were required to attend. Directors are subject to annual reelection by shareholders. There were engagement letters in place governing their appointments. Appropriate insurance cover in respect of legal action against the directors was maintained and the directors had access to independent professional advice at the Company's expense (although no director took advantage of this).

The board believes that it is not appropriate to have an internal audit function for as long as the Company continues to run on a streamlined basis.

#### Key performance indicators ('KPIs')

The principal financial KPI is the rate at which the Company is spending its listing proceeds. The directors monitor the management accounts of the Company to ensure that expenditure is proportionate and consistent with the Company's current status. Suitable controls are in place to enable the directors to respond quickly to changes in the Company's circumstances.

The principal non-financial KPI is the Company's progress towards an acquisition. The Board monitors discussion progress and the chairman is personally and actively involved in all aspects of the discussions.

#### **Dividend policy**

Subject to an acquisition, the Company would seek to build up its operations during its first two to three years, during which time it is unlikely that the Company will pay dividends. Thereafter, and subject to compliance with the Companies Act 2006 and regulatory capital requirements, it would be the intention of the directors to pay dividends on the basis of a progressive dividend policy.

#### Principal risks and uncertainties

The principal risk for the Company remains that it fails to secure an acquisition. Should this be the case by 11 January 2016, the directors will review the position and

consider if it is appropriate to return unused funds to shareholders and/or to wind up the Company.

Appropriate controls are in place to manage acquisition risk and the Company has in place access through the WL Ross Group to the resources necessary to manage acquisition negotiations effectively so that the Company can hit the ground running, once its first acquisition has been secured.

#### Risk management and internal control

While the Company remains in pre-acquisition mode, the framework of internal controls is relatively simple. The main features of the Company's internal control and risk management systems are as follows:

- The board receives periodic reports from the company secretary and external advisers about legal and regulatory developments and the steps that the board must take to comply;
- It reviews reports by the external auditors on the annual audit;
- The board ensures that proper accounting records are maintained so that it can rely on financial information it receives to make appropriate strategic and business decisions and that the Company's assets are safeguarded; and
- As required, reports are made to the board on matters relating to insurance, taxation, accounting and cash management as well as legal, compliance and company secretarial issues.

The board believes that the systems of internal risk management and financial controls that it has designed are proportionate to the Company's operational status and provide reasonable assurance against fraud, mismanagement and against material mis-statement of loss.

#### Directors' shareholdings

Beneficial interests in the ordinary shares of the Company are set out in the Directors' Remuneration report on page

By order of the Board

Law Debenture Corporate Services Limited

Company Secretary

7 May 2014

#### Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2013. The Company, which is listed on AIM, has one non-trading subsidiary (see note 17). Therefore, the financial statements at pages 13-29 relate to the Company's activities alone.

The directors of the Company who served in the year are:

Wilbur L. Ross, JR. (from 11 January 2013)

Lord Levene of Portsoken KBE (resigned 11 January 2013);

Lord Brennan of Bibury QC;

Lord Forsyth of Drumlean (resigned 11 January 2013); and

Gary Hoffman (resigned 11 January 2013).

#### Results and dividends

The Company made a profit for the year of £136,000 (2012: loss of £3,685,000). This reflects the accounting gain made on the lapsed share based payments (coo noto—12) which has to be taken through profit and loss.

The directors do not recommend payment of a dividend (2012: nil).

#### Substantial shareholdings

The directors are aware of the following existing shareholders of the Company who hold an interest, either directly or indirectly, in 3% or more of the issued share capital of the Company as at 7 May 2014:

Name	% of issued share capital held
WL Ross and Co Funds	29.90
Invesco Asset Management	27.45
Aviva Investors Global Services	11.90
Bailie Gifford & Co	8.93
Goldman Sachs International	7.41
BlackRock Investment Management (UK)	4.84
Crystal Amber	4.46
Cenkos Channel Islands	3.13

#### Other shareholding disclosures

The Company is not aware of any person or entity who, directly or indirectly, jointly or severally, would or could exercise control over the Company and there are no arrangements in place, the operation of which could result in a change of control of the Company.

There are no loans or guarantees granted or provided by the Company to or for the benefit of any of the directors.

#### Directors' conflicts of interest

The directors are under a statutory duty to avoid conflicts of interest. The Board has established procedures to deal with conflicts and potential conflicts, which includes an annual review of the Board's conflicts registers. Each director has declared all matters that might give rise to a potential conflict of interest and these have been considered and, as required, approved by the Board. In the opinion of the directors, the procedures on managing conflicts of interest are working effectively.

No director has or has had any interest in any transaction with the Company which is ar was unusual in its nature or conditions or significant to the business of the Company and effected during the year under report.

#### Shareholder relations

The Company has a relatively small number of shareholders. In addition to the regulatory obligations to keep shareholders informed of developments through general announcements, the Company's NOMAD maintains dialogue and communication between the Board and shareholders. Shareholders (including shareholders within nominee companies where the nominee has made appropriate arrangements) receive a copy of the annual report and of any interim and half yearly statements.

The annual general meeting will take place on Monday 23 June 2014 at the Company's registered office. Full disclosure of the number of votes cast for and against resolutions will be published on the Company's website. The Notice of Annual General Meeting appears at page 31. The board believes that the resolutions to be put to shareholders are in the best interests of the shareholders as a whole and, accordingly, recommends that the shareholders vote in favour of the resolutions, as the directors intend to do in respect of their beneficial shareholdings in the Company.

#### **Employee participation**

The Company has no employees.

## Corporate social responsibility, sustainability, greenhouse gas emissions

The Company has not yet adopted policies on corporate social responsibility and sustainability, but will do so when its activities warrant.

As the Company has no current activities, it has no greenhouse gas emissions to report.

#### Principal risks and uncertainties

These are set out in the Strategic report.

#### **Political donations**

The Company has not made any payments or donations that would be classified as political donations and does not intend to seek shareholder approval in the immediate future to make such payments or donations.

### Statement of directors' responsibilities in relation to the financial statements

The directors are responsible for preparing the director's report, strategic 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 have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the company for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these 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 they have been prepared in accordance with IFRSs as adopted by the European Union, 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.

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 requirements of 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.

#### Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

#### Statement of information given to auditors

The directors have confirmed that so far as they aware, there is no relevant audit information of which the Company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### Statement of going concern

The directors have disclosed the current status of the Company. Other than interest income, it is not producing revenues and its future success relies on the ability to secure an acquisition of assets. In the event that no such acquisition is achieved, the directors will determine whether it is appropriate for the Company to continue its activities. The Company remains able to meet its liabilities as they fall due. The directors closely monitor the cash resources of the Company and its contractual

commitments and have resolved that should the Company not fulfil its objectives, then a solvent liquidation would take place.

Shareholders accepted, when the Company listed on AIM, and ongoing in January 2013 when the WLR Funds were admitted, that there was a risk of the Company not being able to succeed in its strategy, in which event, they would not receive back the full value of their original investment.

Notwithstanding the uncertainties in respect of the future direction of the Company, the directors have concluded that it is appropriate for the Company's accounts to be prepared on a going concern basis.

#### **Auditors**

A resolution will be proposed at the annual general meeting to re-appoint BDO LLP as auditors for the time being.

By order of the Board

Law Debenture Corporate Services Limited

\_Company Secretary\_\_\_\_

-7 May 2014 ----

#### **Remuneration Report**

Set out below is a Remuneration Report for NBNK Investments plc for 2013. All of the information in the report is historical. AlM listed companies are not required to comply with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. Certain parts of the report are required to be audited, however, and the relevant sections are clearly identified below.

## 1. Remuneration Committee – membership and advisers

Due to the current status of the Company, the board deems it unnecessary to operate a separate remuneration committee.

#### 2. The Company's remuneration policy

The Company has no employees and will formulate an appropriate policy as and when it is necessary to do so. Non-executive directors will receive a nominal fee until such time as the Company makes an acquisition, following which an appropriate policy will be adopted.

#### 3. The Chairman

The chairman from 11 January 2013 was Wilbur Ross. He received a nominal, one off fee of £1 at appointment and receives no other benefits. His contract is for a fixed term of three years (subject to annual re-election) expiring on 11 January 2016. He is not entitled to compensation on loss of office. Lord Levene was chairman until 11 January 2013. He received no fees during the year and no payments by way of compensation for loss of office.

#### 4. The Chief Executive Officer

The Company did not have a chief executive following the termination of Gary Hoffman's contract on 30 June 2012. Although he remained a director until 11 January 2013, he received no fees or compensation for loss of office during 2013

#### 5. Remuneration of non-executive directors

Lord Brennan has a letter of appointment for a term until 16 January 2016 subject to annual re-election by the shareholders, unless terminated earlier by either party upon three months' notice in writing. Continuation of the contract—of appointment is contingent on satisfactory performance and he may have his appointment terminated without notice or compensation in certain circumstances. There are no provisions for compensation payable on early termination of the appointment (save for the three month notice obligation). NEDs are expected to attend all meetings of the Board and any of the committees on which they served. Lord Brennan received no fees for the period to 31 May 2013 and thereafter, an annual fee of £10,000.

#### 6. Share incentive arrangements (audited)

As described in the initial Admission Document, the Company has shareholder agreement to introduce a number of long term employee share schemes to facilitate engagement of senior staff. Details of these schemes are set out in full in the initial Admission Document and comprise the usual suite of options and a performance share plan for executives and SAYE and SIP to operate on an all-employee basis. Since the Company has no employees, these schemes are not in operation.

Lord Levene was awarded 200,000 options on admission to AIM at an exercise price of 10 pence, exercisable at any time and without further conditions between 14 October 2011 and 9 December 2013. He informed the Company during the year that he would not be exercising his options and accordingly, they lapsed on 9 December 2013.

#### 7. Directors' emoluments for the year ended 31 December 2013 (audited)

	Total salary/fees in	Benefits other	Total receivable for	Total received in
	2013	than cash	2013	2012
•	£	£	£	£
W.L. Ross, Jr.	1	-	1	-
Lord Levene*	-	-	-	, 256,358
Lord Brennan	5,833	-	5,833	29,167
Lord Forsyth*	-	-	-	29,167
Lord McFall*	-	-		29,167
Sir David Walker*	-	-	-	70,000
Mr G Hoffman **	-	-	-	853,558
Total	5,834	-	5,834	1,267,417

In line with Company policy, no short term bonus payments were made to any member of the Board.

As at 31 December 2013, the directors were the key management personnel (defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company). Their compensation is set out above. Total employer's national insurance contributions of £nil were paid (2012: £168,261). In addition to these amounts, there was a write-back of share based payments made in prior periods in the income statement totalling £273,359 (2012: £608,075).

#### 8. Founder warrants (audited)

The initial Admission Document stated that the Board had delegated authority to the Remuneration Committee to grant Founder warrants over, in aggregate, up to 2.5 per cent. of the Fully Diluted Share Capital (as defined in the initial Admission Document), exercisable at 130 pence per share.

Lord Levene was granted Founder warrants (subject to certain voluntarily accepted restrictions) entitling him to subscribe for 0.7278 per cent. of the Fully Diluted Share Capital. The Founder warrants had no value as at 31 December 2013 – see note 14 to the accounts. On 11 January 2013, Lord Levene voluntarily cancelled his entitlement to these warrants.

<sup>\*</sup> Lord McFall resigned on 17 July 2012; Sir David Walker resigned on 13 August 2012; Lord Levene, Lord Forsyth and Gary Hoffman resigned on 11 January 2013.

<sup>\*\*</sup> Included in Gary Hoffman's total salary/fees are amounts of £375,000 paid in 2012 in lieu of notice when his contract was terminated on 30 June 2012 and £20,192 paid in lieu of untaken holiday entitlement.

#### 9. Directors' shareholdings

At 31 December 2013, the directors of the Company had beneficial interests in the Company's ordinary shares as follows:

	Ordinary share	<u>es</u>	Placee B warrants	; **
			<u>%</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Lord Levene	n/a	100,000	n/a	0.015
Lord Brennan	50,000	50,000	0.007	0.007
Lord Forsyth	n/a	*50,000	n/a	0.007
Mr G Hoffman	n/a	-	n/a	_

<sup>\*</sup> Lord Forsyth's ordinary shares were held by A J Bell (PP) Trustees Limited, as trustees of Lord Forsyth's self-invested pension plan.

<sup>\*\*</sup> The warrants set out above were issued on the initial subscription for shares in August 2010. They are immediately exercisable at a subscription price of £1 per share, are transferable and remain exercisable until 31 August 2020. They represent rights to subscribe for such shares as represent such percentage of the fully diluted share capital of the Company in the period to 20 February 2013. The fair value of the warrants at 31 December 2013 is zero as set out at note 13 to the accounts.

<sup>\*\*\*</sup> W.L. Ross, Jr. owns no shares or warrants beneficially. Companies in the WL Ross Group own 16,077,597 ordinary shares, plus Placee warrants entitling them to subscribe for 2.4092% of the fully diluted share capital of the Company and Founder warrants entitling them to subscribe for a further 0.4859%.

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NBNK INVESTMENTS PLC

We have audited the financial statements of NBNK Investments plc for the year ended 31 December 2013 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

#### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then
  ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the directors' report for the financial year for which the financial statements are prepared, is consistent with the financial statements.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BASUR

Daniel Taylor (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
London

W1U 7EU\_\_\_\_

United Kingdom

9 May 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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### **Income statement**

for the year ended 31 December 2013

Note	Year ended 31 December 2013	Year ended 31 December 2012	
	£000	£000	
. 3	77	166	
2	78	(3,773)	
	-	(155)	
•	•	(5)	
	155	(3,767)	
<b>13</b> .	(19)	82	
	136	(3,685)	
4	-	-	
	136	(3,685)	
5	0.003	(7.361)	
5	0.003	-	
	13 4	31 December 2013 £000  3 77 2 78	

## **Statement of comprehensive income** for the year ended 31 December 2013

Gain / (loss) for year and total comprehensive gain for the year	136	(3,685)
	£000	£000
	31 December 2013	31 December 2012
of the year chaca 51 December 2015	Year ended	Year ended

### Statement of financial position

as at 31 December 2013

is at 31 December 2013	Note	Year ended 31 December 2013	Year ended 31 December 2012
		£000	£000
Current assets			
Other accrued income and prepaid expenses		11	150
Cash and cash equivalents	6	20,207	19,511
Total current assets		20,218	19,661
Total assets		20,218	19,661
Current liabilities			
Trade and other payables	7.	42	272
Other taxation including social security		•	-
Derivative financial liabilities	13	19	-
Total current liabilities		61	272
Total net assets		20,157	19,389
Equity			
Called up share capital	8	5,377	5,005
Share premium	9	43,129	42,595
Capital redemption		45	45
Retained losses		(28,394)	(28,256)
Fotal equity		20,157	19,389

Approved and authorised for issue by the Board on 7 May 2014 and signed on its behalf by:

Wilbur Ross, Jr.

## **Statement of changes in equity** for the year ended 31 December 2013

	Share capital	Share premium	Capital redemption	Retained losses	Total
	£000	£000	£000	£000	£000
Total equity as at 1 January 2013	5,005	42,595	45	(28,256)	19,389
Net profit and total comprehensive gain for the year		-	-	136	136
Share based payments	-	-	-	(274)	(274)
Issue of shares (net proceeds)	372	534	-		906
Total equity as at 31 December 2013	5,377	43,129	45	(28,394)	20,157

### Statement of cash flows

for the year ended 31 December 2013

or the year ended 31 December 2013	Note	Year ended 31 December 2013	Year ended 31 December 2012
		£000	£000
Operating activities			
Operating profit / (loss) before taxation		136	(3,685)
Depreciation of property, plant and equipment		-	59
Amortisation of intangible assets		-	2
Loss on disposal of property, plant and equipment		-	155
Loss on disposal of intangible assets		-	5
Share based payments		(274)	(608)
Increase / (decrease) in fair value of derivative financial instruments	13	19	(82)
Decrease in receivables		139	25
Decrease in payables		(230)	(2,781)
Cash flow from operating activities		(210)	(6,910)
Investing activities			
Proceeds on disposal of fixed assets		-	9
Cash flow from investing activities		-	9
Financing activities			
Net proceeds of increase in share capital		906	-
Cash flow from financing activities		906	-
Net increase / (decrease) in cash and cash equivalents		696	(6,901)
Cash and cash equivalents at 1 January		19,511	26,412
Cash and cash equivalents at 31 December		20,207	19,511

#### Notes to the accounts

for the year ended 31 December 2013

#### 1. Summary of significant accounting policies

#### General Information

NBNK Investments plc is a public company incorporated in the United Kingdom. The address of the registered office is given on page 3. The Company's operations and its principal activities are to acquire a financial institution. The financial statements are presented in pounds sterling thousands because that is the currency of the primary economic environment in which the Company operates.

#### Basis of preparation

The financial statements of NBNK Investments plc have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

The financial statements have been prepared under the historical cost convention as amended for use of fair value for derivative financial instruments and share based payments. Historical cost is based upon the fair value of consideration given in exchange for assets.

#### Critical accounting estimates and judgements

The preparation of the financial statements necessarily requires the exercise of judgement both in the application of accounting policies which are set out below and in the selection of assumptions used in the calculation of estimates. These estimates and judgements are reviewed on an ongoing basis and are continually evaluated based on experience and other factors. However, actual results may differ from these estimates. None of the estimates or judgements made in the preparation of these financial statements are considered critical.

The calculation of fair value of derivative financial instruments is dependent upon a number of estimates, including the volatility of the Company's share price. The Company has been listed for only a short period and the estimate of volatility has been arrived at by looking at a number of comparable companies.

#### Application of IFRS

NBNK Investments plc was incorporated during 2010 with the intention of building (primarily through acquisition) a new and substantial UK bank. Its remit is now wider and includes the acquisition of a financial services company. The Company has to date made no acquisitions. Until the Company commences operation it is not appropriate to set out the accounting policies which will be applicable to that business.

#### New IFRSs, interpretations and amendments not yet effective

Whilst the Company continues not to operate, none of the new standards, interpretations or amendments but not yet effective are expected to have a material impact on the Company's future financial statements. However, given the current status of the Company, it cannot be stated with any degree of certainty which new standards, interpretations or amendments but not yet effective may ultimately have a material impact on the Company's future financial statements.

#### Segmental reporting

Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the directors in deciding how to allocate resources and in assessing performance. The Company comprises one operating segment.

#### Financial instruments

Financial instruments and equity instruments are classified according to the substance of the contractual arrangements entered into.

#### Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks and other short term highly liquid investments with original maturities of three months or less.

#### Share capital

Ordinary shares are classified as equity.

#### Share based payments

Where share based payments are made in respect of goods or services received as consideration for the Company's own equity, these are accounted for as equity settled share based payments in accordance with IFRS 2. Such payments are measured at fair value at the date of grant using an appropriate option valuation technique, which is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. The fair value of these payments is not subsequently re-measured.

#### Derivative financial instruments

Derivative financial instruments are measured at fair value at date of issue and at any year end at which they are outstanding using an appropriate valuation technique and included in assets or liabilities on the statement of financial position. Differences arising between the issue date and the period end are charged or credited to the income statement.

#### Financial liabilities and equity \_\_\_\_

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial instruments issued by the Company are treated as liabilities if:

- (a) they include contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; or
- (b) the instrument will or may be settled in the Company's own equity instruments and is either a non-derivative that includes an obligation to deliver a variable number of the Company's own equity instruments or is a derivative (other than a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments).

#### Taxation

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense which are either never taxable or deductible or are taxable or deductible in other periods. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each year end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to recover the asset. Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is expected to be settled or the asset is expected to be realised based on tax rates that have been enacted or substantively enacted at the year end date.

#### Revenue recognition

Interest income

Interest income is accrued on a time basis using the effective interest rate applicable.

#### Reserves

A description of each of the reserves follows:

#### Share premium

This reserve represents the difference between the issue price of shares and the nominal value of shares at the date of issue, net of related issue costs.

#### Capital redemption

This reserve was created on the cancellation of deferred shares gifted to the Company.

#### Retained earnings

Net revenue profits and losses of the Company which are revenue in nature are dealt with in this reserve.

#### Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividends are approved by shareholders.

#### 2. Administrative expenses

	2013	2012
	£000	£000
Administrative expenses include:		
Salaries and directors' fees	6	2,377
Social security costs	•	319
Depreciation – property, plant and equipment	•	59
Amortisation – intangible assets	•	2
Operating leases – land and buildings	-	233
Auditors' remuneration – statutory audit of the Company	20	24

The Company had no employees during the year. (2013: average of 2 employees during the year, with none at year end).

#### Remuneration of directors

Nemuneration of unectors	2013	2012
	£000	£000
Directors' emoluments, which comprise the following, are included in		

administrative expenses:

Executive directors' fees	•	1,084
Non-executive directors' fees	6	158
Share based payments – options	(282)	(647)
Share based payments – Founder warrants	8	39
Increase / (decrease) in fair value of derivatives – Placee B warrants	19	(82)
Short term employee benefits	-	26
	(249)	578

In line with Company policy, no short term bonus payments were made to any member of the Board.

The emoluments of the highest paid director totalled £5,833 (2012: £853,558)

Details of options held and emoluments of each director are shown in the Remuneration Report as is the statement on key management personnel (see pages 8 - 10).

	2013	2012
	£000	£000
Interest income		
Interest on bank deposits	77	166
	` 77	166

4. Taxation	2013	2012
	£000	£000
Taxation based on revenue for the year comprises:		
UK Corporation tax at 23.25% (2012:24.5%)	•	-
	-	-

The charge for the year can be reconciled to the gain per the income statement as follows:

	2013	2012
	£000	£000
Gain / (loss) before taxation	136	(3,685)
Tax on ordinary activities at standard rate 23.25% (2012: 24.5%)	32	(903)
Effects of:		
Losses considered not recoverable		903
Gains to be written off against prior year losses	(32)	-
	-	-

#### Deferred Tax

3. Interest

The company has the following balances in respect of which no deferred tax asset has been recognised:

Tax losses £19,499,431
Other temporary differences £201,227

NBNK Investments Plc has unused tax losses of £19.5m in respect of management expenses (2012: £19.4m) for which no deferred tax is recognised in the balance sheet. None of these losses expire within five years.

No deferred tax asset has been recognised in the balance sheet on 'other temporary differences' of £201k (2012: £201k) arising on accelerated capital allowances.

#### 5. Gain / (loss) per share from operations

Gain per share from operations for the year is based upon the attributable gain of £135,860 (2012: loss of £3,684,613) and 53,610,921 (2012: 50,050,000) shares, being the weighted average number of shares in issue during the year. The earings used in diluted gain per share calculation is £135,860 (2012: loss of £3,684,613). The diluted weighted average number of shares in issue assuming no exercise of options at less than fair value was 53,610,921 (2012: 50,220,718). No diluted loss per share is provided as it would reduce the basic loss per share.

#### 6. Cash and cash equivalents

These compromise cash held at bank and short term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximates to their fair value.

#### 7. Trade and other payables

Trade and other payables comprise amounts outstanding for ongoing costs. The carrying amount of these liabilities approximates to their fair value.

B. Share capital		
	2013	2012
	0003	£000
Issued and fully paid share capital		
Value		
At 1 January	5,005	5,005
Net issued in the year	372	-
At 31 December	5,377	5,005
Shares	Number	Number
At_1-January	50,050,000	50,050,000
Net issued in the year	3,721,229	-
At 31 December	53,771,229	50,050,000
Share premium		
	2013	2012
	0003	£000
At 1 January	42,595	42,595
On shares issued in the year	1,056	-
Related issue costs	(522)	-
As at 31 December	43,129	42,595

#### 10. Financial instruments

The Company held the following categories of financial assets and liabilities, which have a carrying value the same as fair value at 31 December 2013.

	2013	2012
	£000	£000
Assets		
Cash and cash equivalents – held as loans and receivables	20,207	19,511
Liabilities		
Trade and other payables – held at amortised cost	42	272
Derivative financial liabilities (see note 13) – held at fair value through profit or loss	19	-
	61	272

The inputs for calculating the fair value of derivative financial liabilities are not all based on observable market data and consequently they are classified as Level 3 financial instruments as defined by IFRS 7 (see note 13).

The principal risks facing the Company in respect of its financial instruments are:

- interest risk, arising from movements in interest rates on cash and cash equivalents. If interest rates during the year were 1% higher, the impact on the Company's loss for the year would have been to decrease it by £277,994 (2012: £310,292). It is assumed that interest rates are unlikely to fall below the current level.
- credit risk, arising from the failure of another party to perform according to the terms of its contract. The Company reduces credit risk by placing cash and cash equivalents with highly rated financial institutions and restricts the maximum exposure to any single financial institution.

#### 11. Share based payments - options

On listing in 2010, the Company granted an option to Lord Levene to subscribe for 200,000 ordinary shares at 10p, exercisable without further condition from 14 October 2011 up until 9 December 2013. During the year, Lord Levene indicated that he would not exercise the options and accordingly they lapsed on 9 December 2013.

Details of share options outstanding are as follows:

Weighted average price	
200,000	10
	-
200,000	10
<u>.</u>	
•	,
	200,000

The second secon		2012	
·		Weighted average price	
		Pence	
At 1 January 2012	11,700,000	128	
Granted during the year	-	-	
Lapsed / exercised during the year	11,500,000	130	
Outstanding at 31 December 2012	200,000	10	
Exercisable at 31 December 2012	200,000	10	

#### 12. Share based payments - founder warrants

On 1 May 2011, Lord Levene was granted Founder warrants, entitling him to subscribe for 0.7278% of the Company's fully diluted share capital at 130 pence per ordinary share. The Founder warrants would expire on 31 August 2020 unless previously exercised or lapsed. These warrants were voluntarily surrendered on 11 January 2013. The Company is obliged to treat these under IFRS2 as share based payments for accounting purposes on the ground that they are in effect, a payment for services rendered to the Company. Similar treatment has been applied to Founder warrants issued during the year to Kinmont and Cenkos. Founder warrants issued to shareholders on 11 January 2013 have been treated as derivative financial instruments, see note 13.

Details of Founder warrants outstanding at 31 December 2013 are as follows:

าก	4	
Zυ	ι	÷

		Weighted average price	
·		Pence	
At 1 January 2013	489,635	130	
Granted during the year	535,860	130	
Lapsed / exercised during the year	(489,635)	130	
Outstanding at 31 December 2013	535,860	130	
Exercisable at 31 December 2013	•	· -	

2012

·		Weighted average price
		Pence
At 1 January 2012	489,635	130
Granted during the year	-	
Lapsed / exercised during the year	-	-
Outstanding at 31 December 2012	489,635	130
Exercisable at 31 December 2012	-	

The options have been fair valued using the Black Scholes valuation model. Assumptions used are as follows:

	2013
Expected volatility	44.00%
Risk free interest rate at grant	0.59%
Dividend yield	0%
Expected life	3 years

Expected volatility was based on the median volatility of the Stoxx 600 Euro banks constituents. The expected life is based on the cut-off date for an investment post restructure.

There were 535,860 Founder warrants granted and 489,635 lapsed during the year (2012: none). The Company recognised a total gain of £273,359 in 2013 (2012: expense £39,039) in respect of Founder warrant share based payment transactions.

#### 13. Derivative financial liabilities - share warrants

On listing in 2010, the Company issued Placee warrants to institutional shareholders, equivalent to 7.4% of the Company's fully diluted share capital. In addition Placee B warrants were issued, on similar terms to the Placee warrants, to non-institutional shareholders equivalent to 0.08% of the fully diluted share capital. Of the monies raised on listing, £896,000 has been attributed to the fair value of the warrants issued at the same time for nil consideration. On 11January 2013, additional Placee and Founder warrants were issued as described in the Strategic Report. Founder warrants issued to shareholders are treated as derivative financial liabilities.

	2013
	Weighted average price
	Pence
4,493,213	100
906,371	100
(20,020)	
5,379,564	100
5,379,564	100
	906,371 (20,020) 5,379,564

Founder warrants - non-share based payments		Weighted average price Pence
At 1 January 2013	-	-
Increase during the year	986,469	130
Lapsed / exercised during the year	(3,656)	1
At 31 December 2013	982,813	130
Exercisable at 31 December 2013	982,813	130

	£000
Fair value	
At 1 January 2013	
Increase in fair value credited to income statement	19
At 31 December 2013	19

Placee and Placee B warrants		Weighted average price	
		Pence	
At 1 January 2012	5,031,912	100	
Increase during the year	-	100	
Lapsed / exercised during the year	538,699	_	
At 31 December 2012	4,493,213	100	
Exercisable at 31 December 2012	4,493,213	100	
		£000	
Fair value			
At 1 January 2012		82	
Decrease in fair value credited to income statement		(82	

The share warrants, including Placee, Placee B and non-share based payment Founder warrants, have been fair valued using the Monte Carlo valuation model. Assumptions used are as follows:

•	2013
	37.00%
- at issue date	1.19%
- at 31 December 2013	0.72%
	0%
	2 years
	– at issue date

Expected volatility was based on the median volatility of the Stoxx 600 Euro banks constituents.

#### 14. Lease commitments

At the year end, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2013 £000	2012 £000
Less than one year	<del>.</del>	88
Two to five years	-	-
	-	88

#### 15. Related party transactions

In the opinion of the Board, the related parties are the directors. There were no related party transactions during the year other than those disclosed in the Directors' Remuneration Report.

#### 16. Financial commitments

The Company has no financial commitments.

#### 17. Investment in subsidiary

The Company owns all of the issued share capital (being £1) of NGB New Generation Limited, incorporated on 15 December 2011. The subsidiary is dormant and has not traded to date.

#### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the fourth Annual General Meeting of NBNK Investments plc (the "Company") will be held on Monday 23 June 2014 at 2.00pm at Fifth Floor, 100 Wood Street, London EC2V 7EX for the transaction of the following business:

To consider and, if thought fit, to pass the following resolutions, numbers 1 to 6 and 9 of which will be proposed as ordinary resolutions and numbers 7 and 8 of which will be proposed as special resolutions:

- THAT the Company's audited financial statements for the year ending 31 December 2013, together with the directors' report, strategic report and the auditor's report on those statements, be received.
- 2. THAT Wilbur L. Ross, Jr. be re-elected as a director of the Company.
- 3. THAT Lord Brennan of Bibury be re-elected as a director of the Company.
- 4. THAT BDO LLP be re-appointed as auditors of the Company until the conclusion of the next Annual General Meeting of the Company.
- 5. THAT the directors be authorised to determine the auditors' remuneration.
- 6. \_\_THAT-for\_the\_purposes\_of-section=551\_of the Companies\_Act=2006 (the "Act")=(and so that expressions used in this resolution bear the same meanings as in the said section 551):
  - (1) the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Act respectively up to a maximum nominal amount of £1,790,581.93 to such persons and at such times and on such terms as they think proper, during the period expiring, unless previously revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company;
  - (2) the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (as defined in section 560 of the Act) in connection with a rights issue in favour of the holders of equity securities and any other persons entitled to participate in such issue where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as maybe) to the respective number of equity securities held by them up to a maximum aggregate nominal amount of £1,790,581.93 during the period expiring, unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and
  - (3) the Company be and is hereby authorised to make prior to the expiry of such period any offer or agreement which would or might require such shares or rights to be allotted or granted after the expiry of the said period and the directors may allot such shares or grant such rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution,

so that all previous authorities of the directors pursuant to the said section 551 be and are hereby revoked.

- 7. THAT, subject to the passing of resolution 6 set out in the notice convening this meeting, the directors be and are empowered in accordance with section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred on them in resolution 6 above as if section 561(1) and sub-sections (1) (6) of section 562 of the Act did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to:
  - (1) the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities (but in the case of the authority granted by resolution 6(2) above by way of a rights issue only) and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and
  - (2) the allotment (otherwise than pursuant to paragraph 7(1) above) of equity securities up to an aggregate nominal value not exceeding £268,856;

and this power shall expire unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company, but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

- 8. THAT the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Act to make market purchases (as defined in section 693 of the Act) of ordinary shares of 10p each in the capital of the Company provided that:
  - (1) the maximum number of ordinary shares hereby authorised to be purchased is 5,377,122;
  - (2) the minimum price (exclusive of expenses) which may be paid for such ordinary shares is 10p per share, being the nominal amount thereof;
  - (3) the maximum price (exclusive of expenses) which may be paid for such ordinary shares shall be an amount equal to the higher of (i) 5 per cent. above the average of the middle market quotations for an ordinary share as derived from the AIM Appendix to The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made and (ii) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the trading venue where the purchase is carried out;
  - (4) the authority hereby conferred shall (unless previously renewed or revoked) expire at the end of the next Annual General Meeting of the Company; and
  - (5) the Company may make a contract to purchase its own ordinary shares under the authority conferred by this resolution prior to the expiry of such authority, and such contract will or may be executed wholly or partly after the expiry of such authority, and the Company may make a purchase of ordinary shares in pursuance of any such contract.
- 9. THAT the Company be and is hereby generally and unconditionally authorised to continue to pursue the Company's investing policy as described in the section headed "Business Strategy" of the Company's AIM Admission Document dated 20 August 2010, as amended by the terms of the section headed "Investment policy following Share

Subscription and Tender Offer" of the Company's Subscription and Tender Offer Circular dated 13 December 2012, until such time as the investing policy has been substantially implemented, provided that this power shall expire, unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company.

BY ORDER OF THE BOARD

Law Debenture Corporate Services Limited, Secretary

7 May 2014

Registered office:

Fifth Floor 100 Wood Street London EC2V 7EX

Registered company no. 7303316

#### Notes to the notice of Annual General Meeting

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy to exercise all or any of the rights of the member to attend and speak and vote on his behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
- (2) To appoint a proxy you may:
  - a. use the Form of Proxy enclosed with this notice of Annual General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be received by post or (during normal business hours only) by hand at Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or at www.capitashareportal.com, in each case no later than 2.00pm on Thursday 19 June 2014 (being not less than 48 hours before the meeting excluding non-working days); or
  - if you hold your shares in uncertificated form, use the CREST electronic proxy appointment service as
    described in Note 8 below.

Completion of the Form of Proxy or appointment of a proxy through CREST will not prevent a member from attending and voting in person.

- (3) Any member attending the meeting has the right to ask any question at the meeting relating to the business of the meeting.
- (4) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only shareholders registered in the register of members of the Company as at 6pm on 8 May 2013 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6pm on the day which is two days before the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- (5) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (6) The Company has an issued share capital at 7 May 2014 (being the latest practicable date prior to publication of this notice of Annual General Meeting) of 53,771,229 Ordinary Shares with voting rights and no restrictions and no special rights with regard to control of the Company. There are no other classes of share capital and none of the Company's issued shares are held in treasury. Therefore, the total number of voting rights in the Company as at 7 May 2014 (being the latest practicable date prior to publication of this notice of Annual General Meeting) is 53,771,229.
- (7) In the following paragraphs, information is given about each resolution:

Resolution 1 – annual report, strategic report and audited financial statements (ordinary resolution). It is a legal requirement that the directors lay before the Company's shareholders the Company's accounts, directors' report, strategic report and the audit report. The report and financial statements cover the year ending 31 December 2013.

Resolutions 2 - 3 - re-election of directors (ordinary resolutions). The articles of association of the Company require the directors to retire at the subsequent annual general meeting following their appointment and the Board has separately resolved that all directors will retire and offer themselves for re-election annually. In accordance with the articles of

association of the Company, Wilbur L. Ross, Jr. was appointed as a director by the Board on 11 January 2013 and he now seeks re-election. Lord Brennan (who has been a director since 16 July 2010) is also seeking re-election as a director. Brief biographies of the directors are set out on page 2 of the annual report and financial statements. The Board supports the re-election of both directors.

Resolutions 4 and 5 – appointment of auditors and determination of their remuneration (ordinary resolutions). The Company is required to appoint auditors at each annual general meeting at which financial statements are presented, to hold office until the conclusion of the next such meeting. The Board first appointed BDO LLP as auditors for the Company's annual report and financial statements in 2010 and is satisfied with the way that audits have been conducted. As the Company continues to develop its strategy, the directors will keep under review the Company's ongoing audit requirements. For the time being, the directors are content to recommend that shareholders appoint BDO LLP to continue in office until the conclusion of the Company's next annual general meeting. Resolution 5 authorises the directors, in accordance with standard practice, to negotiate and agree the remuneration of the auditors.

Resolution 6 – general authority to allot shares (ordinary resolution). The resolution asks shareholders to grant the directors authority under section 551 of the Act to allot shares or grant such subscription or conversion rights as are contemplated by sections 551(1)(a) and (b) respectively of the Act up to a maximum aggregate nominal value of £3,581,163.85, being approximately 66.6 per cent. of the nominal value of the issued ordinary share capital of the Company as at 7 May 2014 (being the latest practical date prior to publication of this notice of annual general meeting). £1,790,581.93 of this authority is reserved for a fully pre-emptive rights issue. This is the maximum permitted amount under best practice corporate governance guidelines. The authority will expire at the next annual general meeting of the Company in 2015. The directors have no present intention of exercising such authority. All previous authorities of the directors pursuant to section will be revoked.

Resolution 7 – disapplication of statutory pre-emption rights (special resolution). If the directors wish to allot unissued shares or other equity securities for cash or sell any shares which the Company holds in treasury following a purchase of its own shares pursuant to the authority in resolution 8, the Act requires that such shares or other equity securities are offered first to existing shareholders in proportion to their existing holding. Resolution 7 asks shareholders to grant the directors authority to allot equity securities or sell treasury shares for cash up to an aggregate nominal value of £268,856 (being 5 per cent. of the Company's issued ordinary share capital as at 7 May 2014 (being the latest practicable date prior to publication of this notice of annual general meeting)) without first offering the securities to existing shareholders. The resolution also disapplies the statutory pre-emption provisions in connection with a rights issue, but only in relation to the amount permitted under resolutions 6(1) and/or 6(2), and allows the directors, in the case of a rights issue, to make appropriate arrangements in relation to fractional entitlements or other legal or practical problems which might arise. The authority will expire at the next annual general meeting of the Company, in 2015.

The directors believe that it is in the best interests of the Company to have the authority to allot or grant such subscription and conversion rights over a maximum of 2,688,561 Ordinary Shares other than on a pre-emptive basis.

Resolution 8 - Purchases of own shares by the Company (special resolution). Resolution 8 to be proposed at the Annual General Meeting seeks authority from holders of ordinary shares for the Company to make market purchases of ordinary shares, such authority being limited to the purchase of 10 per cent. of the ordinary shares in issue as at 7 May 2014 (being the latest practicable date prior to publication of this notice of Annual General Meeting). The maximum price payable for the purchase by the Company of ordinary shares will be limited to the higher of 5 per cent. above the average of the middle market quotations of the ordinary shares, as derived from the AIM Appendix to the London Stock Exchange Daily Official List, for the five business days prior to the purchase and the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the trading venue where the purchase is carried out. The minimum price payable by the Company for the purchase of ordinary shares will be 10p per share (being the nominal value of an ordinary share). The authority to purchase ordinary share will only be exercised if the directors consider that there is likely to be a beneficial impact on earnings per ordinary share and that it is in the best interests of the Company at the time. The Company is allowed to hold in treasury any shares purchased by it using its

distributable profits. Such shares will remain in issue and capable of being re-sold by the Company or used in connection with certain of its share schemes. The Company would consider, at the relevant time, whether it was appropriate to take advantage of this ability to hold the purchased shares in treasury.

Resolution 9 – Authorisation to continue investing policy (ordinary resolution). Resolution 9 to be proposed at the Annual General Meeting seeks authority from holders of ordinary shares for the Company to continue to pursue the Company's investing policy as described in the section headed "Business Strategy" of the Company's AIM Admission Document dated 20 August 2010, as amended by the terms of the section headed "Investment policy following Share Subscription and Tender Offer" of the Company's Subscription and Tender Offer Circular dated 13 December 2012, until such time as the investing policy has been substantially implemented. Under Rule 8 of the AIM Rules for Companies, companies (such as NBNK Investments plc) whose primary business is, inter alia, the acquisition of one or more other businesses or companies, are required to seek shareholder approval to continue the pursuit of that business if they have not substantially completed their strategy within 18 months of admission to trading on AIM. The Company accordingly seeks approval to continue with its investing policy. If granted, this power will expire at the end of the next Annual General Meeting of the Company, unless sooner revoked or varied by the Company in general meeting.

(8) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual (<a href="www.euroclear.com/CREST">www.euroclear.com/CREST</a>). The message must be transmitted so as to be received by the issuer's agent, Capita Registrars (ID R055), by 2.00pm on Thursday 19 June 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).



### **Annual Return**



X4B3SPRR

Received for filing in Electronic Format on the:

the: 07/07/2015

Company Name:

NBNK INVESTMENTS PLC

Company Number:

07303316

Date of this return:

02/07/2015

SIC codes:

Office:

82990

Company Type:

Public limited company

Situation of Registered

001

FIFTH FLOOR 100 WOOD STREET

LONDON

EC2V 7EX

## Single Alternative Inspection Location (SAIL)

The address for an alternative location to the company's registered office for the inspection of registers is:

NORTHERN HOUSE WOODSOME PARK

FENAY BRIDGE HUDDERSFIELD WEST YORKSHIRE

HD8 0GA

There are no records kept at the above address

## Officers of the company

## Company Secretary 1

Type: Corporate

Name: LAW DEBENTURE CORPORATE SERVICES LIMITED

Registered or

principal address: 100 WOOD STREET

LONDON EC2V 7EX

European Economic Area (EEA) Company

Register Location: UNITED KINGDOM

Registration Number: 3388362

Company Director  Type: Full forename(s):	<pre>Person LORD DANIEL JOSEPH</pre>
Surname:	BRENNAN
Former names:	
Service Address:	5 CLIFFORD STREET LONDON W1S 2LG
Country/State Usually Re.	sident: UNITED KINGDOM
Date of Birth: 19/03/1942 Occupation: UK	Nationality: BRITISH

Company Director 2

Type: Person

Full forename(s): MR STEPHEN LLOYD

Surname: JOHNSON

Former names:

Service Address: FIFTH FLOOR, 100 WOOD STREET

LONDON ENGLAND EC2V 7EX

Country/State Usually Resident: USA

Date of Birth: 02/03/1976 Nationality: AMERICAN

Occupation: PRIVATE EQUITY

**PROFESSIONAL** 

## Statement of Capital (Share Capital)

Class of shares	ORDINARY	Number allotted	53771229
C	CDD	Aggregate nominal value	53771229
Currency	GBP	Amount paid per share	0.1
		Amount unpaid per share	0

Prescribed particulars

ALL SHARES RANK PARI PASSU AMONGST EACH OTHER AND HAVE EQUAL VOTING RIGHTS.

Statem	ent of Capi	al (Totals)		
Currency	GBP	Total number of shares	53771229	
		Total aggregate nominal value	53771229	

## Full Details of Shareholders

The details below relate to individuals / corporate bodies that were shareholders as at 02/07/2015

The company's shares were admitted to trading on a market during the period of this return and it was an issuer to which the shareholders notification requirements of Chapter 5 of the FSA's Disclosure and Transparency Rules source book applied throughout the period of the return

The Company was not required to provide details of any shareholders

#### Authorisation

Authenticated

This form was authorised by one of the following:

Director, Secretary, Person Authorised, Charity Commission Receiver and Manager, CIC Manager, Judicial Factor.

# NBNK INVESTMENTS PLC

\*L59TDUXK\* LD5 24/06/2016 #4

**Annual Report and Financial Statements** 

For the year ended 31 December 2015

NBNK Investments plc

Registered number: 07303316

#### **CONTENTS**

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1. Chairman's review 2. Board biographies 3. Corporate advisers 4. Strategic report 6. Directors' report Directors' remuneration report 8. Independent auditor's report to the members of NBNK 10. Investments plc Income statement and statement of comprehensive income 12. 13. Statement of financial position Statement of changes in equity 14. 15. Statement of cash flows 16. Notes to the accounts 27. Notice of annual general meeting 28. Notes to the notice of annual general meeting

Registered number: 07303316

#### Chairman's review

We have continued to maintain the Company at low cost while appropriate opportunities have been sought to make an acquisition in accordance with the Company's investment policy. During the fourth quarter of 2015, we were in continuing discussions with certain businesses that we felt might make suitable acquisition targets. As a result, on 7 January 2016 we informed shareholders that the board had resolved to extend until 11 April 2016 the point at which the directors would consider if it was appropriate to return unused funds to shareholders and/or to wind up the Company. On that date, we confirmed that the further negotiations with potential targets had not produced an acquisition proposition capable of being recommended to shareholders for approval. As a consequence, the directors resolved that it was appropriate to return unused funds to shareholders and/or to wind up the Company. Detailed consideration has begun into the most cost effective and timely way to achieve this.

Consequently, this annual report and financial statements is being prepared on a wind-up basis.

On behalf of the board, I would like to thank shareholders for their support. Some shareholders have been with the Company since inception, others joined more recently, but all have been very supportive of the mission that NBNK set out to achieve. The board and I are disappointed that we were unable to deliver an acquisition that would have fulfilled the Company's investing policy and given value to shareholders.

Stephen L. Johnson Chairman

#### **Board Biographies**

#### Stephen L. Johnson, (Chairman, Non-executive Director)

Stephen L. Johnson is a Principal at WL Ross & Co LLC. He has worked closely with Wilbur Ross on NBNK matters since certain funds managed by the WL Ross & Co Group acquired a significant holding in the Company in January 2013. A US citizen and graduate of the University of Southern California, Steve has worked in private equity for most of his career and has been with the WL Ross & Co Group since July 2007. He is also a director at Eurobank Ergasias SA, one of the largest banks in Greece, and is involved in investments across banking, insurance, and specialty lending for WL Ross.

#### Lord Brennan of Bibury QC (Non-executive Director)

Lord Brennan is a member of the House of Lords. In 1999 he was Chairman of the Bar of England and Wales. He is also Chairman of the Caux Round Table Global Governing Board and Chairman of Juridica Investments Limited. His special interests include international development and financial and corporate governance, in particular in connection with the recent financial crisis.

#### **Corporate Advisers**

#### Registered office

Fifth Floor

100 Wood Street

London

EC2V 7EX

Company number: 07303316

#### Nominated Advisers

Cenkos Securities Plc

6.7.8. Tokenhouse Yard

London

EC2R 7AS

#### **Company Secretary**

Law Debenture Corporate Services Limited

Fifth Floor

100 Wood Street

London

EC2V 7EX

#### Registrars

Capita Asset Services

Northern House

Woodsome Park

Fenay Bridge

Huddersfield

West Yorkshire

HD8 0LA

#### Auditors

**BDO LLP** 

55 Baker Street

London

W1U 7EU

#### **Bankers**

Coutts & Co

440 Strand

London

WC2R 0QS

#### Strategic report

The directors present their strategic report for the year ended 31 December 2015.

#### Objective, business model and strategy

The Company's objective is to try and make a significant acquisition in the European financial services sector. It has raised a significant sum from shareholders for this purpose and the directors were engaged throughout 2015 in seeking acquisition opportunities to meet its objective. The reported remit was that, if this objective was not met by 11 January 2016, then the directors would consider whether it was appropriate to return unused funds to shareholders. Although a brief extension to that timetable was agreed and announced by the directors, discussions with remaining potential acquisition targets did not progress satisfactorily and accordingly, on 11 April 2016, the Company announced that, there being no reasonable prospect for a successful acquisition, in line with the Company's investing policy the directors had resolved to return unused funds to shareholders.

The business model in 2015 was to run the Company at minimal cost. To that end, we retained a registrar, company secretary and our NOMAD and we paid to keep up the Company's proprietary and intellectual rights, its insurances, its telecom needs and its regulatory costs. These costs were managed carefully.

#### Review of 2015

During the year, the directors considered a number of possible acquisitions, but upon detailed examination (funded initially by the WL Ross Group) none of these were considered worthy of further development.

#### Share capital

The Company's issued share capital was 53,771,229 ordinary shares of 10 pence each at 31 December 2015. The Company's warrant structure is as follows:

- Placee warrants funds within the WL Ross Group own Placee warrants entitling them to subscribe for ordinary shares representing 2.4092% of the fully diluted share capital of the Company on the same terms as the pre-existing Placee warrants which provide subscription rights over 6.3584% of the fully diluted share capital;
- Placee B warrants issued to the directors and certain others at listing up to a maximum of 0.08% of the fully diluted share capital at a subscription price

of 100 pence per share. The exercise period is as described above. Details of the Placee B warrants issued to the directors are included within the Directors' Remuneration Report on page 8; and

Founder warrants – Founder warrants in issue to certain shareholders give them an entitlement to subscribe for ordinary shares representing 2.5% of the fully diluted share capital of the Company.

The fully diluted share capital of the Company at the date of this report was 60,667,480.

#### **Corporate Governance**

While the Company was in the process of bidding for the Project Verde assets, the directors strived insofar as practicable given the Company's size and nature, to comply with the UK Corporate Governance Code. Following the initial decision in June 2012 to wind up the Company, the directors considered it necessary only to maintain the standards required for AIM compliance. Following the admission of the WLR Funds as principal shareholder on 11 January 2013, the board has operated on a streamlined, low cost basis, compliant with the obligations of an AIM listed company but without seeking compliance with any particular corporate governance code. Consequently, our corporate governance report for the year ended 31 December 2015 is abbreviated to the following:

All of the directors, including the Chairman, who served during the year are assessed by the board to be non-executive directors ('NEDs') and were independent throughout the period that they served. There were three board meetings, attended by all directors.

Reflecting the unusual circumstances of the Company during the period, the board did not operate any committees, instead taking upon itself the work that committees would ordinarily undertake. All directors were present at all meetings that they were required to attend. Directors are subject to annual re-election by shareholders. There were engagement letters in place governing their appointments.

The board considered that it was not appropriate to have an internal audit function for as long as the Company continued to be run on a streamlined basis.

#### Key performance indicators ('KPIs')

The principal financial KPI is the rate at which the Company is spending its listing proceeds. The directors monitor the management accounts of the Company to ensure that expenditure is proportionate and consistent with the Company's current status. Suitable controls are in place to enable the directors to respond quickly to changes in the Company's circumstances.

The principal non-financial KPI is the Company's progress towards an acquisition. The Board monitored discussion progress and the chairman was personally and actively involved in all aspects of the discussions.

#### **Dividend policy**

The Company has not paid a dividend while potential acquisitions were being sought. The strategy was that, following an acquisition, the Company would seek to build up its operations during its first two to three years, during which time it would have been unlikely that the Company would pay dividends. Thereafter, and subject to compliance with the Companies Act 2006 and regulatory capital requirements, it would have been the intention of the directors to pay dividends on the basis of a progressive dividend policy.

#### Principal risks and uncertainties

The principal risk for the Company remained that it would fail to secure an acquisition. As reported above, this has come to pass and at the date of this report, the directors are taking steps necessary to return unused funds to shareholders.

#### Risk management and internal control

While the Company remained in pre-acquisition mode, the framework of internal controls was relatively simple. The main features of the Company's internal control and risk management systems were as follows:

- the board received periodic reports from the company secretary and NOMAD about legal and regulatory developments and the steps that the board must take to comply;
- it reviewed reports by the external auditors on the annual audit;
- the board ensured that proper accounting records were maintained so that it could rely on financial information it received to make appropriate strategic and business decisions and that the Company's

assets were safeguarded; and

 as required, reports were made to the board on matters relating to insurance, taxation, accounting and cash management as well as legal, compliance and company secretarial issues.

The systems of internal risk management and financial controls that the board had in place were proportionate to the Company's operational status at the period end and provided reasonable assurance against fraud, mismanagement and against material mis-statement and loss.

#### **Directors' shareholdings**

Beneficial interests in the ordinary shares of the Company are set out in the Directors' Remuneration report on page 9.

By order of the Board

Law Debenture Corporate Services Limited

Company Secretary

12 May 2016

#### Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2015. The Company, which is listed on AIM, has one non-trading subsidiary (see note 15). Therefore, the financial statements at pages 12-26 relate to the Company's activities alone. The strategic report at pages 4 and 5 forms a part of this directors' report.

The directors of the Company who served in the year are:

Stephen L. Johnson (Chairman); and Lord Brennan of Bibury QC.

Appropriate insurance cover in respect of legal action against the directors was maintained and the directors had access to independent professional advice at the Company's expense (although no director took advantage of this).

#### Results and dividends

The Company made a loss for the year of £271,000 (2014: loss of £182,000). The increase in size of the loss reflects one-off legal costs, a legacy of the Company's previous attempts to acquire the Project Verde assets.

The directors do not recommend payment of a dividend (2014: nil).

Subsequent to the year end, the directors agreed a payment to WL Ross & Co LLC of £281,000 (see Note 16).

#### **Substantial shareholdings**

The directors are aware of the following existing shareholders of the Company who hold an interest, either directly or indirectly, in 5% or more of the issued share capital of the Company as at 31 December 2015:

Name	% of issued share capital held
WL Ross and Co Funds	29.90
Crystal Amber	28.24
Invesco Asset Management	27.46
Bailie Gifford & Co	5.56

#### Other shareholding disclosures

The Company is not aware of any person or entity who, directly or indirectly, jointly or severally, would or could

exercise control over the Company and there are no arrangements in place, the operation of which could result in a change of control of the Company.

There are no loans or guarantees granted or provided by the Company to or for the benefit of any of the directors.

#### Directors' conflicts of interest

The directors are under a statutory duty to avoid conflicts of interest. The board has established procedures to deal with conflicts and potential conflicts. Each director has declared all matters that might give rise to a potential conflict of interest and these have been considered and, as required, approved by the board. In the opinion of the directors, the procedures on managing conflicts of interest are working effectively.

No director has or has had any interest in any transaction with the Company which is or was unusual in its nature or conditions or significant to the business of the Company and effected during the year under report.

#### Shareholder relations

The Company has a relatively small number of shareholders. In addition to the regulatory obligations to keep shareholders informed of developments through general announcements, the Company's NOMAD maintained dialogue and communication between the board and shareholders. Shareholders (including shareholders within nominee companies where the nominee has made appropriate arrangements) receive a copy of the annual report and of any interim and half yearly statements.

The annual general meeting will take place on Tuesday 21 June 2016 at the Company's registered office. Full disclosure of the number of votes cast for and against resolutions will be published on the Company's website. The Notice of Annual General Meeting appears at page 27. The board believes that the resolutions to be put to shareholders are in the best interests of the shareholders as a whole and, accordingly, recommends that the shareholders vote in favour of the resolutions, as the directors intend to do in respect of their beneficial shareholdings in the Company.

#### **Employee participation**

The Company has no employees.

#### Principal risks and uncertainties

These are set out in the strategic report.

#### **Political donations**

The Company has not made any payments or donations that would be classified as political donations.

## Statement of directors' responsibilities in relation to the financial statements

The directors are responsible for preparing the directors' report, strategic 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 have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the Company for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these 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 they have been prepared in accordance with IFRSs as adopted by the European Union, 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. As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

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 requirements of 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.

#### Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

#### Statement of information given to auditors

The directors have confirmed that so far as they aware, there is no relevant audit information of which the Company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### Statement of going concern

The directors have disclosed the current status of the Company. The directors have determined that it is no longer appropriate for the Company to continue its activities. Accordingly, the financial statements have been prepared not on the going concern basis, but instead on a wind-up basis.

Shareholders accepted, when the Company listed on AIM, and ongoing in January 2013 when the WLR Funds were admitted, that there was a risk of the Company not being able to succeed in its strategy, in which event, they would not receive back the full value of their original investment.

#### **Auditors**

Since these are the last financial statements that the Company will prepare, no resolution will be proposed at the annual general meeting to appoint or re-appoint auditors.

By order of the Board Law Debenture Corporate Services Limited Company Secretary 12 May 2016

#### **Remuneration Report**

Set out below is a Remuneration Report for NBNK Investments plc for 2015. All of the information in the report is historical. AlM listed companies are not required to comply with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. Certain parts of the report are required to be audited, however, and the relevant sections are clearly identified below.

## Remuneration Committee – membership and advisers

 Due to the status of the Company throughout the period under review, the board deemed it unnecessary to operate a separate remuneration committee.

#### 2. The Company's remuneration policy

The Company has no employees so has not operated a formal executive remuneration policy. Non-executive directors received a nominal fee while the Company sought an acquisition.

#### 3. The Chairman

The chairman throughout the period was Stephen Johnson. He received a nominal, one off fee of £1 at appointment and received no other benefits. His contract was for a fixed term of three years (subject to annual reelection) at appointment, but subject to one month's notice by either party. He is not entitled to compensation upon ceasing office.

#### 4. Remuneration of non-executive directors

Lord Brennan's appointment was for a fixed term until 16 January 2016 and has subsequently been renewed on a rolling monthly basis, subject to annual re-election by the shareholders, unless terminated earlier by either party upon three months' notice in writing. Continuation of the contract of appointment is contingent on satisfactory performance and he may have his appointment terminated without notice or compensation in certain circumstances. There are no provisions for compensation payable on early termination of the appointment (save for the three month notice obligation). NEDs are expected to attend all meetings of the Board and any of the committees on which they served. Lord Brennan received an annual fee for the year of £10,000.

#### 5. Share incentive arrangements

As described in the initial Admission Document, the Company has shareholder agreement to introduce a number of long term employee share schemes to facilitate engagement of senior staff. Details of these schemes are set out in full in the initial Admission Document and comprise the usual suite of options and a performance share plan for executives and SAYE and SIP to operate on an all-employee basis. Since the Company has no employees, these schemes are not in operation and there are no options outstanding. They will terminate, with no liability to the Company, at the point that the Company is dissolved.

#### 6. Directors' emoluments for the year ended 31 December 2015

	Total salary/fees in	Benefits other	Total receivable for	Total received in
	2015	than cash	2015	2014
	£	£	£	<b>£</b>
W.L. Ross, Jr.*	-	-	-	· -
S Joḥnson*	-	-	-	• 1
Lord Brennan	10,000	-	10,000	10,000
Total	10,000	-	10,000	10,001

In line with Company policy, no short term bonus payments were made to any member of the Board.

As at 31 December 2015, the directors were the key management personnel (defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company). Their compensation is set out above. Total employer's national insurance contributions of £nil were paid (2014: £nil).

#### 7. Founder warrants

The initial Admission Document stated that the Board had delegated authority to the Remuneration Committee to grant Founder warrants over, in aggregate, up to 2.5 per cent. of the Fully Diluted Share Capital (as defined in the initial Admission Document), exercisable at 130 pence per share. None of the directors has personally received any Founder warrants.

#### 8. Directors' shareholdings

At 31 December 2015, the directors of the Company had beneficial interests in the Company's ordinary shares as follows:

	<u>Ordinan</u>	<u>shares</u>	Placee B	warrants *
·			9	<u>'</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Lord Brennan	48,500	48,500	0.007	0.007

<sup>\*</sup> The warrants set out above were issued on the initial subscription for shares in August 2010. They are immediately exercisable at a subscription price of £1 per share, are transferable and remain exercisable until 31 August 2020. The fair value of the warrants at 31 December 2015 is zero as set out at note 13 to the accounts.

<sup>\*</sup> Wilbur Ross resigned and Stephen Johnson appointed on 21 November 2014.

<sup>\*\*</sup> Stephen Johnson does not own shares or warrants beneficially. Companies in the WL Ross Group, Stephen Johnson's employer, own 16,077,597 ordinary shares, plus Placee warrants entitling them to subscribe for 2.4092% of the fully diluted share capital of the Company and Founder warrants entitling them to subscribe for a further 0.4859%.

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NBNK INVESTMENTS PLC

We have audited the financial statements of NBNK Investments plc for the year ended 31 December 2015 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website a www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### Emphasis of matter

Without modifying our opinion on the financial statements we draw your attention to the disclosures made in note 1 to the financial statements concerning the Company's decision to wind up the Company and the basis on which the financial statements have been prepared. As it is the directors' intention to wind up the Company, the financial statements have not been prepared on a going concern basis.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Leigh Wormald (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
London
W1U 7EU
United Kingdom

12 May 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

#### Income statement

for the year ended 31 December 2015

Note .	Year ended 31 December 2015	Year ended 31 December 2014	
	£000	£000	
3	49	50	
2	(320)	(251)	
	(271)	(201)	
12		19	
	(271)	(182)	
4	•	-	
	(271)	(182)	
5	(0.005)	(0.004)	
	3 2 12	31 December 2015 £000  3	

## **Statement of comprehensive income** for the year ended 31 December 2015

·	Year ended 31 December 2015	Year ended 31 December 2014	
	£000	£000	
Loss for year and total comprehensive loss for the year	(271)	(182)	

The notes at pages 16 - 26 form part of these financial statements.

## Statement of financial position

as at 31 December

s at 31 December	mber Note		
	Note	2015	2014
		£000	£000
Current assets		<u></u>	
Accrued income and prepaid expenses		8	ġ
Cash and cash equivalents	6	19,744	20,013
Total current assets		19,752	20,022
Total assets		19,752	20,022
Current liäbilities			· · · · · · · · · · · · · · · · · · ·
Trade and other payables	7	48	47
Derivative financial liabilities	12		
Total current liabilities		48	47
Total net assets		19,704	19,975
Equity			
Called up share capital	8	5,377	5,377
Share premium	9	43,129	43,129
Capital redemption		45	45
Retained losses		(28,847)	(28,576)
Total equity	······································	19,704	19,975

Approved and authorised for issue by the Board on 12 May 2016 and signed on its behalf by:

Stephen J. Johnson

## **Statement of changes in equity** for the year ended 31 December 2015

	Share capital	Share premium	Capital redemption	Accumulated losses	Total
	£000	£000	£000	£000	£000
Total equity as at 1 January 2015	5,377	43,129	45	(28,576)	19,975
Net loss and total comprehensive loss for the year	-	<u>.</u>	· -	(271)	(271)
Total equity as at 31 December 2015	5,377	43,129	45	(28,847)	19,704

## **Statement of changes in equity** for the year ended 31 December 2014

	Share capital			Capital redemption	Accumulated losses	Total
	£000	£000	£000	£000	£000	
Total equity as at 1 January 2014	5,377	43,129	45	(28,394)	20,157	
Net loss and total comprehensive loss for the year	-	-	•	(182)	(182)	
Total equity as at 31 December 2014	5,377	43,129	45	(28,576)	19,975	

### Statement of cash flows

Cash and cash equivalents at 1 January

Cash and cash equivalents at 31 December

for the year ended 31 December 2015 Note Year ended Year ended 31 December 31 December 2015 2014 £000 £000 Operating activities Operating loss before taxation (271) (182)Decrease in fair value of derivative financial liabilities 12 (19) Decrease in receivables 2 Increase in payables 5 Cash flow from operating activities (269)(194)(194) Net decrease in cash and cash equivalents (269)

The notes at pages 16 – 26 form part of these financial statements.

20,013

19,744

20,207

20,013

#### Notes to the accounts

for the year ended 31 December 2015

#### 1. Summary of significant accounting policies

#### General Information

NBNK Investments plc is a public company incorporated in the United Kingdom. The address of the registered office is given on page 3. The Company's operations and its principal activities are to acquire a European financial institution. The financial statements are presented in pounds sterling thousands because that is the currency of the primary economic environment in which the Company operates.

#### Basis of preparation

The financial statements of NBNK Investments plc have been prepared on a basis other than going concern and in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

The financial statements have been prepared under the historical cost convention as amended for use of fair value for derivative financial instruments.

#### Critical accounting estimates and judgements

The preparation of the financial statements necessarily requires the exercise of judgement both in the application of accounting policies which are set out below and in the selection of assumptions used in the calculation of estimates. These estimates and judgements are reviewed on an ongoing basis and are continually evaluated based on experience and other factors. However, actual results may differ from these estimates. None of the estimates or judgements made in the preparation of these financial statements are considered critical.

The calculation of fair value of derivative financial instruments is dependent upon a number of estimates, including the volatility of the Company's share price (see note 10 and note 12). The Company has been listed for only a short period and the estimate of volatility has been arrived at by looking at a number of comparable companies.

#### Application of IFRS

NBNK Investments pic was incorporated during 2010 with the intention of building (primarily through acquisition) a new and substantial UK bank. Its remit is now wider and includes the acquisition of a European financial services company. The Company has to date made no acquisitions and as described in the strategic report, after the period end, the directors have resolved to wind up the Company and return unused funds to shareholders. Therefore, it is not appropriate to set out the accounting policies which will be applicable to the business.

#### New IFRSs, interpretations and amendments not yet effective

Given the current status of the Company, it is highly unlikely that any new standards, interpretations or amendments but not yet effective may ultimately have a material impact on the Company's future financial statements (if any).

#### Segmental reporting

Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the directors in deciding how to allocate resources and in assessing performance. The Company comprises one operating segment.

#### Financial instruments

Financial instruments and equity instruments are classified according to the substance of the contractual arrangements entered into.

#### Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks and other short term highly liquid investments with original maturities of three months or less.

#### Share capital

Ordinary shares are classified as equity.

#### Share based payments

Where share based payments are made in respect of goods or services received as consideration for the Company's own equity, these are accounted for as equity settled share based payments in accordance with IFRS 2. Such payments are measured at fair value at the date of grant using an appropriate option valuation technique, which is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. The fair value of these payments is not subsequently re-measured.

#### Derivative financial instruments

Derivative financial instruments are measured at fair value at date of issue and at any year end at which they are outstanding using an appropriate valuation technique and included in assets or liabilities on the statement of financial position. Differences arising between the issue date and the period end are charged or credited to the income statement.

#### Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial instruments issued by the Company are treated as liabilities if:

- (a) they include contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; or
- (b) the instrument will or may be settled in the Company's own equity instruments and is either a non-derivative that includes an obligation to deliver a variable number of the Company's own equity instruments or is a derivative (other than a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments).

#### Taxation

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense which are either never taxable or deductible or are taxable or deductible in other periods. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each year end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to recover the asset. Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is expected to be settled or the asset is expected to be realised based on tax rates that have been enacted or substantively enacted at the year end date.

#### Revenue recognition

#### Interest income

Interest income is accrued on a time basis using the effective interest rate applicable.

#### Reserves

A description of each of the reserves follows:

#### Share premium

This reserve represents the difference between the issue price of shares and the nominal value of shares at the date of issue, net of related issue costs.

#### Capital redemption

This reserve was created on the cancellation of deferred shares gifted to the Company.

#### Accumulated losses

Accumulated losses represent the current and prior year losses.

#### Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividends are approved by shareholders.

#### 2. Administrative expenses

	2015	2014	
	£000	£000	
Administrative expenses include:			
Salaries and directors' fees	10	10	
Auditor's remuneration – statutory audit of the Company	20	20	

The Company had no employees during the year (2014: none).

Remuneration of directors	•	
	2015	2014
	£000	£000
Directors' emoluments, which comprise the following, are included in administrative expenses:		
Non-executive directors' fees	10	10
Decrease in fair value of derivatives - Placee B warrants	-	(19)
	10	(9)

In line with Company policy, no short term bonus payments were made to any member of the Board.

The emoluments of the highest paid director totalled £10,000 (2014: £10,000).

Details of options held and emoluments of each director are shown in the Remuneration Report as is the statement on key management personnel (see pages 8 - 9).

<b>3</b> .	ın	ter	es	į

	2015	2014 £000
	0003	
Interest income		
Interest on bank deposits	49	50
	49	50

Taxation	2015	2014
· ·	£000	0003
Taxation based on revenue for the year comprises:	·	
UK Corporation tax at 20.25% (2014: 21.5%)	· :	-

The charge for the year can be reconciled to the loss or profit per the income statement as follows:

·		2015	2014
	2000	_£000	
Loss before taxation	<u>.</u>	(271)	. (182)
Tax on ordinary activities at standard rate 20.25% (2014: 21.5%)		(59)	(39)
Effects of:	,		
Losses considered not recoverable		59	39
		•	•

#### Deferred Tax

The company has the following balances in respect of which no deferred tax asset has been recognised:

Tax losses

£20,068,987

Other temporary differences

£201,227

NBNK Investments Plc has unused tax losses of £20.1m in respect of management expenses (2014; £19.7m) for which no deferred tax is recognised in the balance sheet. None of these losses expire within five years.

No deferred tax asset has been recognised in the statement of financial position on 'other temporary differences' of £201k (2014: £201k) arising on accelerated capital allowances. The unrecognised deferred tax asset would be lost on the wind up of the Company.

#### 5. Earnings per share from operations

Loss per share from operations for the year is based upon the attributable loss of £270,489 (2014: loss of £182,701) and 53,711,229 (2014: 53,711,229) shares, being the weighted average number of shares in issue during the year. Diluted earnings per share is the same as earnings per share as the exercise of any potential ordinary shares would result in anti-dilution.

#### 6. Cash and cash equivalents

These comprise cash held at bank and short term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximates to their fair value.

#### 7. Trade and other payables

Trade and other payables comprise amounts outstanding for ongoing costs. The carrying amount of these liabilities approximates to their fair value.

. Share capital		
	2015	2014
	£000	£000
Issued and fully paid share capital (ordinary shares, 10 pence each)		
Value		•
At 1 January	5,377	5,377
Net issued in the year	<u>.</u>	
At 31 December	5,377	5,377
Shares authorised and issued	Number	Number
At 1 January	53,771,229	53,771,229
Net issued in the year	· <u>.</u>	
At 31 December	53,771,229	53,771,229

The Company has no other share capital in issue other than as disclosed above. All ordinary shares rank equally as to rights, including as to dividends and distribution of capital and have been issued fully paid. The Company does not hold any of its own shares and no shares are held for issue under options.

The Company monitors capital which comprises all components of equity.

The Company's objective when maintaining capital has been to safeguard the entity's ability to continue as a going concern and preserve funds for future investment. Following the announcement of the decision to return unused funds to shareholders (see the strategic report), the objective is to safeguard capital so that the maximum amount can be returned to shareholders.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

). Share premium	•	
	2015	2014
	£000	£000
At 1 January	43,129	43,129
On shares issued in the year		•
As at 31 December	43,129	43,129

#### 10. Financial instruments

The Company held the following categories of financial assets and liabilities, which have a carrying value the same as fair value at 31 December 2015.

	48	47
Derivative financial liabilities (see note 12) – held at fair value through profit or loss	<b>-</b>	· -
rade and other payables – held at amortised cost	48	47
Liabilities		·
Cash and cash equivalents – held as loans and receivables	19,744	20,013
Assets	40 744	20.042
· · · · · · · · · · · · · · · · · · ·		2000
·	£000	£000
of Beachiber 2010.	2015	.2014

The inputs for calculating the fair value of derivative financial liabilities are not all based on observable market data and consequently they are classified as Level 3 financial instruments as defined by IFRS 7 (see note 12).

The principal risks facing the Company in respect of its financial instruments are:

- interest risk, arising from movements in interest rates on cash and cash equivalents. If interest rates during the year were
   1% higher, the impact on the Company's loss for the year would have been to decrease it by £198,392 (2014: decrease loss by £200,868). It is assumed that interest rates are unlikely to fall below the current level.
- **credit risk**, arising from the failure of another party to perform according to the terms of its contract. The Company reduces credit risk by placing cash and cash equivalents with highly rated financial institutions and restricts the maximum exposure to any single financial institution.
- **liquidity risk**, arising from the failure of the company being able to settle its debts as they fall due. The directors believe the Company is not exposed to significant liquidity risk, as it holds significant cash and cash equivalents. The amounts displayed in the table above represent contractual undiscounted cash flows.

#### 11. Share based payments - founder warrants

Founder warrants, entitling holders to subscribe for 2.5% of the Company's fully diluted share capital at 130 pence per ordinary share were issued in January 2013. The Company is obliged to treat some of these under IFRS2 as share based payments for accounting purposes on the grounds that they are in effect, a payment for services rendered to the Company having been issues to the Company's advisers, Kinmont and Cenkos. Other Founder warrants issued to shareholders on 11 January 2013 have been treated as derivative financial instruments, see note 12.

Details of affected Founder warrants outstanding at 31 December 2015 are as follows:

		2015
		Weighted average price
	· .	Pence
At 1 January 2015	535,860	130
Granted during the year	-	-
Lapsed / exercised during the year	· -	
Outstanding at 31 December 2015	535,860	130
Exercisable at 31 December 2015	535,860	130

		2014	
		Weighted average price	
		Pence	
At 1 January 2014	535,860	130	
Granted during the year			
Lapsed / exercised during the year	-	-	
Outstanding at 31 December 2014	535,860	130	
Exercisable at 31 December 2014	535,860	130	

#### 12. Derivative financial liabilities - share warrants

On listing in 2010, the Company issued Placee warrants to institutional shareholders, equivalent to 7.4% of the Company's fully diluted share capital. In addition Placee B warrants were issued, on similar terms to the Placee warrants, to non-institutional shareholders equivalent to 0.08% of the fully diluted share capital. Of the monies raised on listing, £896,000 has been attributed to the fair value of the warrants issued at the same time for nil consideration. On 11 January 2013, additional Placee and Founder warrants were issued as described in the strategic report. Founder warrants issued to shareholders are treated as derivative financial liabilities.

20	)1	

	. •	Weighted average price	
Placee and Placee B warrants		Pence	
At 1 January 2015	5,379,564	100	
Increase during the year			
Lapsed / exercised during the year	· .	•	
At 31 December 2015	5,379,564	100	
Exercisable at 31 December 2015	5,379,564	100	

Founder warrants - non-share based payments		Weighted average price Pence
At 1 January 2015	982,813	130
Increase during the year	-	. 2
Lapsed / exercised during the year	<u>.</u>	٠.
At 31 December 2015	982,813	130
Exercisable at 31 December 2015	982,813	130

	£000
Fair value	
At 1 January 2015	÷
Increase in fair value debited to income statement	•
At 31 December 2015	-

	•	2014
Placee and Placee B warrants		Weighted average price
At 1 January 2014	5,379,564	. 100
ncrease during the year		· -
apsed / exercised during the year	·	-
At 31 December 2014	5,379,564	100
Exercisable at 31 December 2014	5,379,564	100
	· ·	• .
ounder warrants - non-share based payments	. ,	Weighted average price
At 1 January 2014	982,813	130
ncrease during the year	· -	<u>:</u>
apsed / exercised during the year	• •	
at 31 December 2014	982,813	130
exercisable at 31 December 2014	982,813	130
		•
		£000
air value		
at 1 January 2014		19
Decrease in fair value credited to income statement		(19)
At 31 December 2014		_

#### 13. Related party transactions

In the opinion of the board, the related parties are the directors. Related party transactions for the year consist of the remuneration of directors, set out in Note 2, and the agreement to pay WL Ross & Co LLC, a company where the Chairman is also a Principal, a payment of £281,000 (see Note 16).

#### 14. Financial commitments

The Company has no financial commitments.

#### 15. Investment in subsidiary

The Company owns all of the issued share capital (being £1) of NGB New Generation Limited, incorporated on 15 December 2011. The subsidiary is dormant and has not traded to date.

#### 16. Subsequent events

At the time of approval of the annual report and financial statements for the year ended 31 December 2015, and as reported in the directors' strategic report, the directors have concluded that there is no reasonable prospect for a successful acquisition, in line with the Company's investing policy, and consequently, they resolved on 11 April 2016 that it is now appropriate to return unused funds to shareholders and to wind up the Company.

In May 2016, the Board agreed a payment of £281,000 to WL Ross & Co LLC for the recovery of legal fees and other due diligence costs undertaken on behalf of NBNK Investment plc on potential acquisitions, that had developed to an advanced stage, beyond initial due diligence.

#### **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the sixth Annual General Meeting of NBNK Investments plc (the "Company") will be held on 21 June 2016 at 2:00pm at Fifth Floor, 100 Wood Street, London EC2V 7EX for the transaction of the following business:

To consider and, if thought fit, to pass the following resolutions, which will be proposed as ordinary resolutions:

- 1. **THAT** the Company's audited financial statements for the year ending 31 December 2015, together with the directors' report, strategic report and the auditor's report on those statements, be received.
- 2. THAT Stephen Johnson be re-elected as a director of the Company.
- 3. THAT Lord Brennan of Bibury be re-elected as a director of the Company.

BY ORDER OF THE BOARD

Law Debenture Corporate Services Limited, Secretary

12 May 2016

Registered office:

Fifth Floor 100 Wood Street London EC2V 7EX

Registered company no. 7303316

#### Notes to the notice of Annual General Meeting

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy to exercise all or any of the rights of the member to attend and speak and vote on his behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
- (2) To appoint a proxy you may:
  - a. use the Form of Proxy enclosed with this notice of Annual General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be received by post or (during normal business hours only) by hand at Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or at www.capitashareportal.com, in each case no later than 2.00pm on 17 June 2016 (being not less than 48 hours before the meeting excluding non-working days); or
  - b. if you hold your shares in uncertificated form, use the CREST electronic proxy appointment service as described in Note 8 below.

Completion of the Form of Proxy or appointment of a proxy through CREST will not prevent a member from attending and voting in person.

- (3) Any member attending the meeting has the right to ask any question at the meeting relating to the business of the meeting.
- (4) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only shareholders registered in the register of members of the Company as at 6pm on 17 June 2016 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6pm on the day which is two days before the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- (5) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (6) The Company has an issued share capital at 12 May 2016 (being the latest practicable date prior to publication of this notice of Annual General Meeting) of 53,771,229 Ordinary Shares with voting rights and no restrictions and no special rights with regard to control of the Company. There are no other classes of share capital and none of the Company's issued shares are held in treasury. Therefore, the total number of voting rights in the Company as at 12 May 2016 (being the latest practicable date prior to publication of this notice of Annual General Meeting) is 53,771,229.
- (7) In the following paragraphs, information is given about each resolution:

Resolution 1 – annual report, strategic report and audited financial statements (ordinary resolution). It is a legal requirement that the directors lay before the Company's shareholders the Company's accounts, directors' report, strategic report and the audit report. The report and financial statements cover the year ending 31 December 2015.

Resolutions 2 - 3 -re-election of directors (ordinary resolutions). The articles of association of the Company require the directors to retire at the subsequent annual general meeting following their appointment and the Board has separately resolved that all directors will retire and offer themselves for re-election annually. In accordance with the articles of

association of the Company, Stephen Johnson was appointed as a director by the Board on 21 November 2014 and he now seeks re-election. Lord Brennan (who has been a director since 16 July 2010) is also seeking re-election as a director. Brief biographies of the directors are set out on page 2 of the annual report and financial statements. The Board supports the re-election of the directors.

(8) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual (<a href="www.euroclear.com/CREST">www.euroclear.com/CREST</a>). The message must be transmitted so as to be received by the issuer's agent, Capita Asset Services (ID RA10), by 2.00pm on 17 June 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).



# **TM01** (ef)

# **Termination of Appointment** of Director or Corporate Director



Company Name: **NBNK INVESTMENTS PLC** 

Company Number: 07303316

Received for filing in Electronic Format on the: 13/08/2012

# Resignation Details

Date of resignation: 10/08/2012

Name: SIR DAVID ALAN WALKER

# Authorisation

Authenticated

This form was authorised by one of the following:

Director, Secretary, Person Authorised, Liquidator, Administrator, Administrative Receiver, Receiver, Receiver Manager, Charity Commission Receiver and Manager, CIC Manager, Judicial Factor.

# **Companies House**

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# **NBNK INVESTMENTS PLC**

Company number 07303316

Registered office address 55 Baker Street, London, W1U 7EU

Company status
Dissolved

Dissolved on 5 April 2018

Company type
Public limited Company

Incorporated on 2 July 2010

#### **Accounts**

Last accounts made up to 31 December 2015

# Nature of business (SIC)

• 82990 - Other business support service activities not elsewhere classified

# Previous company names

Name Period

DE FACTO 9999 PLC 02 Jul 2010 - 02 Aug 2010

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# **NBNK INVESTMENTS PLC**

Company number 07303316

Date	Type	Description	View / Download
15 May 2017	TM01	Termination of appointment of Daniel Joseph Brennan as a director on 12 May 2017	(1 page)
15 May 2017	TM01	Termination of appointment of Stephen Lloyd Johnson as a director on 12 May 2017	(1 page)
28 Jun 2016	AA	Full accounts made up to 31 December 2015	(31 pages)
11 Jun 2016	MR04	Satisfaction of charge 1 in full	(5 pages)
11 Jun 2016	MR04	Satisfaction of charge 2 in full	(5 pages)
07 Jul 2015	AR01	<b>Annual return</b> made up to 2 July 2015 no member list Statement of capital on 2015-07-07	(5 pages)
		• GBP 53,771,229	
17 Jun 2015	AA	Full accounts made up to 31 December 2014	(36 pages)
02 Dec 2014	AP01	Appointment of Mr Stephen Lloyd Johnson as a director on 21 November 2014	(2 pages)
24 Nov 2014	TM01	<b>Termination of appointment</b> of Wilbur Louis Ross Jr as a director on 21 November 2014	(1 page)
08 Jul 2014	AR01	<b>Annual return</b> made up to 2 July 2014 no member list Statement of capital on 2014-07-08	(5 pages)
		• GBP 53,771,229	
02 Jul 2014	AA	Full accounts made up to 31 December 2013	(37 pages)
19 Jul 2013	AR01	Annual return made up to 2 July 2013 no member list	(5 pages)
29 Apr 2013	AA	Full accounts made up to 31 December 2012	(40 pages)
29 Jan 2013	SH06	Cancellation of shares. Statement of capital on 29 January 2013	(5 pages)
		• GBP 5,377,122.9	
29 Jan 2013	SH01	Statement of capital following an allotment of shares on 11 January 2013	(5 pages)
		• GBP 5,377,122.90	
29 Jan 2013	SH03	Purchase of own shares.	(3 pages)
14 Jan 2013	AP01	Appointment of Mr Wilbur Louis Ross Jr as a director	(2 pages)
11 Jan 2013	TM01	Termination of appointment of Peter Levene as a director	(1 page)
11 Jan 2013	TM01	Termination of appointment of Gary Hoffman as a director	(1 page)
11 Jan 2013	TM01	Termination of appointment of Michael Forsyth as a director	(1 page)
13 Aug 2012	TM01	Termination of appointment of David Walker as a director	(1 page)

19 Jul 2012	AR01	Annual return made up to 2 July 2012 no member list	(9 pages)
17 Jul 2012	TM01	Termination of appointment of John Mcfall as a director	(1 page)
02 Jul 2012	AA	Full accounts made up to 31 December 2011	(45 pages)
11 Jul 2011	AR01	Annual return made up to 2 July 2011 with bulk list of shareholders	(19 pages)

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# **NBNK INVESTMENTS PLC**

Company number 07303316

Date	Туре	Description	View / Download
06 Jul 2011	MG01	Duplicate mortgage certificatecharge no:2 This document is currently unavailable, a copy can be ordered from the Contact Centre. Telephone +44 (0)303 1234 500. There is a £3.00 charge per document.	
01 Jul 2011	MG01	Particulars of a mortgage or charge / charge no: 2	(6 pages)
05 May 2011	AP01	Appointment of Mr Gary Andrew Hoffman as a director	(2 pages)
18 Mar 2011	AA	Full accounts made up to 31 December 2010	(39 pages)
12 Nov 2010	MG01	Particulars of a mortgage or charge / charge no: 1	(6 pages)
13 Oct 2010	TM01	Termination of appointment of Charles Mccreevy as a director	(2 pages)
26 Aug 2010	SH06	<ul> <li>Cancellation of shares. Statement of capital on 26 August 2010</li> <li>GBP 5,005,000.0</li> </ul>	(5 pages)
26 Aug 2010	SH01	Statement of capital following an allotment of shares on 20 August 2010  • GBP 5,050,000.0	(5 pages)
26 Aug 2010	SH02	Sub-division of shares on 12 August 2010	(7 pages)
09 Aug 2010	AP01	Appointment of Lord John Mcfall as a director	(3 pages)
09 Aug 2010	AP01	Appointment of Lord Peter Keith Levene as a director	(3 pages)
09 Aug 2010	AP01	Appointment of Sir David Alan Walker as a director	(3 pages)
09 Aug 2010	AP01	Appointment of Lord Michael Bruce Forsyth as a director	(3 pages)
05 Aug 2010	AA01	Current accounting period shortened from 31 July 2011 to 31 December 2010	(3 pages)
05 Aug 2010	TM02	Termination of appointment of Matthew Stoate as a secretary	(2 pages)
05 Aug 2010	TM01	Termination of appointment of John Aitken as a director	(2 pages)

6	6/11/2018		NBNK INVESTMENTS PLC - Filing history (free information from Companies House)	
	05 Aug 2010	TM01	Termination of appointment of Gavin Kelly as a director	(2 pages)
	05 Aug 2010	AP01	Appointment of Charles Mccreevy as a director	(3 pages)
	05 Aug 2010	AP04	Appointment of Law Debenture Corporate Services Limited as a secretary	(3 pages)
	05 Aug 2010	AP01	Appointment of Lord Daniel Joseph Brennan as a director	(3 pages)
	09 Jul 2010	CERT8A	Commence business and borrow	(1 page)
	02 Jul 2010	NEWINC	Incorporation	(76 pages)

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# **NBNK INVESTMENTS PLC**

Company number 07303316

- Officers
- Persons with significant control (https://beta.companieshouse.gov.uk/company/07303316/persons-with-significant-control)

#### Filter officers

Current officers	
Apply filter	

# 13 officers / 12 resignations

#### LAW DEBENTURE CORPORATE SERVICES LIMITED

Correspondence address 100 Wood Street, London, EC2V 7EX

Role Secretary

Appointed on 16 July 2010

## Registered in a European Economic Area What's this?

Placed registered UNITED KINGDOM

Registration number 3388362

#### STOATE, Matthew

Correspondence address 5 Clifford Street, London, W1S 2LG

Role Resigned Secretary

Appointed on 2 July 2010

Resigned on 16 July 2010

## **AITKEN, John Brown**

Correspondence address 5 Clifford Street, London, W1S 2LG

Role Resigned **Director** 

Date of birth August 1952

Appointed on 2 July 2010

Resigned on 16 July 2010

Nationality British

Country of residence United Kingdom

Occupation Consultant

## BRENNAN, Daniel Joseph, Lord

Correspondence address 5 Clifford Street, London, W1S 2LG

Role Resigned Director

Date of birth March 1942

Appointed on 16 July 2010

Resigned on 12 May 2017

Nationality British

Country of residence England

Occupation Uk

#### FORSYTH, Michael Bruce, The Rt Hon Lord

Correspondence address 5 Clifford Street, London, W1S 2JG

Role Resigned Director

Date of birth October 1954

Appointed on 30 July 2010

Resigned on 11 January 2013

Nationality British

Country of residence United Kingdom

Occupation Banker

## **HOFFMAN, Gary Andrew**

Correspondence address Fifth Floor, 100 Wood Street, London, EC2V 7EX

Role Resigned Director

Date of birth October 1960

Appointed on 1 May 2011

Resigned on 11 January 2013

Nationality British

Country of residence England

Occupation Director

#### JOHNSON, Stephen Lloyd

Correspondence address Fifth Floor, 100, Wood Street, London, England, EC2V 7EX

Role Resigned **Director** 

Date of birth March 1976

Appointed on 21 November 2014

Resigned on 12 May 2017

Nationality American

Country of residence Usa

Occupation Private Equity Professional

## **KELLY, Gavin Douglas**

Correspondence address 5 Clifford Street, London, W1S 2LG

Role Resigned Director

Date of birth July 1967

Appointed on 2 July 2010

Resigned on 16 July 2010

Nationality British

Country of residence England

Occupation Corporate Finance Adviser

## LEVENE, Peter Keith, Lord

Correspondence address 5 Clifford Street, London, United Kingdom, W1S 2LG

Role Resigned Director

Date of birth December 1941

Appointed on 16 July 2010

Resigned on 11 January 2013

Nationality British

Country of residence Uk

Occupation Director

#### MCCREEVY, Charles John

Correspondence address 5 Clifford Street, London, W1S 2LG

Role Resigned Director

Date of birth September 1949

Appointed on 16 July 2010

Resigned on 7 October 2010

Nationality Irish

Country of residence Uk

Occupation Director

#### MCFALL, John Francis, Lord

Correspondence address 5 Clifford Street, London, W1S 2LG

Role Resigned Director

Date of birth October 1944

Appointed on 16 July 2010

Resigned on 17 July 2012

Nationality British

Country of residence United Kingdom

## **ROSS JR, Wilbur Louis**

Correspondence address Fifth Floor, 100 Wood Street, London, England, EC2V 7EX

Role Resigned Director

Date of birth November 1937

Appointed on 11 January 2013

Resigned on 21 November 2014

Nationality American

Country of residence Usa

Occupation Company Director

## WALKER, David Alan, Sir

Correspondence address 5 Clifford Street, London, United Kingdom, W1S 2LG

Role Resigned Director

Date of birth December 1939

Appointed on 16 July 2010

Resigned on 10 August 2012

Nationality British

Country of residence Uk

Occupation Banker

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# NBNK INVESTMENTS PLC



Annual Report and Financial Statements
For the year ended 31 December 2013

NBNK Investments plc

Registered number: 07303316

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11.	Independent auditor's report
13.	Income statement and statement of comprehensive income
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NBNK Investments plc Registered number: 07303316

## Chairman's review

As you will recall, in the second half of 2012, funds within the WL Ross & Co Group made an offer to inject new capital into the Company by taking a sizeable stake, with a view to maintaining NBNK as an AIM listed company so that it could continue its search for suitable potential acquisition targets. Accordingly, on 13 December 2012, a proposed share subscription and tender offer was circulated. The tender offer was structured to enable those shareholders that wished to exit the Company to do so on broadly the same financial terms as would have applied had the Company been wound up.

At a meeting of ordinary shareholders on 8 January 2013, the Company resolved to allot shares to certain funds in the WL Ross & Co Group and to accept tender offers from those shareholders who wished to sell shares at that time.

Our policy is to maintain the Company at minimal cost while we seek appropriate opportunities to make an acquisition in the financial services sector. We have not identified any opportunities at this time that we felt would represent good value for shareholders, but the search continues. Shareholders will be kept advised as and when there are developments to report.

Wilbur L. Ross, Jr. Chairman

#### The Board

#### Wilbur L Ross, Jr. (Chairman, non-executive Director)

Wilbur Ross, Chairman and Chief Strategist of WL Ross & Co. LLC, may be one of the best known private equity investors in the U.S. His private equity funds bought Bethlehem Steel and several other bankrupt producers and revitalized them into the largest U.S. producer before merging them into Mittal Steel for \$4.5 billion. He remains a Director of what is now ArcelorMittal, the world's largest steel company. He also created and chairs International Textile Group, the most global American company in that industry and International Auto Components Group, a \$4.5 billion producer of instrument panels and other interior components operating in 17 countries. He is the Chairman of Diamond S Shipping and previously chaired International Coal Group which was sold to Arch Coal for \$4.3 billion. He is a member of the boards of Assured Guaranty, Bank of Ireland, BankUnited, EXCO and Ocwen and the director of Navigator, all NYSE listed. He is also a member of the board of Sun Bancorp which is traded over the counter, and Talmer Bancorp which recently filed for an initial public offering and will be listed on the NASDAQ.

Mr. Ross was Executive Managing Director of Rothschild Inc. for 24 years before acquiring that firm's private equity partnerships in 2000. He is a member of the boards of Yale University School of Management, The Dean's Advisory Board of Harvard Business School, Partnership for New York City, Palm Beach Civic Association, Business Roundtable and the Palm Beach Preservation Foundation. He is Chairman of the Japan Society and the Brookings Institution Economics Studies Council and a trustee of the Town of Palm Beach Retirement System and the Magritte Museum in Brussels. President Kim Dae Jung awarded him a medal for his assistance in Korea's financial crisis, President Clinton appointed him to the Board of the U.S.-Russia Investment Fund and he served as Privatization Advisor to New York City Mayor Rudy Giuliani. Mr. Ross formerly served as Chairman of the Smithsonian Institution National Board. He is a graduate of Yale University and of Harvard Business School (with distinction). He is the only person\_elected\_to\_both\_the\_Private\_Equity\_Hall\_of\_Fame\_and\_the\_Turnaround\_Management Association Hall of Fame. Bloomberg BusinessWeek designated him one of the 50 most influential people in global finance.

#### Lord Brennan of Bibury QC (Non-executive Director)

Lord Brennan is a member of the House of Lords. In 1999 he was Chairman of the Bar of England and Wales. He is also Chairman of the Caux Round Table Global Governing Board, Chairman of Juridica Investments Limited, Chairman of Omega Business Solutions Pvt Limited and Vice Chairman of AJ Prospekt Capital Limited. His special interests include international development and financial and corporate governance, in particular in connection with the recent financial crisis.

## **Corporate Advisers**

#### Registered office

Fifth Floor

100 Wood Street

London

EC2V 7EX

Company number: 07303316

#### **Nominated Advisers**

Cenkos Securities Plc

6.7.8. Tokenhouse Yard

London

EC2R 7AS

#### **Company Secretary**

Law Debenture Corporate Services Limited

Fifth Floor

100 Wood Street

London

EC2V 7EX

#### **Financial Advisers**

Kinmont Advisory

5 Clifford Street

London

W1S 2LG

#### Solicitors

Travers Smith LLP

10 Snow Hill

London

EC1A 2AL

### Registrars

Capita Registrars

Northern House

Woodsome Park

Fenay Bridge

Huddersfield

West Yorkshire

HD8 0LA

#### **Auditors**

**BDO LLP** 

55 Baker Street

London

W1U 7EU

#### **Bankers**

Coutts & Co

440 Strand

London

WC2R 0QS

#### Strategic report

The directors present their strategic report for the year ended 31 December 2013.

#### Objective, business model and strategy

The Company's objective is to try and make a significant acquisition in the financial services sector. It has raised a significant sum from shareholders for this purpose and the directors are engaged in seeking acquisition opportunities to meet its objective. If the objective is not met by 11 January 2016, the directors will consider whether it is appropriate to return unused funds to shareholders.

The business model is to run the Company at minimal cost. To that end, we retain only a registrar, company secretary and our NOMAD. We do pay to keep up the Company's proprietary and intellectual rights, its insurances, its telecom needs and its regulatory costs, but these costs are managed carefully.

#### Review of 2013

On 8 January 2013, shareholders and warrant holders met in general meetings to consider a proposed ohere-subscription, tender offer, amendment to terms of warrants and the issue of Founder warrants. Subsequently, on 11 January 2013, new shares were issued, some existing shares were purchased and cancelled, certain Founder warrants were surrendered and new Founder warrants issued.

During the year, the directors considered a number of possible acquisitions, but upon detailed examination (funded by the WL Ross Group) none of these were considered worthy of further development.

In June 2013, our lease commitments of One Angel Court came to an end and we received in full the deposit paid when the premises were first acquired.

#### Share capital

Following the shareholder meetings and the allotment of shares to certain funds within the WL Ross Group ('WLR Funds') as new significant shareholders, the Company's issued share capital was 53,771,229 ordinary shares of 10 pence each at 31 December 2013. The Company's warrant structure is as follows:

Placee warrants – the WLR Funds were issued with Placee warrants entitling them to subscribe for ordinary shares representing 2.4092% of the fully diluted share capital of the Company on the same terms as the pre-existing Placee warrants as described above;

- Placee B warrants issued to the directors and certain others at listing up to a maximum of 0.08% of the fully diluted share capital at a subscription price of 100 pence per share. The exercise period is as described above. Details of the Placee B warrants issued to the directors are included within the Directors' Remuneration Report on page 8. No further Placee B warrants were issued in January 2013; and
- Founder warrants as part of the subscription and tender, Lord Levene surrendered his entitlement to Founder warrants granted to him in 2011, representing 0.7278% of the fully diluted share capital of the Company. New Founder warrants were issued entitling Kinmont Advisory (financial adviser) and Cenkos Securities plc (NOMAD and broker) to subscribe for ordinary shares representing 0.44% each of the fully diluted share capital of the Company. In addition, shareholders on the register on 11 January 2013 (including the WLR Funds) were granted Founder warrants entitling them to subscribe in aggregate for 1.63% of the fully diluted share capital of the Company.

The fully diluted share capital of the Company at the date of this report was 60,609,466.

#### **Corporate Governance**

While the Company was in the process of bidding for the Project Verde assets, the directors strived insofar as practicable given the Company's size and nature, to comply with the UK Corporate Governance Code. Following the initial decision in June 2012 to wind up the Company, the directors considered it necessary only to maintain the standards required for AIM compliance. Following the admission of the WLR Funds as principal shareholder on 11 January 2013, the board has operated on a streamlined, low cost basis, compliant with the obligations of an AIM listed company. As and when required, the composition of the board will be reviewed and if deemed necessary or appropriate, it will aim to comply with the full Code. For the time being, reflecting the status of the Company, our corporate governance report for the year ended 31 December 2013 is abbreviated to the following:

All of the directors who served during the year were nonexecutive directors ('NEDs') and were independent throughout the period that they served. There were two board meetings attended by all directors.

Reflecting the unusual circumstances of the Company during the period, the board itself assumed responsibility for all aspects of the Company's operations including strategy, financial performance, legal matters and communications with shareholders. Accordingly, the board currently does not operate separate committees. All directors were present at all meetings that they were required to attend. Directors are subject to annual reelection by shareholders. There were engagement letters in place governing their appointments. Appropriate insurance cover in respect of legal action against the directors was maintained and the directors had access to independent professional advice at the Company's expense (although no director took advantage of this).

The board believes that it is not appropriate to have an internal audit function for as long as the Company continues to run on a streamlined basis.

#### Key performance indicators ('KPIs')

The principal financial KPI is the rate at which the Company is spending its listing proceeds. The directors monitor the management accounts of the Company to ensure that expenditure is proportionate and consistent with the Company's current status. Suitable controls are in place to enable the directors to respond quickly to changes in the Company's circumstances.

The principal non-financial KPI is the Company's progress towards an acquisition. The Board monitors discussion progress and the chairman is personally and actively involved in all aspects of the discussions.

#### **Dividend policy**

Subject to an acquisition, the Company would seek to build up its operations during its first two to three years, during which time it is unlikely that the Company will pay dividends. Thereafter, and subject to compliance with the Companies Act 2006 and regulatory capital requirements, it would be the intention of the directors to pay dividends on the basis of a progressive dividend policy.

#### Principal risks and uncertainties

The principal risk for the Company remains that it fails to secure an acquisition. Should this be the case by 11 January 2016, the directors will review the position and

consider if it is appropriate to return unused funds to shareholders and/or to wind up the Company.

Appropriate controls are in place to manage acquisition risk and the Company has in place access through the WL Ross Group to the resources necessary to manage acquisition negotiations effectively so that the Company can hit the ground running, once its first acquisition has been secured.

#### Risk management and internal control

While the Company remains in pre-acquisition mode, the framework of internal controls is relatively simple. The main features of the Company's internal control and risk management systems are as follows:

- The board receives periodic reports from the company secretary and external advisers about legal and regulatory developments and the steps that the board must take to comply;
- It reviews reports by the external auditors on the annual audit;
- The board ensures that proper accounting records are maintained so that it can rely on financial information it receives to make appropriate strategic and business decisions and that the Company's assets are safeguarded; and
- As required, reports are made to the board on matters relating to insurance, taxation, accounting and cash management as well as legal, compliance and company secretarial issues.

The board believes that the systems of internal risk management and financial controls that it has designed are proportionate to the Company's operational status and provide reasonable assurance against fraud, mismanagement and against material mis-statement of loss.

#### Directors' shareholdings

Beneficial interests in the ordinary shares of the Company are set out in the Directors' Remuneration report on page

By order of the Board

Law Debenture Corporate Services Limited

Company Secretary

7 May 2014

## Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2013. The Company, which is listed on AIM, has one non-trading subsidiary (see note 17). Therefore, the financial statements at pages 13-29 relate to the Company's activities alone.

The directors of the Company who served in the year are:

Wilbur L. Ross, JR. (from 11 January 2013)

Lord Levene of Portsoken KBE (resigned 11 January 2013);

Lord Brennan of Bibury QC;

Lord Forsyth of Drumlean (resigned 11 January 2013); and

Gary Hoffman (resigned 11 January 2013).

#### Results and dividends

The Company made a profit for the year of £136,000 (2012: loss of £3,685,000). This reflects the accounting gain made on the lapsed share based payments (coo noto—12) which has to be taken through profit and loss.

The directors do not recommend payment of a dividend (2012: nil).

#### Substantial shareholdings

The directors are aware of the following existing shareholders of the Company who hold an interest, either directly or indirectly, in 3% or more of the issued share capital of the Company as at 7 May 2014:

Name	% of issued share capital held
WL Ross and Co Funds	29.90
Invesco Asset Management	27.45
Aviva Investors Global Services	11.90
Bailie Gifford & Co	8.93
Goldman Sachs International	7.41
BlackRock Investment Management (UK)	4.84
Crystal Amber	4.46
Cenkos Channel Islands	3.13

#### Other shareholding disclosures

The Company is not aware of any person or entity who, directly or indirectly, jointly or severally, would or could exercise control over the Company and there are no arrangements in place, the operation of which could result in a change of control of the Company.

There are no loans or guarantees granted or provided by the Company to or for the benefit of any of the directors.

#### Directors' conflicts of interest

The directors are under a statutory duty to avoid conflicts of interest. The Board has established procedures to deal with conflicts and potential conflicts, which includes an annual review of the Board's conflicts registers. Each director has declared all matters that might give rise to a potential conflict of interest and these have been considered and, as required, approved by the Board. In the opinion of the directors, the procedures on managing conflicts of interest are working effectively.

No director has or has had any interest in any transaction with the Company which is ar was unusual in its nature or conditions or significant to the business of the Company and effected during the year under report.

#### Shareholder relations

The Company has a relatively small number of shareholders. In addition to the regulatory obligations to keep shareholders informed of developments through general announcements, the Company's NOMAD maintains dialogue and communication between the Board and shareholders. Shareholders (including shareholders within nominee companies where the nominee has made appropriate arrangements) receive a copy of the annual report and of any interim and half yearly statements.

The annual general meeting will take place on Monday 23 June 2014 at the Company's registered office. Full disclosure of the number of votes cast for and against resolutions will be published on the Company's website. The Notice of Annual General Meeting appears at page 31. The board believes that the resolutions to be put to shareholders are in the best interests of the shareholders as a whole and, accordingly, recommends that the shareholders vote in favour of the resolutions, as the directors intend to do in respect of their beneficial shareholdings in the Company.

#### **Employee participation**

The Company has no employees.

# Corporate social responsibility, sustainability, greenhouse gas emissions

The Company has not yet adopted policies on corporate social responsibility and sustainability, but will do so when its activities warrant.

As the Company has no current activities, it has no greenhouse gas emissions to report.

#### Principal risks and uncertainties

These are set out in the Strategic report.

#### **Political donations**

The Company has not made any payments or donations that would be classified as political donations and does not intend to seek shareholder approval in the immediate future to make such payments or donations.

# Statement of directors' responsibilities in relation to the financial statements

The directors are responsible for preparing the director's report, strategic 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 have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the company for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these 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 they have been prepared in accordance with IFRSs as adopted by the European Union, 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.

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 requirements of 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.

#### Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

#### Statement of information given to auditors

The directors have confirmed that so far as they aware, there is no relevant audit information of which the Company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### Statement of going concern

The directors have disclosed the current status of the Company. Other than interest income, it is not producing revenues and its future success relies on the ability to secure an acquisition of assets. In the event that no such acquisition is achieved, the directors will determine whether it is appropriate for the Company to continue its activities. The Company remains able to meet its liabilities as they fall due. The directors closely monitor the cash resources of the Company and its contractual

commitments and have resolved that should the Company not fulfil its objectives, then a solvent liquidation would take place.

Shareholders accepted, when the Company listed on AIM, and ongoing in January 2013 when the WLR Funds were admitted, that there was a risk of the Company not being able to succeed in its strategy, in which event, they would not receive back the full value of their original investment.

Notwithstanding the uncertainties in respect of the future direction of the Company, the directors have concluded that it is appropriate for the Company's accounts to be prepared on a going concern basis.

#### **Auditors**

A resolution will be proposed at the annual general meeting to re-appoint BDO LLP as auditors for the time being.

By order of the Board

Law Debenture Corporate Services Limited

\_Company Secretary\_\_\_\_

-7 May 2014 ----

## **Remuneration Report**

Set out below is a Remuneration Report for NBNK Investments plc for 2013. All of the information in the report is historical. AlM listed companies are not required to comply with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. Certain parts of the report are required to be audited, however, and the relevant sections are clearly identified below.

# 1. Remuneration Committee – membership and advisers

Due to the current status of the Company, the board deems it unnecessary to operate a separate remuneration committee.

#### 2. The Company's remuneration policy

The Company has no employees and will formulate an appropriate policy as and when it is necessary to do so. Non-executive directors will receive a nominal fee until such time as the Company makes an acquisition, following which an appropriate policy will be adopted.

#### 3. The Chairman

The chairman from 11 January 2013 was Wilbur Ross. He received a nominal, one off fee of £1 at appointment and receives no other benefits. His contract is for a fixed term of three years (subject to annual re-election) expiring on 11 January 2016. He is not entitled to compensation on loss of office. Lord Levene was chairman until 11 January 2013. He received no fees during the year and no payments by way of compensation for loss of office.

#### 4. The Chief Executive Officer

The Company did not have a chief executive following the termination of Gary Hoffman's contract on 30 June 2012. Although he remained a director until 11 January 2013, he received no fees or compensation for loss of office during 2013

#### 5. Remuneration of non-executive directors

Lord Brennan has a letter of appointment for a term until 16 January 2016 subject to annual re-election by the shareholders, unless terminated earlier by either party upon three months' notice in writing. Continuation of the contract—of appointment is contingent on satisfactory performance and he may have his appointment terminated without notice or compensation in certain circumstances. There are no provisions for compensation payable on early termination of the appointment (save for the three month notice obligation). NEDs are expected to attend all meetings of the Board and any of the committees on which they served. Lord Brennan received no fees for the period to 31 May 2013 and thereafter, an annual fee of £10,000.

#### 6. Share incentive arrangements (audited)

As described in the initial Admission Document, the Company has shareholder agreement to introduce a number of long term employee share schemes to facilitate engagement of senior staff. Details of these schemes are set out in full in the initial Admission Document and comprise the usual suite of options and a performance share plan for executives and SAYE and SIP to operate on an all-employee basis. Since the Company has no employees, these schemes are not in operation.

Lord Levene was awarded 200,000 options on admission to AIM at an exercise price of 10 pence, exercisable at any time and without further conditions between 14 October 2011 and 9 December 2013. He informed the Company during the year that he would not be exercising his options and accordingly, they lapsed on 9 December 2013.

#### 7. Directors' emoluments for the year ended 31 December 2013 (audited)

	Total salary/fees in	Benefits other	Total receivable for	Total received in
	2013	than cash	2013	2012
•	£	£	£	£
W.L. Ross, Jr.	1	-	1	-
Lord Levene*	-	-	-	, 256,358
Lord Brennan	5,833	-	5,833	29,167
Lord Forsyth*	-	-	-	29,167
Lord McFall*	-	-		29,167
Sir David Walker*	-	-	-	70,000
Mr G Hoffman **	-	-	-	853,558
Total	5,834	-	5,834	1,267,417

In line with Company policy, no short term bonus payments were made to any member of the Board.

As at 31 December 2013, the directors were the key management personnel (defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company). Their compensation is set out above. Total employer's national insurance contributions of £nil were paid (2012: £168,261). In addition to these amounts, there was a write-back of share based payments made in prior periods in the income statement totalling £273,359 (2012: £608,075).

#### 8. Founder warrants (audited)

The initial Admission Document stated that the Board had delegated authority to the Remuneration Committee to grant Founder warrants over, in aggregate, up to 2.5 per cent. of the Fully Diluted Share Capital (as defined in the initial Admission Document), exercisable at 130 pence per share.

Lord Levene was granted Founder warrants (subject to certain voluntarily accepted restrictions) entitling him to subscribe for 0.7278 per cent. of the Fully Diluted Share Capital. The Founder warrants had no value as at 31 December 2013 – see note 14 to the accounts. On 11 January 2013, Lord Levene voluntarily cancelled his entitlement to these warrants.

<sup>\*</sup> Lord McFall resigned on 17 July 2012; Sir David Walker resigned on 13 August 2012; Lord Levene, Lord Forsyth and Gary Hoffman resigned on 11 January 2013.

<sup>\*\*</sup> Included in Gary Hoffman's total salary/fees are amounts of £375,000 paid in 2012 in lieu of notice when his contract was terminated on 30 June 2012 and £20,192 paid in lieu of untaken holiday entitlement.

#### 9. Directors' shareholdings

At 31 December 2013, the directors of the Company had beneficial interests in the Company's ordinary shares as follows:

	Ordinary shares		Placee B warrants **		
			<u>%</u>		
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
Lord Levene	n/a	100,000	n/a	0.015	
Lord Brennan	50,000	50,000	0.007	0.007	
Lord Forsyth	n/a	*50,000	n/a	0.007	
Mr G Hoffman	n/a	-	n/a	_	

<sup>\*</sup> Lord Forsyth's ordinary shares were held by A J Bell (PP) Trustees Limited, as trustees of Lord Forsyth's self-invested pension plan.

<sup>\*\*</sup> The warrants set out above were issued on the initial subscription for shares in August 2010. They are immediately exercisable at a subscription price of £1 per share, are transferable and remain exercisable until 31 August 2020. They represent rights to subscribe for such shares as represent such percentage of the fully diluted share capital of the Company in the period to 20 February 2013. The fair value of the warrants at 31 December 2013 is zero as set out at note 13 to the accounts.

<sup>\*\*\*</sup> W.L. Ross, Jr. owns no shares or warrants beneficially. Companies in the WL Ross Group own 16,077,597 ordinary shares, plus Placee warrants entitling them to subscribe for 2.4092% of the fully diluted share capital of the Company and Founder warrants entitling them to subscribe for a further 0.4859%.

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NBNK INVESTMENTS PLC

We have audited the financial statements of NBNK Investments plc for the year ended 31 December 2013 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

#### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then
  ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the directors' report for the financial year for which the financial statements are prepared, is consistent with the financial statements.

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BASUR

Daniel Taylor (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
London

W1U 7EU\_\_\_\_

United Kingdom

9 May 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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## **Income statement**

for the year ended 31 December 2013

Note	Year ended 31 December 2013	Year ended 31 December 2012	
	£000	£000	
. 3	77	166	
2	78	(3,773)	
	-	(155)	
•	•	(5)	
	155	(3,767)	
<b>13</b> .	(19)	82	
	136	(3,685)	
4	-	-	
	136	(3,685)	
5	0.003	(7.361)	
5	0.003	-	
	13 4	31 December 2013 £000  3 77 2 78	

# **Statement of comprehensive income** for the year ended 31 December 2013

Gain / (loss) for year and total comprehensive gain for the year	136	(3,685)
	£000	£000
	31 December 2013	31 December 2012
of the year chided of December 2015	Year ended	Year ended

# Statement of financial position

as at 31 December 2013

is at 31 December 2013	Note	Year ended 31 December 2013	Year ended 31 December 2012
		£000	£000
Current assets			
Other accrued income and prepaid expenses		11	150
Cash and cash equivalents	6	20,207	19,511
Total current assets		20,218	19,661
Total assets		20,218	19,661
Current liabilities			
Trade and other payables	7.	42	272
Other taxation including social security		•	-
Derivative financial liabilities	13	19	-
Total current liabilities		61	272
Total net assets		20,157	19,389
Equity			
Called up share capital	8	5,377	5,005
Share premium	9	43,129	42,595
Capital redemption		45	45
Retained losses		(28,394)	(28,256)
Fotal equity		20,157	19,389

Approved and authorised for issue by the Board on 7 May 2014 and signed on its behalf by:

Wilbur Ross, Jr.

# **Statement of changes in equity** for the year ended 31 December 2013

	Share capital	Share premium	Capital redemption	Retained losses	Total
	£000	£000	£000	£000	£000
Total equity as at 1 January 2013	5,005	42,595	45	(28,256)	19,389
Net profit and total comprehensive gain for the year	-	-	-	136	136
Share based payments	-	-	-	(274)	(274)
Issue of shares (net proceeds)	372	534	-		906
Total equity as at 31 December 2013	5,377	43,129	45	(28,394)	20,157

# Statement of cash flows

for the year ended 31 December 2013

or the year ended 31 December 2013	Note	Year ended 31 December 2013	Year ended 31 December 2012
		£000	2000
Operating activities			
Operating profit / (loss) before taxation		136	(3,685)
Depreciation of property, plant and equipment		-	59
Amortisation of intangible assets		-	2
Loss on disposal of property, plant and equipment		-	155
Loss on disposal of intangible assets		-	5
Share based payments		(274)	(608)
Increase / (decrease) in fair value of derivative financial instruments	13	19	(82)
Decrease in receivables		139	25
Decrease in payables		(230)	(2,781)
Cash flow from operating activities		(210)	(6,910)
Investing activities			
Proceeds on disposal of fixed assets		-	9
Cash flow from investing activities		-	9
Financing activities			
Net proceeds of increase in share capital		906	-
Cash flow from financing activities		906	-
Net increase / (decrease) in cash and cash equivalents		696	(6,901)
Cash and cash equivalents at 1 January		19,511	26,412
Cash and cash equivalents at 31 December		20,207	19,511

#### Notes to the accounts

for the year ended 31 December 2013

#### 1. Summary of significant accounting policies

#### General Information

NBNK Investments plc is a public company incorporated in the United Kingdom. The address of the registered office is given on page 3. The Company's operations and its principal activities are to acquire a financial institution. The financial statements are presented in pounds sterling thousands because that is the currency of the primary economic environment in which the Company operates.

#### Basis of preparation

The financial statements of NBNK Investments plc have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

The financial statements have been prepared under the historical cost convention as amended for use of fair value for derivative financial instruments and share based payments. Historical cost is based upon the fair value of consideration given in exchange for assets.

#### Critical accounting estimates and judgements

The preparation of the financial statements necessarily requires the exercise of judgement both in the application of accounting policies which are set out below and in the selection of assumptions used in the calculation of estimates. These estimates and judgements are reviewed on an ongoing basis and are continually evaluated based on experience and other factors. However, actual results may differ from these estimates. None of the estimates or judgements made in the preparation of these financial statements are considered critical.

The calculation of fair value of derivative financial instruments is dependent upon a number of estimates, including the volatility of the Company's share price. The Company has been listed for only a short period and the estimate of volatility has been arrived at by looking at a number of comparable companies.

#### Application of IFRS

NBNK Investments plc was incorporated during 2010 with the intention of building (primarily through acquisition) a new and substantial UK bank. Its remit is now wider and includes the acquisition of a financial services company. The Company has to date made no acquisitions. Until the Company commences operation it is not appropriate to set out the accounting policies which will be applicable to that business.

#### New IFRSs, interpretations and amendments not yet effective

Whilst the Company continues not to operate, none of the new standards, interpretations or amendments but not yet effective are expected to have a material impact on the Company's future financial statements. However, given the current status of the Company, it cannot be stated with any degree of certainty which new standards, interpretations or amendments but not yet effective may ultimately have a material impact on the Company's future financial statements.

#### Segmental reporting

Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the directors in deciding how to allocate resources and in assessing performance. The Company comprises one operating segment.

#### Financial instruments

Financial instruments and equity instruments are classified according to the substance of the contractual arrangements entered into.

#### Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks and other short term highly liquid investments with original maturities of three months or less.

#### Share capital

Ordinary shares are classified as equity.

#### Share based payments

Where share based payments are made in respect of goods or services received as consideration for the Company's own equity, these are accounted for as equity settled share based payments in accordance with IFRS 2. Such payments are measured at fair value at the date of grant using an appropriate option valuation technique, which is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. The fair value of these payments is not subsequently re-measured.

#### Derivative financial instruments

Derivative financial instruments are measured at fair value at date of issue and at any year end at which they are outstanding using an appropriate valuation technique and included in assets or liabilities on the statement of financial position. Differences arising between the issue date and the period end are charged or credited to the income statement.

#### Financial liabilities and equity \_\_\_\_

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial instruments issued by the Company are treated as liabilities if:

- (a) they include contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; or
- (b) the instrument will or may be settled in the Company's own equity instruments and is either a non-derivative that includes an obligation to deliver a variable number of the Company's own equity instruments or is a derivative (other than a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments).

#### Taxation

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense which are either never taxable or deductible or are taxable or deductible in other periods. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each year end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to recover the asset. Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is expected to be settled or the asset is expected to be realised based on tax rates that have been enacted or substantively enacted at the year end date.

#### Revenue recognition

Interest income

Interest income is accrued on a time basis using the effective interest rate applicable.

#### Reserves

A description of each of the reserves follows:

#### Share premium

This reserve represents the difference between the issue price of shares and the nominal value of shares at the date of issue, net of related issue costs.

#### Capital redemption

This reserve was created on the cancellation of deferred shares gifted to the Company.

#### Retained earnings

Net revenue profits and losses of the Company which are revenue in nature are dealt with in this reserve.

#### Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividends are approved by shareholders.

#### 2. Administrative expenses

	2013	2012
	£000	£000
Administrative expenses include:		
Salaries and directors' fees	6	2,377
Social security costs	•	319
Depreciation – property, plant and equipment	•	59
Amortisation – intangible assets	•	2
Operating leases – land and buildings	-	233
Auditors' remuneration – statutory audit of the Company	20	24

The Company had no employees during the year. (2013: average of 2 employees during the year, with none at year end).

#### Remuneration of directors

Nemuneration of unectors	2013	2012
	£000	£000
Directors' emoluments, which comprise the following, are included in		

administrative expenses:

Executive directors' fees	•	1,084
Non-executive directors' fees	6	158
Share based payments – options	(282)	(647)
Share based payments – Founder warrants	8	39
Increase / (decrease) in fair value of derivatives – Placee B warrants	19	(82)
Short term employee benefits	-	26
	(249)	578

In line with Company policy, no short term bonus payments were made to any member of the Board.

The emoluments of the highest paid director totalled £5,833 (2012: £853,558)

Details of options held and emoluments of each director are shown in the Remuneration Report as is the statement on key management personnel (see pages 8 - 10).

	2013	2012
	£000	£000
Interest income		
Interest on bank deposits	77	166
	` 77	166

4. Taxation	2013	2012
	£000	£000
Taxation based on revenue for the year comprises:		
UK Corporation tax at 23.25% (2012:24.5%)	•	-
	-	-

The charge for the year can be reconciled to the gain per the income statement as follows:

	2013	2012
	£000	£000
Gain / (loss) before taxation	136	(3,685)
Tax on ordinary activities at standard rate 23.25% (2012: 24.5%)	32	(903)
Effects of:		
Losses considered not recoverable		903
Gains to be written off against prior year losses	(32)	-
	-	-

#### Deferred Tax

3. Interest

The company has the following balances in respect of which no deferred tax asset has been recognised:

Tax losses £19,499,431 Other temporary differences £201,227

NBNK Investments Plc has unused tax losses of £19.5m in respect of management expenses (2012: £19.4m) for which no deferred tax is recognised in the balance sheet. None of these losses expire within five years.

No deferred tax asset has been recognised in the balance sheet on 'other temporary differences' of £201k (2012: £201k) arising on accelerated capital allowances.

#### 5. Gain / (loss) per share from operations

Gain per share from operations for the year is based upon the attributable gain of £135,860 (2012: loss of £3,684,613) and 53,610,921 (2012: 50,050,000) shares, being the weighted average number of shares in issue during the year. The earings used in diluted gain per share calculation is £135,860 (2012: loss of £3,684,613). The diluted weighted average number of shares in issue assuming no exercise of options at less than fair value was 53,610,921 (2012: 50,220,718). No diluted loss per share is provided as it would reduce the basic loss per share.

#### 6. Cash and cash equivalents

These compromise cash held at bank and short term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximates to their fair value.

#### 7. Trade and other payables

Trade and other payables comprise amounts outstanding for ongoing costs. The carrying amount of these liabilities approximates to their fair value.

B. Share capital		
	2013	2012
	0003	£000
Issued and fully paid share capital		
Value		
At 1 January	5,005	5,005
Net issued in the year	372	-
At 31 December	5,377	5,005
Shares	Number	Number
At_1-January	50,050,000	50,050,000
Net issued in the year	3,721,229	-
At 31 December	53,771,229	50,050,000
Share premium		
	2013	2012
	0003	£000
At 1 January	42,595	42,595
On shares issued in the year	1,056	-
Related issue costs	(522)	-
As at 31 December	43,129	42,595

#### 10. Financial instruments

The Company held the following categories of financial assets and liabilities, which have a carrying value the same as fair value at 31 December 2013.

	2013	2012
	£000	£000
Assets		
Cash and cash equivalents – held as loans and receivables	20,207	19,511
Liabilities		
Trade and other payables – held at amortised cost	42	272
Derivative financial liabilities (see note 13) – held at fair value through profit or loss	19	-
	61	272

The inputs for calculating the fair value of derivative financial liabilities are not all based on observable market data and consequently they are classified as Level 3 financial instruments as defined by IFRS 7 (see note 13).

The principal risks facing the Company in respect of its financial instruments are:

- interest risk, arising from movements in interest rates on cash and cash equivalents. If interest rates during the year were 1% higher, the impact on the Company's loss for the year would have been to decrease it by £277,994 (2012: £310,292). It is assumed that interest rates are unlikely to fall below the current level.
- credit risk, arising from the failure of another party to perform according to the terms of its contract. The Company reduces credit risk by placing cash and cash equivalents with highly rated financial institutions and restricts the maximum exposure to any single financial institution.

#### 11. Share based payments - options

On listing in 2010, the Company granted an option to Lord Levene to subscribe for 200,000 ordinary shares at 10p, exercisable without further condition from 14 October 2011 up until 9 December 2013. During the year, Lord Levene indicated that he would not exercise the options and accordingly they lapsed on 9 December 2013.

Details of share options outstanding are as follows:

201 Weighted average prior	
200,000	10
	-
200,000	10
-	
•	,
	200,000

The second secon		2012	
·		Weighted average pric	
		Pence	
At 1 January 2012	11,700,000	128	
Granted during the year	-	-	
Lapsed / exercised during the year	11,500,000	130	
Outstanding at 31 December 2012	200,000	10	
Exercisable at 31 December 2012	200,000	10	

#### 12. Share based payments - founder warrants

On 1 May 2011, Lord Levene was granted Founder warrants, entitling him to subscribe for 0.7278% of the Company's fully diluted share capital at 130 pence per ordinary share. The Founder warrants would expire on 31 August 2020 unless previously exercised or lapsed. These warrants were voluntarily surrendered on 11 January 2013. The Company is obliged to treat these under IFRS2 as share based payments for accounting purposes on the ground that they are in effect, a payment for services rendered to the Company. Similar treatment has been applied to Founder warrants issued during the year to Kinmont and Cenkos. Founder warrants issued to shareholders on 11 January 2013 have been treated as derivative financial instruments, see note 13.

Details of Founder warrants outstanding at 31 December 2013 are as follows:

าก	4	
Zυ	ι	÷

		Weighted average price	
·		Pence	
At 1 January 2013	489,635	130	
Granted during the year	535,860	130	
Lapsed / exercised during the year	(489,635)	130	
Outstanding at 31 December 2013	535,860	130	
Exercisable at 31 December 2013	•	· -	

2012

·		Weighted average price Pence
At 1 January 2012	489,635	130
Granted during the year	-	
Lapsed / exercised during the year	-	-
Outstanding at 31 December 2012	489,635	130
Exercisable at 31 December 2012	-	

The options have been fair valued using the Black Scholes valuation model. Assumptions used are as follows:

	2013
Expected volatility	44.00%
Risk free interest rate at grant	0.59%
Dividend yield	0%
Expected life	3 years

Expected volatility was based on the median volatility of the Stoxx 600 Euro banks constituents. The expected life is based on the cut-off date for an investment post restructure.

There were 535,860 Founder warrants granted and 489,635 lapsed during the year (2012: none). The Company recognised a total gain of £273,359 in 2013 (2012: expense £39,039) in respect of Founder warrant share based payment transactions.

#### 13. Derivative financial liabilities - share warrants

On listing in 2010, the Company issued Placee warrants to institutional shareholders, equivalent to 7.4% of the Company's fully diluted share capital. In addition Placee B warrants were issued, on similar terms to the Placee warrants, to non-institutional shareholders equivalent to 0.08% of the fully diluted share capital. Of the monies raised on listing, £896,000 has been attributed to the fair value of the warrants issued at the same time for nil consideration. On 11January 2013, additional Placee and Founder warrants were issued as described in the Strategic Report. Founder warrants issued to shareholders are treated as derivative financial liabilities.

	2013
	Weighted average price
	Pence
4,493,213	100
906,371	100
(20,020)	
5,379,564	100
5,379,564	100
	906,371 (20,020) 5,379,564

Founder warrants - non-share based payments		Weighted average price Pence
At 1 January 2013	-	-
Increase during the year	986,469	130
Lapsed / exercised during the year	(3,656)	1
At 31 December 2013	982,813	130
Exercisable at 31 December 2013	982,813	130

	£000
Fair value	
At 1 January 2013	
Increase in fair value credited to income statement	19
At 31 December 2013	19

		Weighted average price	
Placee and Placee B warrants		Pence	
At 1 January 2012	5,031,912	100	
Increase during the year	-	100	
Lapsed / exercised during the year	538,699	_	
At 31 December 2012	4,493,213	100	
Exercisable at 31 December 2012	4,493,213	100	
		£000	
Fair value			
At 1 January 2012		82	
Decrease in fair value credited to income statement		(82	

The share warrants, including Placee, Placee B and non-share based payment Founder warrants, have been fair valued using the Monte Carlo valuation model. Assumptions used are as follows:

•	2013
	37.00%
- at issue date	1.19%
- at 31 December 2013	0.72%
	0%
	2 years
	– at issue date

Expected volatility was based on the median volatility of the Stoxx 600 Euro banks constituents.

#### 14. Lease commitments

At the year end, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2013 £000	2012 £000
Less than one year	<del>.</del>	88
Two to five years	-	-
	-	88

#### 15. Related party transactions

In the opinion of the Board, the related parties are the directors. There were no related party transactions during the year other than those disclosed in the Directors' Remuneration Report.

#### 16. Financial commitments

The Company has no financial commitments.

#### 17. Investment in subsidiary

The Company owns all of the issued share capital (being £1) of NGB New Generation Limited, incorporated on 15 December 2011. The subsidiary is dormant and has not traded to date.

#### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the fourth Annual General Meeting of NBNK Investments plc (the "Company") will be held on Monday 23 June 2014 at 2.00pm at Fifth Floor, 100 Wood Street, London EC2V 7EX for the transaction of the following business:

To consider and, if thought fit, to pass the following resolutions, numbers 1 to 6 and 9 of which will be proposed as ordinary resolutions and numbers 7 and 8 of which will be proposed as special resolutions:

- THAT the Company's audited financial statements for the year ending 31 December 2013, together with the directors' report, strategic report and the auditor's report on those statements, be received.
- 2. THAT Wilbur L. Ross, Jr. be re-elected as a director of the Company.
- 3. THAT Lord Brennan of Bibury be re-elected as a director of the Company.
- 4. THAT BDO LLP be re-appointed as auditors of the Company until the conclusion of the next Annual General Meeting of the Company.
- 5. THAT the directors be authorised to determine the auditors' remuneration.
- 6. \_\_THAT-for\_the\_purposes\_of-section=551\_of the Companies\_Act=2006 (the "Act")=(and so that expressions used in this resolution bear the same meanings as in the said section 551):
  - (1) the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares and to grant such subscription and conversion rights as are contemplated by sections 551(1)(a) and (b) of the Act respectively up to a maximum nominal amount of £1,790,581.93 to such persons and at such times and on such terms as they think proper, during the period expiring, unless previously revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company;
  - (2) the directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot equity securities (as defined in section 560 of the Act) in connection with a rights issue in favour of the holders of equity securities and any other persons entitled to participate in such issue where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as maybe) to the respective number of equity securities held by them up to a maximum aggregate nominal amount of £1,790,581.93 during the period expiring, unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and
  - (3) the Company be and is hereby authorised to make prior to the expiry of such period any offer or agreement which would or might require such shares or rights to be allotted or granted after the expiry of the said period and the directors may allot such shares or grant such rights in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution,

so that all previous authorities of the directors pursuant to the said section 551 be and are hereby revoked.

- 7. THAT, subject to the passing of resolution 6 set out in the notice convening this meeting, the directors be and are empowered in accordance with section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority conferred on them in resolution 6 above as if section 561(1) and sub-sections (1) (6) of section 562 of the Act did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to:
  - (1) the allotment of equity securities in connection with an issue or offering in favour of holders of equity securities (but in the case of the authority granted by resolution 6(2) above by way of a rights issue only) and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory; and
  - (2) the allotment (otherwise than pursuant to paragraph 7(1) above) of equity securities up to an aggregate nominal value not exceeding £268,856;

and this power shall expire unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company, but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

- 8. THAT the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Act to make market purchases (as defined in section 693 of the Act) of ordinary shares of 10p each in the capital of the Company provided that:
  - (1) the maximum number of ordinary shares hereby authorised to be purchased is 5,377,122;
  - (2) the minimum price (exclusive of expenses) which may be paid for such ordinary shares is 10p per share, being the nominal amount thereof;
  - (3) the maximum price (exclusive of expenses) which may be paid for such ordinary shares shall be an amount equal to the higher of (i) 5 per cent. above the average of the middle market quotations for an ordinary share as derived from the AIM Appendix to The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made and (ii) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the trading venue where the purchase is carried out;
  - (4) the authority hereby conferred shall (unless previously renewed or revoked) expire at the end of the next Annual General Meeting of the Company; and
  - (5) the Company may make a contract to purchase its own ordinary shares under the authority conferred by this resolution prior to the expiry of such authority, and such contract will or may be executed wholly or partly after the expiry of such authority, and the Company may make a purchase of ordinary shares in pursuance of any such contract.
- 9. THAT the Company be and is hereby generally and unconditionally authorised to continue to pursue the Company's investing policy as described in the section headed "Business Strategy" of the Company's AIM Admission Document dated 20 August 2010, as amended by the terms of the section headed "Investment policy following Share

Subscription and Tender Offer" of the Company's Subscription and Tender Offer Circular dated 13 December 2012, until such time as the investing policy has been substantially implemented, provided that this power shall expire, unless sooner revoked or varied by the Company in general meeting, at the end of the next Annual General Meeting of the Company.

BY ORDER OF THE BOARD

Law Debenture Corporate Services Limited, Secretary

7 May 2014

Registered office:

Fifth Floor 100 Wood Street London EC2V 7EX

Registered company no. 7303316

#### Notes to the notice of Annual General Meeting

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy to exercise all or any of the rights of the member to attend and speak and vote on his behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
- (2) To appoint a proxy you may:
  - a. use the Form of Proxy enclosed with this notice of Annual General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be received by post or (during normal business hours only) by hand at Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or at www.capitashareportal.com, in each case no later than 2.00pm on Thursday 19 June 2014 (being not less than 48 hours before the meeting excluding non-working days); or
  - if you hold your shares in uncertificated form, use the CREST electronic proxy appointment service as
    described in Note 8 below.

Completion of the Form of Proxy or appointment of a proxy through CREST will not prevent a member from attending and voting in person.

- (3) Any member attending the meeting has the right to ask any question at the meeting relating to the business of the meeting.
- (4) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only shareholders registered in the register of members of the Company as at 6pm on 8 May 2013 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6pm on the day which is two days before the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- (5) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (6) The Company has an issued share capital at 7 May 2014 (being the latest practicable date prior to publication of this notice of Annual General Meeting) of 53,771,229 Ordinary Shares with voting rights and no restrictions and no special rights with regard to control of the Company. There are no other classes of share capital and none of the Company's issued shares are held in treasury. Therefore, the total number of voting rights in the Company as at 7 May 2014 (being the latest practicable date prior to publication of this notice of Annual General Meeting) is 53,771,229.
- (7) In the following paragraphs, information is given about each resolution:

Resolution 1 – annual report, strategic report and audited financial statements (ordinary resolution). It is a legal requirement that the directors lay before the Company's shareholders the Company's accounts, directors' report, strategic report and the audit report. The report and financial statements cover the year ending 31 December 2013.

Resolutions 2 - 3 - re-election of directors (ordinary resolutions). The articles of association of the Company require the directors to retire at the subsequent annual general meeting following their appointment and the Board has separately resolved that all directors will retire and offer themselves for re-election annually. In accordance with the articles of

association of the Company, Wilbur L. Ross, Jr. was appointed as a director by the Board on 11 January 2013 and he now seeks re-election. Lord Brennan (who has been a director since 16 July 2010) is also seeking re-election as a director. Brief biographies of the directors are set out on page 2 of the annual report and financial statements. The Board supports the re-election of both directors.

Resolutions 4 and 5 – appointment of auditors and determination of their remuneration (ordinary resolutions). The Company is required to appoint auditors at each annual general meeting at which financial statements are presented, to hold office until the conclusion of the next such meeting. The Board first appointed BDO LLP as auditors for the Company's annual report and financial statements in 2010 and is satisfied with the way that audits have been conducted. As the Company continues to develop its strategy, the directors will keep under review the Company's ongoing audit requirements. For the time being, the directors are content to recommend that shareholders appoint BDO LLP to continue in office until the conclusion of the Company's next annual general meeting. Resolution 5 authorises the directors, in accordance with standard practice, to negotiate and agree the remuneration of the auditors.

Resolution 6 – general authority to allot shares (ordinary resolution). The resolution asks shareholders to grant the directors authority under section 551 of the Act to allot shares or grant such subscription or conversion rights as are contemplated by sections 551(1)(a) and (b) respectively of the Act up to a maximum aggregate nominal value of £3,581,163.85, being approximately 66.6 per cent. of the nominal value of the issued ordinary share capital of the Company as at 7 May 2014 (being the latest practical date prior to publication of this notice of annual general meeting). £1,790,581.93 of this authority is reserved for a fully pre-emptive rights issue. This is the maximum permitted amount under best practice corporate governance guidelines. The authority will expire at the next annual general meeting of the Company in 2015. The directors have no present intention of exercising such authority. All previous authorities of the directors pursuant to section will be revoked.

Resolution 7 – disapplication of statutory pre-emption rights (special resolution). If the directors wish to allot unissued shares or other equity securities for cash or sell any shares which the Company holds in treasury following a purchase of its own shares pursuant to the authority in resolution 8, the Act requires that such shares or other equity securities are offered first to existing shareholders in proportion to their existing holding. Resolution 7 asks shareholders to grant the directors authority to allot equity securities or sell treasury shares for cash up to an aggregate nominal value of £268,856 (being 5 per cent. of the Company's issued ordinary share capital as at 7 May 2014 (being the latest practicable date prior to publication of this notice of annual general meeting)) without first offering the securities to existing shareholders. The resolution also disapplies the statutory pre-emption provisions in connection with a rights issue, but only in relation to the amount permitted under resolutions 6(1) and/or 6(2), and allows the directors, in the case of a rights issue, to make appropriate arrangements in relation to fractional entitlements or other legal or practical problems which might arise. The authority will expire at the next annual general meeting of the Company, in 2015.

The directors believe that it is in the best interests of the Company to have the authority to allot or grant such subscription and conversion rights over a maximum of 2,688,561 Ordinary Shares other than on a pre-emptive basis.

Resolution 8 - Purchases of own shares by the Company (special resolution). Resolution 8 to be proposed at the Annual General Meeting seeks authority from holders of ordinary shares for the Company to make market purchases of ordinary shares, such authority being limited to the purchase of 10 per cent. of the ordinary shares in issue as at 7 May 2014 (being the latest practicable date prior to publication of this notice of Annual General Meeting). The maximum price payable for the purchase by the Company of ordinary shares will be limited to the higher of 5 per cent. above the average of the middle market quotations of the ordinary shares, as derived from the AIM Appendix to the London Stock Exchange Daily Official List, for the five business days prior to the purchase and the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the trading venue where the purchase is carried out. The minimum price payable by the Company for the purchase of ordinary shares will be 10p per share (being the nominal value of an ordinary share). The authority to purchase ordinary share will only be exercised if the directors consider that there is likely to be a beneficial impact on earnings per ordinary share and that it is in the best interests of the Company at the time. The Company is allowed to hold in treasury any shares purchased by it using its

distributable profits. Such shares will remain in issue and capable of being re-sold by the Company or used in connection with certain of its share schemes. The Company would consider, at the relevant time, whether it was appropriate to take advantage of this ability to hold the purchased shares in treasury.

Resolution 9 – Authorisation to continue investing policy (ordinary resolution). Resolution 9 to be proposed at the Annual General Meeting seeks authority from holders of ordinary shares for the Company to continue to pursue the Company's investing policy as described in the section headed "Business Strategy" of the Company's AIM Admission Document dated 20 August 2010, as amended by the terms of the section headed "Investment policy following Share Subscription and Tender Offer" of the Company's Subscription and Tender Offer Circular dated 13 December 2012, until such time as the investing policy has been substantially implemented. Under Rule 8 of the AIM Rules for Companies, companies (such as NBNK Investments plc) whose primary business is, inter alia, the acquisition of one or more other businesses or companies, are required to seek shareholder approval to continue the pursuit of that business if they have not substantially completed their strategy within 18 months of admission to trading on AIM. The Company accordingly seeks approval to continue with its investing policy. If granted, this power will expire at the end of the next Annual General Meeting of the Company, unless sooner revoked or varied by the Company in general meeting.

(8) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual (<a href="www.euroclear.com/CREST">www.euroclear.com/CREST</a>). The message must be transmitted so as to be received by the issuer's agent, Capita Registrars (ID R055), by 2.00pm on Thursday 19 June 2014. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).



# **AR01** (ef)

### **Annual Return**



X4B3SPRR

Received for filing in Electronic Format on the:

n the: 07/07/2015

Company Name:

NBNK INVESTMENTS PLC

Company Number:

07303316

Date of this return:

02/07/2015

SIC codes:

82990

Company Type:

Public limited company

Situation of Registered

FIFTH FLOOR 100 WOOD STREET LONDON

Office:

EC2V 7EX

## Single Alternative Inspection Location (SAIL)

The address for an alternative location to the company's registered office for the inspection of registers is:

NORTHERN HOUSE WOODSOME PARK

FENAY BRIDGE HUDDERSFIELD WEST YORKSHIRE

HD8 0GA

There are no records kept at the above address

## Officers of the company

## Company Secretary 1

Type: Corporate

Name: LAW DEBENTURE CORPORATE SERVICES LIMITED

Registered or

principal address: 100 WOOD STREET

LONDON EC2V 7EX

European Economic Area (EEA) Company

Register Location: UNITED KINGDOM

Registration Number: 3388362

Company Director  Type: Full forename(s):	<pre>Person LORD DANIEL JOSEPH</pre>
Surname:	BRENNAN
Former names:	
Service Address:	5 CLIFFORD STREET LONDON W1S 2LG
Country/State Usually Re.	sident: UNITED KINGDOM
Date of Birth: 19/03/1942 Occupation: UK	Nationality: BRITISH

Company Director 2

Type: Person

Full forename(s): MR STEPHEN LLOYD

Surname: JOHNSON

Former names:

Service Address: FIFTH FLOOR, 100 WOOD STREET

LONDON ENGLAND EC2V 7EX

Country/State Usually Resident: USA

Date of Birth: 02/03/1976 Nationality: AMERICAN

Occupation: PRIVATE EQUITY

**PROFESSIONAL** 

## Statement of Capital (Share Capital)

Class of shares	ORDINARY	Number allotted	53771229
C	CDD	Aggregate nominal value	53771229
Currency	GBP	Amount paid per share	0.1
		Amount unpaid per share	0

Prescribed particulars

ALL SHARES RANK PARI PASSU AMONGST EACH OTHER AND HAVE EQUAL VOTING RIGHTS.

Statem	ent of Capi	al (Totals)		
Currency	GBP	Total number of shares	53771229	
		Total aggregate nominal value	53771229	

## Full Details of Shareholders

The details below relate to individuals / corporate bodies that were shareholders as at 02/07/2015

The company's shares were admitted to trading on a market during the period of this return and it was an issuer to which the shareholders notification requirements of Chapter 5 of the FSA's Disclosure and Transparency Rules source book applied throughout the period of the return

The Company was not required to provide details of any shareholders

#### Authorisation

Authenticated

This form was authorised by one of the following:

Director, Secretary, Person Authorised, Charity Commission Receiver and Manager, CIC Manager, Judicial Factor.

# NBNK INVESTMENTS PLC

\*L59TDUXK\* LD5 24/06/2016 #4

**Annual Report and Financial Statements** 

For the year ended 31 December 2015

NBNK Investments plc

Registered number: 07303316

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Registered number: 07303316

#### Chairman's review

We have continued to maintain the Company at low cost while appropriate opportunities have been sought to make an acquisition in accordance with the Company's investment policy. During the fourth quarter of 2015, we were in continuing discussions with certain businesses that we felt might make suitable acquisition targets. As a result, on 7 January 2016 we informed shareholders that the board had resolved to extend until 11 April 2016 the point at which the directors would consider if it was appropriate to return unused funds to shareholders and/or to wind up the Company. On that date, we confirmed that the further negotiations with potential targets had not produced an acquisition proposition capable of being recommended to shareholders for approval. As a consequence, the directors resolved that it was appropriate to return unused funds to shareholders and/or to wind up the Company. Detailed consideration has begun into the most cost effective and timely way to achieve this.

Consequently, this annual report and financial statements is being prepared on a wind-up basis.

On behalf of the board, I would like to thank shareholders for their support. Some shareholders have been with the Company since inception, others joined more recently, but all have been very supportive of the mission that NBNK set out to achieve. The board and I are disappointed that we were unable to deliver an acquisition that would have fulfilled the Company's investing policy and given value to shareholders.

Stephen L. Johnson Chairman

#### **Board Biographies**

#### Stephen L. Johnson, (Chairman, Non-executive Director)

Stephen L. Johnson is a Principal at WL Ross & Co LLC. He has worked closely with Wilbur Ross on NBNK matters since certain funds managed by the WL Ross & Co Group acquired a significant holding in the Company in January 2013. A US citizen and graduate of the University of Southern California, Steve has worked in private equity for most of his career and has been with the WL Ross & Co Group since July 2007. He is also a director at Eurobank Ergasias SA, one of the largest banks in Greece, and is involved in investments across banking, insurance, and specialty lending for WL Ross.

#### Lord Brennan of Bibury QC (Non-executive Director)

Lord Brennan is a member of the House of Lords. In 1999 he was Chairman of the Bar of England and Wales. He is also Chairman of the Caux Round Table Global Governing Board and Chairman of Juridica Investments Limited. His special interests include international development and financial and corporate governance, in particular in connection with the recent financial crisis.

#### **Corporate Advisers**

#### Registered office

Fifth Floor

100 Wood Street

London

EC2V 7EX

Company number: 07303316

#### Nominated Advisers

Cenkos Securities Plc

6.7.8. Tokenhouse Yard

London

EC2R 7AS

#### **Company Secretary**

Law Debenture Corporate Services Limited

Fifth Floor

100 Wood Street

London

EC2V 7EX

#### Registrars

Capita Asset Services

Northern House

Woodsome Park

Fenay Bridge

Huddersfield

West Yorkshire

HD8 0LA

#### Auditors

**BDO LLP** 

55 Baker Street

London

W1U 7EU

#### **Bankers**

Coutts & Co

440 Strand

London

WC2R 0QS

#### Strategic report

The directors present their strategic report for the year ended 31 December 2015.

#### Objective, business model and strategy

The Company's objective is to try and make a significant acquisition in the European financial services sector. It has raised a significant sum from shareholders for this purpose and the directors were engaged throughout 2015 in seeking acquisition opportunities to meet its objective. The reported remit was that, if this objective was not met by 11 January 2016, then the directors would consider whether it was appropriate to return unused funds to shareholders. Although a brief extension to that timetable was agreed and announced by the directors, discussions with remaining potential acquisition targets did not progress satisfactorily and accordingly, on 11 April 2016, the Company announced that, there being no reasonable prospect for a successful acquisition, in line with the Company's investing policy the directors had resolved to return unused funds to shareholders.

The business model in 2015 was to run the Company at minimal cost. To that end, we retained a registrar, company secretary and our NOMAD and we paid to keep up the Company's proprietary and intellectual rights, its insurances, its telecom needs and its regulatory costs. These costs were managed carefully.

#### Review of 2015

During the year, the directors considered a number of possible acquisitions, but upon detailed examination (funded initially by the WL Ross Group) none of these were considered worthy of further development.

#### Share capital

The Company's issued share capital was 53,771,229 ordinary shares of 10 pence each at 31 December 2015. The Company's warrant structure is as follows:

- Placee warrants funds within the WL Ross Group own Placee warrants entitling them to subscribe for ordinary shares representing 2.4092% of the fully diluted share capital of the Company on the same terms as the pre-existing Placee warrants which provide subscription rights over 6.3584% of the fully diluted share capital;
- Placee B warrants issued to the directors and certain others at listing up to a maximum of 0.08% of the fully diluted share capital at a subscription price

of 100 pence per share. The exercise period is as described above. Details of the Placee B warrants issued to the directors are included within the Directors' Remuneration Report on page 8; and

Founder warrants – Founder warrants in issue to certain shareholders give them an entitlement to subscribe for ordinary shares representing 2.5% of the fully diluted share capital of the Company.

The fully diluted share capital of the Company at the date of this report was 60,667,480.

#### **Corporate Governance**

While the Company was in the process of bidding for the Project Verde assets, the directors strived insofar as practicable given the Company's size and nature, to comply with the UK Corporate Governance Code. Following the initial decision in June 2012 to wind up the Company, the directors considered it necessary only to maintain the standards required for AIM compliance. Following the admission of the WLR Funds as principal shareholder on 11 January 2013, the board has operated on a streamlined, low cost basis, compliant with the obligations of an AIM listed company but without seeking compliance with any particular corporate governance code. Consequently, our corporate governance report for the year ended 31 December 2015 is abbreviated to the following:

All of the directors, including the Chairman, who served during the year are assessed by the board to be non-executive directors ('NEDs') and were independent throughout the period that they served. There were three board meetings, attended by all directors.

Reflecting the unusual circumstances of the Company during the period, the board did not operate any committees, instead taking upon itself the work that committees would ordinarily undertake. All directors were present at all meetings that they were required to attend. Directors are subject to annual re-election by shareholders. There were engagement letters in place governing their appointments.

The board considered that it was not appropriate to have an internal audit function for as long as the Company continued to be run on a streamlined basis.

#### Key performance indicators ('KPIs')

The principal financial KPI is the rate at which the Company is spending its listing proceeds. The directors monitor the management accounts of the Company to ensure that expenditure is proportionate and consistent with the Company's current status. Suitable controls are in place to enable the directors to respond quickly to changes in the Company's circumstances.

The principal non-financial KPI is the Company's progress towards an acquisition. The Board monitored discussion progress and the chairman was personally and actively involved in all aspects of the discussions.

#### **Dividend policy**

The Company has not paid a dividend while potential acquisitions were being sought. The strategy was that, following an acquisition, the Company would seek to build up its operations during its first two to three years, during which time it would have been unlikely that the Company would pay dividends. Thereafter, and subject to compliance with the Companies Act 2006 and regulatory capital requirements, it would have been the intention of the directors to pay dividends on the basis of a progressive dividend policy.

#### Principal risks and uncertainties

The principal risk for the Company remained that it would fail to secure an acquisition. As reported above, this has come to pass and at the date of this report, the directors are taking steps necessary to return unused funds to shareholders.

#### Risk management and internal control

While the Company remained in pre-acquisition mode, the framework of internal controls was relatively simple. The main features of the Company's internal control and risk management systems were as follows:

- the board received periodic reports from the company secretary and NOMAD about legal and regulatory developments and the steps that the board must take to comply;
- it reviewed reports by the external auditors on the annual audit;
- the board ensured that proper accounting records were maintained so that it could rely on financial information it received to make appropriate strategic and business decisions and that the Company's

assets were safeguarded; and

 as required, reports were made to the board on matters relating to insurance, taxation, accounting and cash management as well as legal, compliance and company secretarial issues.

The systems of internal risk management and financial controls that the board had in place were proportionate to the Company's operational status at the period end and provided reasonable assurance against fraud, mismanagement and against material mis-statement and loss.

#### **Directors' shareholdings**

Beneficial interests in the ordinary shares of the Company are set out in the Directors' Remuneration report on page 9.

By order of the Board

Law Debenture Corporate Services Limited

Company Secretary

12 May 2016

#### Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2015. The Company, which is listed on AIM, has one non-trading subsidiary (see note 15). Therefore, the financial statements at pages 12-26 relate to the Company's activities alone. The strategic report at pages 4 and 5 forms a part of this directors' report.

The directors of the Company who served in the year are:

Stephen L. Johnson (Chairman); and Lord Brennan of Bibury QC.

Appropriate insurance cover in respect of legal action against the directors was maintained and the directors had access to independent professional advice at the Company's expense (although no director took advantage of this).

#### Results and dividends

The Company made a loss for the year of £271,000 (2014: loss of £182,000). The increase in size of the loss reflects one-off legal costs, a legacy of the Company's previous attempts to acquire the Project Verde assets.

The directors do not recommend payment of a dividend (2014: nil).

Subsequent to the year end, the directors agreed a payment to WL Ross & Co LLC of £281,000 (see Note 16).

#### Substantial shareholdings

The directors are aware of the following existing shareholders of the Company who hold an interest, either directly or indirectly, in 5% or more of the issued share capital of the Company as at 31 December 2015:

Name	% of issued share capital held
WL Ross and Co Funds	29.90
Crystal Amber	28.24
Invesco Asset Management	27.46
Bailie Gifford & Co	5.56

#### Other shareholding disclosures

The Company is not aware of any person or entity who, directly or indirectly, jointly or severally, would or could

exercise control over the Company and there are no arrangements in place, the operation of which could result in a change of control of the Company.

There are no loans or guarantees granted or provided by the Company to or for the benefit of any of the directors.

#### Directors' conflicts of interest

The directors are under a statutory duty to avoid conflicts of interest. The board has established procedures to deal with conflicts and potential conflicts. Each director has declared all matters that might give rise to a potential conflict of interest and these have been considered and, as required, approved by the board. In the opinion of the directors, the procedures on managing conflicts of interest are working effectively.

No director has or has had any interest in any transaction with the Company which is or was unusual in its nature or conditions or significant to the business of the Company and effected during the year under report.

#### Shareholder relations

The Company has a relatively small number of shareholders. In addition to the regulatory obligations to keep shareholders informed of developments through general announcements, the Company's NOMAD maintained dialogue and communication between the board and shareholders. Shareholders (including shareholders within nominee companies where the nominee has made appropriate arrangements) receive a copy of the annual report and of any interim and half yearly statements.

The annual general meeting will take place on Tuesday 21 June 2016 at the Company's registered office. Full disclosure of the number of votes cast for and against resolutions will be published on the Company's website. The Notice of Annual General Meeting appears at page 27. The board believes that the resolutions to be put to shareholders are in the best interests of the shareholders as a whole and, accordingly, recommends that the shareholders vote in favour of the resolutions, as the directors intend to do in respect of their beneficial shareholdings in the Company.

#### **Employee participation**

The Company has no employees.

#### Principal risks and uncertainties

These are set out in the strategic report.

#### **Political donations**

The Company has not made any payments or donations that would be classified as political donations.

## Statement of directors' responsibilities in relation to the financial statements

The directors are responsible for preparing the directors' report, strategic 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 have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the Company for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these 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 they have been prepared in accordance with IFRSs as adopted by the European Union, 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. As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis.

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 requirements of 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.

#### Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

#### Statement of information given to auditors

The directors have confirmed that so far as they aware, there is no relevant audit information of which the Company's auditors are unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### Statement of going concern

The directors have disclosed the current status of the Company. The directors have determined that it is no longer appropriate for the Company to continue its activities. Accordingly, the financial statements have been prepared not on the going concern basis, but instead on a wind-up basis.

Shareholders accepted, when the Company listed on AIM, and ongoing in January 2013 when the WLR Funds were admitted, that there was a risk of the Company not being able to succeed in its strategy, in which event, they would not receive back the full value of their original investment.

#### **Auditors**

Since these are the last financial statements that the Company will prepare, no resolution will be proposed at the annual general meeting to appoint or re-appoint auditors.

By order of the Board Law Debenture Corporate Services Limited Company Secretary 12 May 2016

#### **Remuneration Report**

Set out below is a Remuneration Report for NBNK Investments plc for 2015. All of the information in the report is historical. AlM listed companies are not required to comply with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. Certain parts of the report are required to be audited, however, and the relevant sections are clearly identified below.

## Remuneration Committee – membership and advisers

 Due to the status of the Company throughout the period under review, the board deemed it unnecessary to operate a separate remuneration committee.

#### 2. The Company's remuneration policy

The Company has no employees so has not operated a formal executive remuneration policy. Non-executive directors received a nominal fee while the Company sought an acquisition.

#### 3. The Chairman

The chairman throughout the period was Stephen Johnson. He received a nominal, one off fee of £1 at appointment and received no other benefits. His contract was for a fixed term of three years (subject to annual reelection) at appointment, but subject to one month's notice by either party. He is not entitled to compensation upon ceasing office.

#### 4. Remuneration of non-executive directors

Lord Brennan's appointment was for a fixed term until 16 January 2016 and has subsequently been renewed on a rolling monthly basis, subject to annual re-election by the shareholders, unless terminated earlier by either party upon three months' notice in writing. Continuation of the contract of appointment is contingent on satisfactory performance and he may have his appointment terminated without notice or compensation in certain circumstances. There are no provisions for compensation payable on early termination of the appointment (save for the three month notice obligation). NEDs are expected to attend all meetings of the Board and any of the committees on which they served. Lord Brennan received an annual fee for the year of £10,000.

#### 5. Share incentive arrangements

As described in the initial Admission Document, the Company has shareholder agreement to introduce a number of long term employee share schemes to facilitate engagement of senior staff. Details of these schemes are set out in full in the initial Admission Document and comprise the usual suite of options and a performance share plan for executives and SAYE and SIP to operate on an all-employee basis. Since the Company has no employees, these schemes are not in operation and there are no options outstanding. They will terminate, with no liability to the Company, at the point that the Company is dissolved.

#### 6. Directors' emoluments for the year ended 31 December 2015

	Total salary/fees in	Benefits other	Total receivable for	Total received in
	2015	than cash	2015	2014
	£	£	£	<b>£</b>
W.L. Ross, Jr.*	-	-	-	· -
S Joḥnson*	-	-	-	• 1
Lord Brennan	10,000	-	10,000	10,000
Total	10,000	-	10,000	10,001

In line with Company policy, no short term bonus payments were made to any member of the Board.

As at 31 December 2015, the directors were the key management personnel (defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company). Their compensation is set out above. Total employer's national insurance contributions of £nil were paid (2014: £nil).

#### 7. Founder warrants

The initial Admission Document stated that the Board had delegated authority to the Remuneration Committee to grant Founder warrants over, in aggregate, up to 2.5 per cent. of the Fully Diluted Share Capital (as defined in the initial Admission Document), exercisable at 130 pence per share. None of the directors has personally received any Founder warrants.

#### 8. Directors' shareholdings

At 31 December 2015, the directors of the Company had beneficial interests in the Company's ordinary shares as follows:

	<u>Ordinan</u>	Ordinary shares		Placee B warrants *	
·			9	<u>'</u>	
	· <u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
Lord Brennan	48,500	48,500	0.007	0.007	

<sup>\*</sup> The warrants set out above were issued on the initial subscription for shares in August 2010. They are immediately exercisable at a subscription price of £1 per share, are transferable and remain exercisable until 31 August 2020. The fair value of the warrants at 31 December 2015 is zero as set out at note 13 to the accounts.

<sup>\*</sup> Wilbur Ross resigned and Stephen Johnson appointed on 21 November 2014.

<sup>\*\*</sup> Stephen Johnson does not own shares or warrants beneficially. Companies in the WL Ross Group, Stephen Johnson's employer, own 16,077,597 ordinary shares, plus Placee warrants entitling them to subscribe for 2.4092% of the fully diluted share capital of the Company and Founder warrants entitling them to subscribe for a further 0.4859%.

#### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NBNK INVESTMENTS PLC

We have audited the financial statements of NBNK Investments plc for the year ended 31 December 2015 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website a www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### Emphasis of matter

Without modifying our opinion on the financial statements we draw your attention to the disclosures made in note 1 to the financial statements concerning the Company's decision to wind up the Company and the basis on which the financial statements have been prepared. As it is the directors' intention to wind up the Company, the financial statements have not been prepared on a going concern basis.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Leigh Wormald (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
London
W1U 7EU
United Kingdom

12 May 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

#### Income statement

for the year ended 31 December 2015

Note .	Year ended 31 December 2015	Year ended 31 December 2014
	£000	£000
3	49	50
2	(320)	(251)
	(271)	(201)
12		19
	(271)	(182)
4	•	-
	(271)	(182)
5	(0.005)	(0.004)
	3 2 12	31 December 2015 £000  3

## **Statement of comprehensive income** for the year ended 31 December 2015

·	Year ended 31 December 2015	Year ended 31 December 2014	
	£000	£000	
Loss for year and total comprehensive loss for the year	(271)	(182)	

The notes at pages 16 - 26 form part of these financial statements.

## Statement of financial position as at 31 December

s at 31 December	Note		
	NOLE	2015	2014
		£000	£000
Current assets		<u></u>	
Accrued income and prepaid expenses		8	9
Cash and cash equivalents	6	19,744	20,013
Total current assets		19,752	20,022
Total assets		19,752	20,022
Current liabilities			
Trade and other payables	7	48	47
Derivativė financial liabilities	12		. <del>-</del>
Total current liabilities		48	47
Total net assets		19,704	19,975
Equity			
Called up share capital	8	5,377	5,377
Share premium	9	43,129	43,129
Capital redempțion		45	45
Retained losses		(28,847)	(28,576)
Total equity		19,704	19,975

Approved and authorised for issue by the Board on 12 May 2016 and signed on its behalf by:

## **Statement of changes in equity** for the year ended 31 December 2015

	Share capital	Share Capital Accu premium redemption	Accumulated losses	Total	
	£000	£000	£000	£000	£000
Total equity as at 1 January 2015	5,377	43,129	45	(28,576)	19,975
Net loss and total comprehensive loss for the year	-	<u>.</u>	· -	(271)	(271)
Total equity as at 31 December 2015	5,377	43,129	45	(28,847)	19,704

# **Statement of changes in equity** for the year ended 31 December 2014

	Share capital			Share premium		Accumulated losses	Total
	£000	£000	£000	£000	£000		
Total equity as at 1 January 2014	5,377	43,129	45	(28,394)	20,157		
Net loss and total comprehensive loss for the year	-	-	•	(182)	(182)		
Total equity as at 31 December 2014	5,377	43,129	45	(28,576)	19,975		

### Statement of cash flows

Cash and cash equivalents at 1 January

Cash and cash equivalents at 31 December

for the year ended 31 December 2015 Note Year ended Year ended 31 December 31 December 2015 2014 £000 £000 Operating activities Operating loss before taxation (271) (182)Decrease in fair value of derivative financial liabilities 12 (19) Decrease in receivables 2 Increase in payables 5 Cash flow from operating activities (269)(194)(194) Net decrease in cash and cash equivalents (269)

The notes at pages 16 – 26 form part of these financial statements.

20,013

19,744

20,207

20,013

#### Notes to the accounts

for the year ended 31 December 2015

#### 1. Summary of significant accounting policies

#### General Information

NBNK Investments plc is a public company incorporated in the United Kingdom. The address of the registered office is given on page 3. The Company's operations and its principal activities are to acquire a European financial institution. The financial statements are presented in pounds sterling thousands because that is the currency of the primary economic environment in which the Company operates.

#### Basis of preparation

The financial statements of NBNK Investments plc have been prepared on a basis other than going concern and in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

The financial statements have been prepared under the historical cost convention as amended for use of fair value for derivative financial instruments.

#### Critical accounting estimates and judgements

The preparation of the financial statements necessarily requires the exercise of judgement both in the application of accounting policies which are set out below and in the selection of assumptions used in the calculation of estimates. These estimates and judgements are reviewed on an ongoing basis and are continually evaluated based on experience and other factors. However, actual results may differ from these estimates. None of the estimates or judgements made in the preparation of these financial statements are considered critical.

The calculation of fair value of derivative financial instruments is dependent upon a number of estimates, including the volatility of the Company's share price (see note 10 and note 12). The Company has been listed for only a short period and the estimate of volatility has been arrived at by looking at a number of comparable companies.

#### Application of IFRS

NBNK Investments pic was incorporated during 2010 with the intention of building (primarily through acquisition) a new and substantial UK bank. Its remit is now wider and includes the acquisition of a European financial services company. The Company has to date made no acquisitions and as described in the strategic report, after the period end, the directors have resolved to wind up the Company and return unused funds to shareholders. Therefore, it is not appropriate to set out the accounting policies which will be applicable to the business.

#### New IFRSs, interpretations and amendments not yet effective

Given the current status of the Company, it is highly unlikely that any new standards, interpretations or amendments but not yet effective may ultimately have a material impact on the Company's future financial statements (if any).

#### Segmental reporting

Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the directors in deciding how to allocate resources and in assessing performance. The Company comprises one operating segment.

#### Financial instruments

Financial instruments and equity instruments are classified according to the substance of the contractual arrangements entered into.

#### Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks and other short term highly liquid investments with original maturities of three months or less.

#### Share capital

Ordinary shares are classified as equity.

#### Share based payments

Where share based payments are made in respect of goods or services received as consideration for the Company's own equity, these are accounted for as equity settled share based payments in accordance with IFRS 2. Such payments are measured at fair value at the date of grant using an appropriate option valuation technique, which is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. The fair value of these payments is not subsequently re-measured.

#### Derivative financial instruments

Derivative financial instruments are measured at fair value at date of issue and at any year end at which they are outstanding using an appropriate valuation technique and included in assets or liabilities on the statement of financial position. Differences arising between the issue date and the period end are charged or credited to the income statement.

#### Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial instruments issued by the Company are treated as liabilities if:

- (a) they include contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; or
- (b) the instrument will or may be settled in the Company's own equity instruments and is either a non-derivative that includes an obligation to deliver a variable number of the Company's own equity instruments or is a derivative (other than a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments).

#### Taxation

Current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense which are either never taxable or deductible or are taxable or deductible in other periods. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the year end date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each year end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to recover the asset. Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is expected to be settled or the asset is expected to be realised based on tax rates that have been enacted or substantively enacted at the year end date.

#### Revenue recognition

#### Interest income

Interest income is accrued on a time basis using the effective interest rate applicable.

#### Reserves

A description of each of the reserves follows:

#### Share premium

This reserve represents the difference between the issue price of shares and the nominal value of shares at the date of issue, net of related issue costs.

#### Capital redemption

This reserve was created on the cancellation of deferred shares gifted to the Company.

#### Accumulated losses

Accumulated losses represent the current and prior year losses.

#### Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividends are approved by shareholders.

#### 2. Administrative expenses

	2015	2014 £000
	£000	
Administrative expenses include:		
Salaries and directors' fees	10	10
Auditor's remuneration – statutory audit of the Company	20	20

The Company had no employees during the year (2014: none).

Remuneration of directors	•	
	2015	2014
	£000	£000
Directors' emoluments, which comprise the following, are included in administrative expenses:		
Non-executive directors' fees	10	10
Decrease in fair value of derivatives - Placee B warrants	-	(19)
	10	(9)

In line with Company policy, no short term bonus payments were made to any member of the Board.

The emoluments of the highest paid director totalled £10,000 (2014: £10,000).

Details of options held and emoluments of each director are shown in the Remuneration Report as is the statement on key management personnel (see pages 8 - 9).

3	. 1	n	re/	e.	54

	2015	2014
	0003	£000
Interest income		
Interest on bank deposits	49	50
	49	50

Taxation	2015	2014
· ·	£000	0003
Taxation based on revenue for the year comprises:	·	
UK Corporation tax at 20.25% (2014: 21.5%)	· :	-

The charge for the year can be reconciled to the loss or profit per the income statement as follows:

·	2015	2014	
		£000	_£000
Loss before taxation	·	(271)	. (182)
Tax on ordinary activities at standard rate 20.25% (2014: 21.5%)		(59)	(39)
Effects of:			
Losses considered not recoverable		59	39

#### Deferred Tax

The company has the following balances in respect of which no deferred tax asset has been recognised:

Tax losses

£20,068,987

Other temporary differences

£201,227

NBNK Investments Plc has unused tax losses of £20.1m in respect of management expenses (2014; £19.7m) for which no deferred tax is recognised in the balance sheet. None of these losses expire within five years.

No deferred tax asset has been recognised in the statement of financial position on 'other temporary differences' of £201k (2014: £201k) arising on accelerated capital allowances. The unrecognised deferred tax asset would be lost on the wind up of the Company.

#### 5. Earnings per share from operations

Loss per share from operations for the year is based upon the attributable loss of £270,489 (2014: loss of £182,701) and 53,711,229 (2014: 53,711,229) shares, being the weighted average number of shares in issue during the year. Diluted earnings per share is the same as earnings per share as the exercise of any potential ordinary shares would result in anti-dilution.

#### 6. Cash and cash equivalents

These comprise cash held at bank and short term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximates to their fair value.

#### 7. Trade and other payables

Trade and other payables comprise amounts outstanding for ongoing costs. The carrying amount of these liabilities approximates to their fair value.

. Share capital		
	2015	2014
	£000	£000
Issued and fully paid share capital (ordinary shares, 10 pence each)		
Value		•
At 1 January	5,377	5,377
Net issued in the year	<u>.</u>	<u> </u>
At 31 December	5,377	5,377
Shares authorised and issued	Number	Number
At 1 January	53,771,229	53,771,229
Net issued in the year	· <u>.</u>	
At 31 December	53,771,229	53,771,229

The Company has no other share capital in issue other than as disclosed above. All ordinary shares rank equally as to rights, including as to dividends and distribution of capital and have been issued fully paid. The Company does not hold any of its own shares and no shares are held for issue under options.

The Company monitors capital which comprises all components of equity.

The Company's objective when maintaining capital has been to safeguard the entity's ability to continue as a going concern and preserve funds for future investment. Following the announcement of the decision to return unused funds to shareholders (see the strategic report), the objective is to safeguard capital so that the maximum amount can be returned to shareholders.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

). Share premium	•		
·	2015	2014	
	€000	£000	
At 1 January	43,129	43,129	
On shares issued in the year	,		
As at 31 December	43,129	43,129	

#### 10. Financial instruments

The Company held the following categories of financial assets and liabilities, which have a carrying value the same as fair value at 31 December 2015.

•	48	47
Derivative financial liabilities (see note 12) – held at fair value through profit or loss	-	- -
Frade and other payables – held at amortised cost	48	47
_iabilities		
Cash and cash equivalents – held as loans and receivables	19,744	20,013
Assets		
<u>.</u>	£000	£000
	2015	2014

The inputs for calculating the fair value of derivative financial liabilities are not all based on observable market data and consequently they are classified as Level 3 financial instruments as defined by IFRS 7 (see note 12).

The principal risks facing the Company in respect of its financial instruments are:

- interest risk, arising from movements in interest rates on cash and cash equivalents. If interest rates during the year were
   1% higher, the impact on the Company's loss for the year would have been to decrease it by £198,392 (2014: decrease loss by £200,868). It is assumed that interest rates are unlikely to fall below the current level.
- **credit risk**, arising from the failure of another party to perform according to the terms of its contract. The Company reduces credit risk by placing cash and cash equivalents with highly rated financial institutions and restricts the maximum exposure to any single financial institution.
- **liquidity risk**, arising from the failure of the company being able to settle its debts as they fall due. The directors believe the Company is not exposed to significant liquidity risk, as it holds significant cash and cash equivalents. The amounts displayed in the table above represent contractual undiscounted cash flows.

#### 11. Share based payments - founder warrants

Founder warrants, entitling holders to subscribe for 2.5% of the Company's fully diluted share capital at 130 pence per ordinary share were issued in January 2013. The Company is obliged to treat some of these under IFRS2 as share based payments for accounting purposes on the grounds that they are in effect, a payment for services rendered to the Company having been issues to the Company's advisers, Kinmont and Cenkos. Other Founder warrants issued to shareholders on 11 January 2013 have been treated as derivative financial instruments, see note 12.

Details of affected Founder warrants outstanding at 31 December 2015 are as follows:

		2015
		Weighted average price
	· .	Pence
At 1 January 2015	535,860	130
Granted during the year	-	-
Lapsed / exercised during the year	· -	
Outstanding at 31 December 2015	535,860	130
Exercisable at 31 December 2015	535,860	130

		2014
		Weighted average price
		Pence
At 1 January 2014	535,860	130
Granted during the year	-	
Lapsed / exercised during the year	-	· -
Outstanding at 31 December 2014	535,860	130
Exercisable at 31 December 2014	535,860	130

#### 12. Derivative financial liabilities - share warrants

On listing in 2010, the Company issued Placee warrants to institutional shareholders, equivalent to 7.4% of the Company's fully diluted share capital. In addition Placee B warrants were issued, on similar terms to the Placee warrants, to non-institutional shareholders equivalent to 0.08% of the fully diluted share capital. Of the monies raised on listing, £896,000 has been attributed to the fair value of the warrants issued at the same time for nil consideration. On 11 January 2013, additional Placee and Founder warrants were issued as described in the strategic report. Founder warrants issued to shareholders are treated as derivative financial liabilities.

20	)1	

	. •	Weighted average price
apsed / exercised during the year		Pence
At 1 January 2015	5,379,564	100
Increase during the year		
Lapsed / exercised during the year	· .	•
At 31 December 2015	5,379,564	100
Exercisable at 31 December 2015	5,379,564	100

Founder warrants - non-share based payments		Weighted average price Pence
At 1 January 2015	982,813	130
Increase during the year	-	. 2
Lapsed / exercised during the year	<u>.</u>	٠.
At 31 December 2015	982,813	130
Exercisable at 31 December 2015	982,813	130

	£000
Fair value	
At 1 January 2015	÷
Increase in fair value debited to income statement	•
At 31 December 2015	-

	·	2014
Placee and Placee B warrants		Weighted average price
At 1 January 2014	5,379,564	. 100
ncrease during the year		· -
apsed / exercised during the year	·	-
At 31 December 2014	5,379,564	100
Exercisable at 31 December 2014	5,379,564	100
	· ·	• .
ounder warrants - non-share based payments	. ,	Weighted average price
At 1 January 2014	982,813	130
ncrease during the year	· -	<u>:</u>
apsed / exercised during the year	• •	
at 31 December 2014	982,813	130
exercisable at 31 December 2014	982,813	130
		•
		£000
air value		
at 1 January 2014		19
Decrease in fair value credited to income statement		(19)
At 31 December 2014		_

#### 13. Related party transactions

In the opinion of the board, the related parties are the directors. Related party transactions for the year consist of the remuneration of directors, set out in Note 2, and the agreement to pay WL Ross & Co LLC, a company where the Chairman is also a Principal, a payment of £281,000 (see Note 16).

#### 14. Financial commitments

The Company has no financial commitments.

#### 15. Investment in subsidiary

The Company owns all of the issued share capital (being £1) of NGB New Generation Limited, incorporated on 15 December 2011. The subsidiary is dormant and has not traded to date.

#### 16. Subsequent events

At the time of approval of the annual report and financial statements for the year ended 31 December 2015, and as reported in the directors' strategic report, the directors have concluded that there is no reasonable prospect for a successful acquisition, in line with the Company's investing policy, and consequently, they resolved on 11 April 2016 that it is now appropriate to return unused funds to shareholders and to wind up the Company.

In May 2016, the Board agreed a payment of £281,000 to WL Ross & Co LLC for the recovery of legal fees and other due diligence costs undertaken on behalf of NBNK Investment plc on potential acquisitions, that had developed to an advanced stage, beyond initial due diligence.

#### **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the sixth Annual General Meeting of NBNK Investments plc (the "Company") will be held on 21 June 2016 at 2:00pm at Fifth Floor, 100 Wood Street, London EC2V 7EX for the transaction of the following business:

To consider and, if thought fit, to pass the following resolutions, which will be proposed as ordinary resolutions:

- 1. **THAT** the Company's audited financial statements for the year ending 31 December 2015, together with the directors' report, strategic report and the auditor's report on those statements, be received.
- 2. THAT Stephen Johnson be re-elected as a director of the Company.
- 3. THAT Lord Brennan of Bibury be re-elected as a director of the Company.

BY ORDER OF THE BOARD

Law Debenture Corporate Services Limited, Secretary

12 May 2016

Registered office:

Fifth Floor 100 Wood Street London EC2V 7EX

Registered company no. 7303316

#### Notes to the notice of Annual General Meeting

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy to exercise all or any of the rights of the member to attend and speak and vote on his behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member.
- (2) To appoint a proxy you may:
  - a. use the Form of Proxy enclosed with this notice of Annual General Meeting. To be valid, the Form of Proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be received by post or (during normal business hours only) by hand at Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU or at www.capitashareportal.com, in each case no later than 2.00pm on 17 June 2016 (being not less than 48 hours before the meeting excluding non-working days); or
  - b. if you hold your shares in uncertificated form, use the CREST electronic proxy appointment service as described in Note 8 below.

Completion of the Form of Proxy or appointment of a proxy through CREST will not prevent a member from attending and voting in person.

- (3) Any member attending the meeting has the right to ask any question at the meeting relating to the business of the meeting.
- (4) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only shareholders registered in the register of members of the Company as at 6pm on 17 June 2016 shall be entitled to attend and vote at the Annual General Meeting in respect of the number of shares registered in their name at such time. If the meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned meeting is 6pm on the day which is two days before the date fixed for the adjourned meeting. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- (5) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (6) The Company has an issued share capital at 12 May 2016 (being the latest practicable date prior to publication of this notice of Annual General Meeting) of 53,771,229 Ordinary Shares with voting rights and no restrictions and no special rights with regard to control of the Company. There are no other classes of share capital and none of the Company's issued shares are held in treasury. Therefore, the total number of voting rights in the Company as at 12 May 2016 (being the latest practicable date prior to publication of this notice of Annual General Meeting) is 53,771,229.
- (7) In the following paragraphs, information is given about each resolution:

Resolution 1 – annual report, strategic report and audited financial statements (ordinary resolution). It is a legal requirement that the directors lay before the Company's shareholders the Company's accounts, directors' report, strategic report and the audit report. The report and financial statements cover the year ending 31 December 2015.

Resolutions 2 - 3 -re-election of directors (ordinary resolutions). The articles of association of the Company require the directors to retire at the subsequent annual general meeting following their appointment and the Board has separately resolved that all directors will retire and offer themselves for re-election annually. In accordance with the articles of

association of the Company, Stephen Johnson was appointed as a director by the Board on 21 November 2014 and he now seeks re-election. Lord Brennan (who has been a director since 16 July 2010) is also seeking re-election as a director. Brief biographies of the directors are set out on page 2 of the annual report and financial statements. The Board supports the re-election of the directors.

(8) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for such instructions, as described in the CREST Manual (<a href="www.euroclear.com/CREST">www.euroclear.com/CREST</a>). The message must be transmitted so as to be received by the issuer's agent, Capita Asset Services (ID RA10), by 2.00pm on 17 June 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

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### **NBNK INVESTMENTS PLC**

Company number 07303316

Registered office address 55 Baker Street, London, W1U 7EU

Company status
Dissolved

Dissolved on 5 April 2018

Company type
Public limited Company

Incorporated on 2 July 2010

#### **Accounts**

Last accounts made up to 31 December 2015

### Nature of business (SIC)

• 82990 - Other business support service activities not elsewhere classified

### Previous company names

Name Period

DE FACTO 9999 PLC 02 Jul 2010 - 02 Aug 2010

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## **TM01** (ef)

### **Termination of Appointment** of Director or Corporate Director



Company Name: **NBNK INVESTMENTS PLC** 

Company Number: 07303316

Received for filing in Electronic Format on the: 13/08/2012

### Resignation Details

Date of resignation: 10/08/2012

Name: SIR DAVID ALAN WALKER

### Authorisation

Authenticated

This form was authorised by one of the following:

Director, Secretary, Person Authorised, Liquidator, Administrator, Administrative Receiver, Receiver, Receiver Manager, Charity Commission Receiver and Manager, CIC Manager, Judicial Factor.

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## **NBNK INVESTMENTS PLC**

Company number 07303316

Date	Type	Description	View / Download
15 May 2017	TM01	Termination of appointment of Daniel Joseph Brennan as a director on 12 May 2017	(1 page)
15 May 2017	TM01	Termination of appointment of Stephen Lloyd Johnson as a director on 12 May 2017	(1 page)
28 Jun 2016	AA	Full accounts made up to 31 December 2015	(31 pages)
11 Jun 2016	MR04	Satisfaction of charge 1 in full	(5 pages)
11 Jun 2016	MR04	Satisfaction of charge 2 in full	(5 pages)
07 Jul 2015	AR01	<b>Annual return</b> made up to 2 July 2015 no member list Statement of capital on 2015-07-07	(5 pages)
		• GBP 53,771,229	
17 Jun 2015	AA	Full accounts made up to 31 December 2014	(36 pages)
02 Dec 2014	AP01	Appointment of Mr Stephen Lloyd Johnson as a director on 21 November 2014	(2 pages)
24 Nov 2014	TM01	<b>Termination of appointment</b> of Wilbur Louis Ross Jr as a director on 21 November 2014	(1 page)
08 Jul 2014	AR01	<b>Annual return</b> made up to 2 July 2014 no member list Statement of capital on 2014-07-08	(5 pages)
		• GBP 53,771,229	
02 Jul 2014	AA	Full accounts made up to 31 December 2013	(37 pages)
19 Jul 2013	AR01	Annual return made up to 2 July 2013 no member list	(5 pages)
29 Apr 2013	AA	Full accounts made up to 31 December 2012	(40 pages)
29 Jan 2013	SH06	Cancellation of shares. Statement of capital on 29 January 2013	(5 pages)
		• GBP 5,377,122.9	
29 Jan 2013	SH01	Statement of capital following an allotment of shares on 11 January 2013	(5 pages)
		• GBP 5,377,122.90	
29 Jan 2013	SH03	Purchase of own shares.	(3 pages)
14 Jan 2013	AP01	Appointment of Mr Wilbur Louis Ross Jr as a director	(2 pages)
11 Jan 2013	TM01	Termination of appointment of Peter Levene as a director	(1 page)
11 Jan 2013	TM01	Termination of appointment of Gary Hoffman as a director	(1 page)
11 Jan 2013	TM01	Termination of appointment of Michael Forsyth as a director	(1 page)
13 Aug 2012	TM01	Termination of appointment of David Walker as a director	(1 page)

19 Jul 2012	AR01	Annual return made up to 2 July 2012 no member list	(9 pages)
17 Jul 2012	TM01	Termination of appointment of John Mcfall as a director	(1 page)
02 Jul 2012	AA	Full accounts made up to 31 December 2011	(45 pages)
11 Jul 2011	AR01	Annual return made up to 2 July 2011 with bulk list of shareholders	(19 pages)

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## **NBNK INVESTMENTS PLC**

Company number 07303316

Date	Туре	Description	View / Download
06 Jul 2011	MG01	Duplicate mortgage certificatecharge no:2 This document is currently unavailable, a copy can be ordered from the Contact Centre. Telephone +44 (0)303 1234 500. There is a £3.00 charge per document.	
01 Jul 2011	MG01	Particulars of a mortgage or charge / charge no: 2	(6 pages)
05 May 2011	AP01	Appointment of Mr Gary Andrew Hoffman as a director	(2 pages)
18 Mar 2011	AA	Full accounts made up to 31 December 2010	(39 pages)
12 Nov 2010	MG01	Particulars of a mortgage or charge / charge no: 1	(6 pages)
13 Oct 2010	TM01	Termination of appointment of Charles Mccreevy as a director	(2 pages)
26 Aug 2010	SH06	<ul> <li>Cancellation of shares. Statement of capital on 26 August 2010</li> <li>GBP 5,005,000.0</li> </ul>	(5 pages)
26 Aug 2010	SH01	Statement of capital following an allotment of shares on 20 August 2010  • GBP 5,050,000.0	(5 pages)
26 Aug 2010	SH02	Sub-division of shares on 12 August 2010	(7 pages)
09 Aug 2010	AP01	Appointment of Lord John Mcfall as a director	(3 pages)
09 Aug 2010	AP01	Appointment of Lord Peter Keith Levene as a director	(3 pages)
09 Aug 2010	AP01	Appointment of Sir David Alan Walker as a director	(3 pages)
09 Aug 2010	AP01	Appointment of Lord Michael Bruce Forsyth as a director	(3 pages)
05 Aug 2010	AA01	Current accounting period shortened from 31 July 2011 to 31 December 2010	(3 pages)
05 Aug 2010	TM02	Termination of appointment of Matthew Stoate as a secretary	(2 pages)
05 Aug 2010	TM01	Termination of appointment of John Aitken as a director	(2 pages)

6	6/11/2018		NBNK INVESTMENTS PLC - Filing history (free information from Companies House)	
	05 Aug 2010	TM01	Termination of appointment of Gavin Kelly as a director	(2 pages)
	05 Aug 2010	AP01	Appointment of Charles Mccreevy as a director	(3 pages)
	05 Aug 2010	AP04	Appointment of Law Debenture Corporate Services Limited as a secretary	(3 pages)
	05 Aug 2010	AP01	Appointment of Lord Daniel Joseph Brennan as a director	(3 pages)
	09 Jul 2010	CERT8A	Commence business and borrow	(1 page)
	02 Jul 2010	NEWINC	Incorporation	(76 pages)

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### **NBNK INVESTMENTS PLC**

Company number 07303316

- Officers
- Persons with significant control (https://beta.companieshouse.gov.uk/company/07303316/persons-with-significant-control)

#### Filter officers

Current officers	
Apply filter	

### 13 officers / 12 resignations

#### LAW DEBENTURE CORPORATE SERVICES LIMITED

Correspondence address 100 Wood Street, London, EC2V 7EX

Role Secretary

Appointed on 16 July 2010

#### Registered in a European Economic Area What's this?

Placed registered UNITED KINGDOM

Registration number 3388362

#### STOATE, Matthew

Correspondence address 5 Clifford Street, London, W1S 2LG

Role Resigned Secretary

Appointed on 2 July 2010

Resigned on 16 July 2010

#### **AITKEN, John Brown**

Correspondence address 5 Clifford Street, London, W1S 2LG

Role Resigned **Director** 

Date of birth August 1952

Appointed on 2 July 2010

Resigned on 16 July 2010

Nationality British

Country of residence United Kingdom

Occupation Consultant

#### **BRENNAN**, Daniel Joseph, Lord

Correspondence address 5 Clifford Street, London, W1S 2LG

Role Resigned Director

Date of birth March 1942

Appointed on 16 July 2010

Resigned on 12 May 2017

Nationality British

Country of residence England

Occupation Uk

#### FORSYTH, Michael Bruce, The Rt Hon Lord

Correspondence address 5 Clifford Street, London, W1S 2JG

Role Resigned Director

Date of birth October 1954

Appointed on 30 July 2010

Resigned on 11 January 2013

Nationality British

Country of residence United Kingdom

Occupation Banker

#### **HOFFMAN, Gary Andrew**

Correspondence address Fifth Floor, 100 Wood Street, London, EC2V 7EX

Role Resigned Director

Date of birth October 1960

Appointed on 1 May 2011

Resigned on 11 January 2013

Nationality British

Country of residence England

Occupation Director

#### JOHNSON, Stephen Lloyd

Correspondence address Fifth Floor, 100, Wood Street, London, England, EC2V 7EX

Role Resigned **Director** 

Date of birth March 1976

Appointed on 21 November 2014

Resigned on 12 May 2017

Nationality American

Country of residence Usa

Occupation Private Equity Professional

#### **KELLY, Gavin Douglas**

Correspondence address 5 Clifford Street, London, W1S 2LG

Role Resigned Director

Date of birth July 1967

Appointed on 2 July 2010

Resigned on 16 July 2010

Nationality British

Country of residence England

Occupation Corporate Finance Adviser

#### LEVENE, Peter Keith, Lord

Correspondence address 5 Clifford Street, London, United Kingdom, W1S 2LG

Role Resigned Director

Date of birth December 1941

Appointed on 16 July 2010

Resigned on 11 January 2013

Nationality British

Country of residence Uk

Occupation Director

#### MCCREEVY, Charles John

Correspondence address 5 Clifford Street, London, W1S 2LG

Role Resigned Director

Date of birth September 1949

Appointed on 16 July 2010

Resigned on 7 October 2010

Nationality Irish

Country of residence Uk

Occupation Director

#### MCFALL, John Francis, Lord

Correspondence address 5 Clifford Street, London, W1S 2LG

Role Resigned Director

Date of birth October 1944

Appointed on 16 July 2010

Resigned on 17 July 2012

Nationality British

Country of residence United Kingdom

#### **ROSS JR, Wilbur Louis**

Correspondence address Fifth Floor, 100 Wood Street, London, England, EC2V 7EX

Role Resigned Director

Date of birth November 1937

Appointed on 11 January 2013

Resigned on 21 November 2014

Nationality American

Country of residence Usa

Occupation Company Director

#### WALKER, David Alan, Sir

Correspondence address 5 Clifford Street, London, United Kingdom, W1S 2LG

Role Resigned Director

Date of birth December 1939

Appointed on 16 July 2010

Resigned on 10 August 2012

Nationality British

Country of residence Uk

Occupation Banker

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# Companies House BETA This is a trial service — your feedback will help us to improve it. Sign in / Register Sign in / Register **NBNK INVESTMENTS PLC** Company number 07303316 Follow this company Overview Filing history People | Charges | Insolvency Filter charges Outstanding / part satisfied

### 2 charges registered

0 outstanding, 2 satisfied, 0 part satisfied

### Rent deposit deed

Created

24 June 2011

Delivered

1 July 2011

Status

Satisfied on 11 June 2016

#### Persons entitled

Jp Morgan Chase Bank, National Association

#### **Short particulars**

The deposit balance means the sum from time to time in the...

### Rent deposit deed

Created

2 November 2010

Delivered

**12 November 2010** 

Status

Satisfied on 11 June 2016

#### Persons entitled

Jp Morgan Chase Bank, National Association

#### **Short particulars**

The sum from time to time in the account which is equal to...

Is there anything wrong with this page?

Policies Cookies Contact us Developers

6/11/2018 Charge

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### **NBNK INVESTMENTS PLC**

Company number 07303316

- 1. Charges (https://beta.companieshouse.gov.uk/company/07303316/charges)
- 2. Rent deposit deed

### Rent deposit deed

Created

2 November 2010

Delivered

12 November 2010

Status

Satisfied on 11 June 2016

Transaction Filed

Registration of a charge (MG01)

(6 pages)

#### Persons entitled

Jp Morgan Chase Bank, National Association

#### **Amount secured**

£36,750 due or to become due from the company to the chargee

#### **Short particulars**

The sum from time to time in the account which is equal to the initial deposit plus any further sums see image for full details.

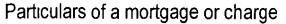
#### Additional transactions filed against this charge

Is there anything wrong with this page?

Туре	Delivered	View / Download
Satisfaction of a charge (MR04)	11 June 2016	(5 pages)

In accordance with Section 860 of the Companies Act 2006

### **MG01**





183361

A fee	IS	paya	ble	with	this	form
-------	----	------	-----	------	------	------

We will not accept this form unless you send the correct fee Please see 'How to pay' on the last page

#### What this form is for

You may use this form to register particulars of a mortgage or charge in England and Wales or Northern Ireland



#### What this form is NOT for

You cannot use this ' particulars of a charg company To do this form MG01s



For further information, please

' uk

12/11/2010 **COMPANIES HOUSE** 

Company number

0

Company details

3 1 6

Company name in full

NBNK Investments Plc

Filling in this form Please complete in typescript or in bold black capitals

All fields are mandatory unless specified or indicated by \*

#### Date of creation of charge

d<sub>2</sub> Date of creation

#### Description

Please give a description of the instrument (if any) creating or evidencing the charge, e.g. 'Trust Deed', 'Debenture', 'Mortgage', or 'Legal charge'

Description

A rent deposit deed made between (1) JPMorgan Chase Bank, National Association and (2) NBNK Investments Plc dated 2 November 2010 (the "Rent Deposit Deed")

#### Amount secured

Please give us details of the amount secured by the mortgage or charge Amount secured The sum of thirty six thousand seven hundred and fifty pounds (£36,750)

Continuation page

Please use a continuation page if you need to enter more details

MG01
Particulars of a mortgage or charge

5	Mortgagee(s) or person(s) entitled to the charge (if any)			
	Please give the name and address of the mortgagee(s) or person(s) entitled to the charge	Continuation page Please use a continuation page if you need to enter more details		
Name	JP Morgan Chase Bank, National Association	, ou 11000 to 611101 11101 11111		
Address	1111 Polarıs Parkway, Columbo, Ohio 43240 USA,			
	acting through its London Branch at 125 London Wall			
Postcode	E C 2 Y 5 A J			
Name				
Address				
Postcode				
6	Short particulars of all the property mortgaged or charged			
	Please give the short particulars of the property mortgaged or charged	Continuation page Please use a continuation page if you need to enter more details		
	"Deposit Balance" means the sum from time to time in the Account who Deposit plus any further sums which the Landlord has placed in the Account, plus any interest which has and which has been applied for the purposes of this deed,  "Initial Deposit" means the sum of thirty six thousand seven hundred a "Landlord" JPMORGAN CHASE BANK, NATIONAL ASSOCIATION of organised under the laws of the United States of America within its main Parkway, Columbo, Ohio 43240 USA, acting through its London Branch London EC2Y 5AJ,	ount, less any sums which as accrued to the Account and fifty pounds (£36,750), a banking association office at 1111 Polaris		
	See continuation sheet			

In accordance with Section 860 of the Companies Act 2006

### MG01 - continuation page

Particulars of a mortgage or charge

6

#### Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

"Liabilities" means all sums required

- (a) to discharge all obligations which are due from time to time to the Landlord under the Lease or under this deed, and
- (b) to compensate the Landlord for all losses from time to time of the Landlord which arise by reason of the forfeiture of the Lease or disclaimer of liability under the Lease, and include and extend to
- (c) rent, service charges, sums in respect of insurance, interest, costs, outgoings and all other payments payable to the Landlord by the Tenant under the Lease or for which the Landlord would otherwise be responsible in default of payment by the Tenant (and for which the Tenant is responsible under the Lease) with regards to the principal rent whether or not formally demanded,
- (d) claims, damages, losses, costs and expenses arising out of, or incidental to
- any breach by the Tenant of any of the covenants and conditions on the part of the tenant in the Lease or of the Tenant's obligations in this deed, or
- (ii) the enforcement of those covenants, conditions or obligations,
- (e) loss of rent arising by reason of
- (i) the disclaimer of liability under the Lease, or
- (ii) the forfeiture of the Lease, or
- (iii) any other determination of the Lease otherwise than by effluxion of time or by agreement or pursuant to the exercise of the break right included in the Lease,

or an amount equal to the rent which would have been reserved by the Lease had there been no disclaimer or forfeiture or other such determination,

- (f) all bank charges applied to or levied on the Account by the Bank, and
- (g) VAT, if chargeable, in relation to such sums,

"Tenant" NBNK INVESTMENTS PLC (incorporated and registered in England and Wales under company number 7303316),

As security for the payment of the Liabilities, the Tenant, with full title guarantee charges by way of a fixed charge and in favour of the Landlord from time to time (a) all its interest in the Account, and (b) all its interest in the Deposit Balance, and assigns by way of security all its rights under the Rent Deposit Deed (including its right to the return of the Deposit Balance from the person who is the Landlord at the relevant time)

#### **MG01**

Particulars of a mortgage or charge

#### 7

#### Particulars as to commission, allowance or discount (if any)

Please insert the amount or rate percent of any commission, allowance or discount paid or made either directly or indirectly by the company to any person on consideration of his

- subscribing or agreeing to subscribe, whether absolutely or conditionally, or
- procuring or agreeing to procure subscriptions, whether absolute or conditional,

for any debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.

#### Commission allowance or discount

#### 8

#### **Delivery of Instrument**

You must deliver the original instrument (if any) creating or evidencing the charge and these prescribed particulars to the Registrar of Companies within 21 days after the date of creation of the charge (section 860). If the property is situated and the charge was created outside the United Kingdom (UK), you must deliver the information to the Registrar within 21 days after the date on which the instrument could have been received in the UK in the normal course of post and assuming you had posted it promptly (section 866).

We will accept a verified copy of the instrument creating the charge where the property charged is situated and the charge was created outside the UK (section 870). The company or the person who has delivered the copy to the Registrar must verify it to be a correct copy and sign it. Where a body corporate gives the verification, an officer of that body must sign it. We will also accept a verified copy where section 867(2) applies (property situated in another part of UK)

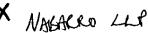
#### 9

#### Signature

Please sign the form here

Signature

Signature



X

This form must be signed by a person with an interest in the registration of the charge

### MG01

Particulars of a mortgage or charge

### Presenter information You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form and will establish where we return the original documents. The contact information you give will be visible to searchers of the public record Contact name Rachel Bassindale Сотралу пате NABARRO LLP #60639486 Address Theobald's Road Holborn London County/Region Postcode Chancery Lane London DX DX77 Telephone 02075246000

### Certificate

We will send your certificate to the presenter's address if given above or to the Company's Registered Office if you have left the presenter's information blank

### Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the
following
The company name and number match the
information held on the public Register
You have included the original deed with this form
You have entered the date the charge was created
You have supplied the description of the instrument
You have given details of the amount secured by
the mortgagee or chargee
You have given details of the mortgagee(s) or
person(s) entitled to the charge
You have entered the short particulars of all the
property mortgaged or charged
You have signed the form
You have enclosed the correct fee

### Important information

Please note that all information on this form will appear on the public record

### How to pay

A fee of £13 is payable to Companies House in respect of each mortgage or charge.

Make cheques or postal orders payable to 'Companies House'

### ■ Where to send

R

You may return this form to any Companies House address, however for expediency we advise you to return it to the appropriate address below.

For companies registered in England and Wales: The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ DX 33050 Cardiff

For companies registered in Scotland.

The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, Scotland, EH3 9FF DX ED235 Edinburgh 1 or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG DX 481 N R Belfast 1

### Further information

For further information, please see the guidance notes on the website at www companieshouse gov uk or email enquiries@companieshouse gov uk

This form is available in an alternative format Please visit the forms page on the website at www.companieshouse gov uk



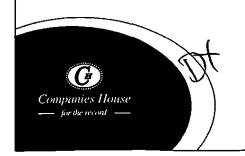
## CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 869(5) & (6) of the Companies Act 2006

COMPANY NO. 7303316 CHARGE NO. 1

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A RENT DEPOSIT DEED DATED 2 NOVEMBER 2010 AND CREATED BY NBNK INVESTMENTS PLC FOR SECURING £36,750 DUE OR TO BECOME DUE FROM THE COMPANY TO JP MORGAN CHASE BANK, NATIONAL ASSOCIATION WAS REGISTERED PURSUANT TO CHAPTER 1 PART 25 OF THE COMPANIES ACT 2006 ON THE 12 NOVEMBER 2010

GIVEN AT COMPANIES HOUSE, CARDIFF THE 16 NOVEMBER 2010





In accordance with Section 859L of the	MR04	₪laserform
Companies Act 2006	Statement of satisfaction in full or in part of	
You can use the WebFiling service to file this form online.  Please go to www companieshouse gov uk  What this form is for You may use this form to register a statement of satisfaction in full or in part of a mortgage or charge against a company  **Town may use this form to register a statement of satisfaction in full or in part of a mortgage or charge against a company  **Town may not use the register a statement for full or in part of a charge against an t LL MR04.  **Town may not use the register a statement for full or in part of a charge against an t LL MR04.  **Town may not use the register a statement for full or in part of a charge against an t LL MR04.  **Town may not use the register a statement for full or in part of a charge against an t LL MR04.  **Town may not use the register a statement for full or in full or		
	V	
·	You may use this form to register a statement of satisfaction in full or in part of a mortgage or charge against a company  You may not use th register a statement of in full or in part of a charge against an L NR04.	1.007.00.00
1		OMPANIES HOUSE
	<del></del>	→ Filling in this form
<del></del>		Please complete in typescript or in
company name in rei		All fields are mandatory unless
2	Charge creation	Specified to indicated by
	<u> </u>	
	→ On or after 06/04/2013 Complete Part B and Part C	
Part A	Charges created before 06/04/2013	
A1	Charge creation date	
	Please give the date of creation of the charge.	
Charge creation date	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	
A2	Charge number	
	Please give the charge number This can be found on the certificate.	
Charge number*		
A3	Description of instrument (If any)	
	Please give a description of the instrument (if any) by which the charge is created or evidenced.	Continuation page Please use a continuation page if you need to enter more details
Instrument description	A rent deposit deed made between (1) JP Morgan Chase Bank, National Association and (2) NBNK Investments Plc dated 02 November 2010	

	Please give the short particulars of the property or undertaking charged	Continuation page Please use a continuation page i
hort particulars	DEFINITIONS	you need to enter more details
	"Account" means the separately designated interest bearing, instant access account held by the Landlord's solicitors or opened by the Landlord at a United Kingdom clearing bank from time to time and used by the Landlord for purposes of this deed	
	"Deposit Balance" means the sum from time to time to the Account which is equal to the Initial Deposit plus any further sums which the Landlord has placed in the Account, less any sums which the Landlord has withdrawn from the Account, plus any interest which has accrued to the Account and which has been applied for the purposes of this deed,	
	"Initial Deposit" means the sum of twenty two thousand pounds (£22,000),	
	"Landlord" JPMORGAN CHASE BANK, NATIONAL ASSOCIATION of a banking association organised under the laws of the United States of America within its mam office at 1111 Polaris Parkway, Columbo, Ohio 43240 USA, acting through its London Branch at 125 London Wall, London EC2Y 5AJ,	
	Sec continuation sheet	
Part B	Charges created on or after 06/04/2013	**************************************
B1	Charge code	
	Please give the charge code. This can be found on the certificate	Charge code This is the unique reference code
Charge code •		

in accordance with Section 859L of the Companies Act 2006

### MR04 - continuation page

Statement of satisfaction in full or in part of a charge

#### A4

#### Short particulars of the property or undertaking charged

Please give the short particulars of the property or undertaking charged

#### Short particulars

Liabilities" means all sums required

- (a) to discharge all obligations which are due from time to time to the Landlord under the Lease or under this deed, and
- (b) to compensate the Landlord for all losses from time to time of the Landlord which arise by reason of the forfeiture of the Lease or disclaimer of liability under the Lease,

and include and extend to

- (c) rent, service charges, sums in respect of insurance, interest, costs, outgoings and all other payments payable to the Landlord by the Tenant under the Lease or for which the Landlord would otherwise be responsible in default of payment by the Tenant (and for which the Tenant is responsible under the Lease) with regards to the principal rent whether or not formally demanded,
- (d) claims, damages, losses, costs and expenses arising out of, or incidental to (i) any breach by the Tenant of any of the covenants and conditions on the part of the tenant in the Lease or of the Tenant's obligations in this deed, or (ii) the enforcement of these
- (ii) the enforcement of those

covenants, conditions or obligations,

- (e) loss of rent arising by reason of
- (i) the disclaimer of liability under the Lease, or
- (ii) the forfeiture of the Lease, or
- (iii) any other determination of the Lease otherwise than by effluxion of time or by agreement or pursuant to the exercise of the break right included in the

or an amount equal to the rent which would have been reserved by the Lease had there been no disclaimer or forfeiture or other such determination,

- (f) all bank charges applied to or levied on the Account by the Bank, and
- (g) VAT, if chargeable, in relation to such sums,

"Tenant" NBNK INVESTMENTS PLC (incorporated and registered in England and Wales under company number 7303316),

As security for the payment of the Liabilities, the Tenant, with full title guarantee charges by way of a fixed charge and in favour of the Landlord from time to time (a) all its interest in the Account, and (b) all its interest in the Deposit Balance, and assigns by way of security all its rights under the Rent Deposit Deed (including its right to the return of the Deposit Balance from the Person who is the Landlord at the relevant time)

	MR04 Statement of satisfaction in full or in part of a charge
Part C	To be completed for all charges
C1	Satisfaction
	confirm that the debt for the charge as described has been paid or satisfied.   Please tick the appropriate box   x    In full   In part
C2	Details of the person delivering this statement and their interest in the charge
	Please give the name of the person delivering this statement
Name	Company Secretary of NBNK Investments Plc
	Please give the address of the person delivering this statement
Building name/number	Fifth Floor
Street	100 Wood Street
Post town	
County/Region	London
Postcode	E C 2 V 7 E X  Please give the person's interest in the charge (e.g. chargor/chargee etc)
Person's interest in the charge	Chargor
C3	Signature
	Please sign the form here.
Signature	Signature X

Representing Law Debenture Corporate Services Ltd

Presenter information	Important information
You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.	Please note that all information on this form will appear on the public record
,	Where to send
Contestrans Thomas Gubbins Company name	You may return this form to any Companies House address. However, for expediency, we advise you
Travers Smith LLP	to return it to the appropriate address below:
Address 10 Snow Hall	For companies registered in England and Wales: The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ DX 33050 Cardiff
	For companies registered in Scotland.
Postown London	The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2,
Coanty/Region Postcode Postcode	139 Fountainbridge, Edinburgh, Scotland, EH3 9FF DX ED235 Edinburgh 1
	or LP - 4 Edinburgh 2 (Legal Post)
Country	For companies registered in Northern Ireland:
DX	The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street,
Telephone	Belfast, Northern Ireland, BT2 8BG DX 481 N R Belfast 1
<b>✓</b> Checklist	Further information
We may return forms completed incorrectly or with information missing.	For further information, please see the guidance notes
Please make sure you have remembered the	on the website at www companieshouse gov uk or email enquiries@companieshouse gov uk
following:  The company name and number match the	This form is available in an
information held on the public Register	alternative format. Please visit the
Part A Charges created before 06/04/2013 You have given the charge date	forms page on the website at
You have given the charge date  You have given the charge number (if appropriate)	www.companieshouse.gov.uk
You have completed the Description of instrument and Short particulars in Sections A3 and A4	www.companiesnouse.gov.uk
Part B Charges created on or after 06/04/2013  You have given the charge code	
Part C To be completed for all charges	
You have ticked the appropriate box in Section C1 You have given the details of the person delivering	
this statement in Section C2 You have signed the form	
	<b>\</b>

6/11/2018 Charge

### **Companies House**

BETA This is a trial service — your feedback (https://www.research.net/r/chbeta) will help us to improve it.

Search for companies or officers

# **NBNK INVESTMENTS PLC**

Company number 07303316

- 1. Charges (https://beta.companieshouse.gov.uk/company/07303316/charges)
- 2. Rent deposit deed

### Rent deposit deed

Created

24 June 2011

Delivered

1 July 2011

Status

Satisfied on 11 June 2016

Transaction Filed

Registration of a charge (MG01)

(6 pages)

#### **Persons entitled**

Jp Morgan Chase Bank, National Association

#### **Amount secured**

£22,000 due or to become due from the company to the chargee

#### **Short particulars**

The deposit balance means the sum from time to time in the account see image for full details.

#### Additional transactions filed against this charge

Type Delivered View / Download
Satisfaction of a charge (MR04) 11 June 2016 (5 pages)

Is there anything wrong with this page?

, In accordance with Section 860 of the Companies Act 2006

# **MG01**

## Particulars of a mortgage or charge



A fe	e IS	payable	with	this	form
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We will not accept this form unless you send the correct fee Please see 'How to pay' on the last page

✓ What this form is for
You may use this form to register
particulars of a mortgage or charge
in England and Wales or Northern

ireland

What this form is NOT for You cannot use this form to particulars of a charge for a company To do this, please form MG01s



A31 01/07/2011

211

1		
	Company details	For official use
Company number	7 3 0 3 1 6	→ Filling in this form Please complete in typescript or in
Company name in ful	NBNK Investments Plc	bold black capitals
		All fields are mandatory unless specified or indicated by *
2	Date of creation of charge	<u> </u>
Date of creation	$\begin{bmatrix} d_2 & d_4 & & & \\ \end{bmatrix} \begin{bmatrix} m_0 & m_6 & & \end{bmatrix} \begin{bmatrix} y_2 & y_0 & y_1 & \\ \end{bmatrix} \begin{bmatrix} y_1 & & & \\ & & & \end{bmatrix}$	
3	Description	
	Please give a description of the instrument (if any) creating or evidencing the charge, e.g. 'Trust Deed', 'Debenture', 'Mortgage', or 'Legal charge'	
	Association and (2) NBNK Investments Plc dated 24 Ju Deposit Deed")	
A		
4	Amount secured	
Amount secured	Amount secured  Please give us details of the amount secured by the mortgage or charge  twenty two thousand pounds (£22,000)	Continuation page Please use a continuation page if you need to enter more details

MG01 .
Particulars of a mortgage or charge

	Mortgagee(s) or person(s) entitled to the charge (if any)	
	Please give the name and address of the mortgagee(s) or person(s) entitled to the charge	Continuation page Please use a continuation page if you need to enter more details
Name	JP Morgan Chase Bank, National Association	
Address	1111 Polaris Parkway, Columbo, Ohio 43240 USA,	
	acting through its London Branch at 125 London Wall	
Postcode	E C 2 Y 5 A J	
Name		
Address		
Postcode		
6	Short particulars of all the property mortgaged or charged	
	Please give the short particulars of the property mortgaged or charged	Continuation page Please use a continuation page if you need to enter more details
	"Deposit Balance" means the sum from time to time in the Account we Deposit plus any further sums which the Landlord has placed in the Act the Landlord has withdrawn from the Account, plus any interest which and which has been applied for the purposes of this deed,  "Initial Deposit" means the sum of twenty two thousand pounds (£22)  "Landlord" JPMORGAN CHASE BANK, NATIONAL ASSOCIATION of organised under the laws of the United States of America within its material Parkway, Columbo, Ohio 43240 USA, acting through its London Branc London EC2Y 5AJ,  See continuation sheet.	count, less any sums which has accrued to the Account 000), of a banking association in office at 1111 Polaris

#### MG01

Particulars of a mortgage or charge

-	

### Particulars as to commission, allowance or discount (if any)

Please insert the amount or rate percent of any commission, allowance or discount paid or made either directly or indirectly by the company to any person on consideration of his

- subscribing or agreeing to subscribe, whether absolutely or conditionally, or
- procuring or agreeing to procure subscriptions, whether absolute or conditional.

for any debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered

Commission, allowance or discount

#### **Delivery of instrument**

You must deliver the original instrument (if any) creating or evidencing the charge and these prescribed particulars to the Registrar of Companies within 21 days after the date of creation of the charge (section 860). If the property is situated and the charge was created outside the United Kingdom (UK), you must deliver the information to the Registrar within 21 days after the date on which the instrument could have been received in the UK in the normal course of post and assuming you had posted it promptly (section 870)

We will accept a verified copy of the instrument creating the charge where the property charged is situated and the charge was created outside the UK (section 866) The company or the person who has delivered the copy to the Registrar must verify it to be a correct copy and sign it. Where a body corporate gives the ventication, an officer of that body must sign it. We will also accept a verified copy where section 867(2) applies (property situated in another part of UK)

#### Signature

Please sign the form here

Signature

Vabaro CP

Χ

This form must be signed by a person with an interest in the registration of the charge

· MG01 · Particulars of a mortgage or charge

Presenter information	Important information
You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form and will establish where we return the	Please note that all information on this form will appear on the public record
original documents. The contact information you give will be visible to searchers of the public record.	£ How to pay
Contact name Michelle Kershaw	A fee of £13 is payable to Companies House in respect of each mortgage or charge.
NABARRO LLP #60639486	Make cheques or postal orders payable to 'Companies House'
Address Theobald's Road Holborn	Where to send
	You may return this form to any Companies House address, however for expediency we advise you to return it to the appropriate address below
County/Region	For companies registered in England and Wales. The Registrar of Companies, Companies House, Crown Way, Cardiff, Wales, CF14 3UZ DX 33050 Cardiff
OX DX77 Chancery Lane London  Telephone 02075246000  Certificate	For companies registered in Scotland. The Registrar of Companies, Companies House, Fourth floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, Scotland, EH3 9FF DX ED235 Edinburgh 1
We will send your certificate to the presenter's address if given above or to the Company's Registered Office if you have left the presenter's information blank  Checklist	or LP - 4 Edinburgh 2 (Legal Post)  For companies registered in Northern Ireland  The Registrar of Companies, Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast, Northern Ireland, BT2 8BG  DX 481 N R Belfast 1
We may return forms completed incorrectly or with information missing	Further information
Please make sure you have remembered the following:  The company name and number match the information held on the public Register  You have included the original deed with this form  You have entered the date the charge was created  You have supplied the description of the instrument  You have given details of the amount secured by the mortgagee or chargee  You have given details of the mortgagee(s) or person(s) entitled to the charge  You have entered the short particulars of all the property mortgaged or charged  You have signed the form  You have enclosed the correct fee	For further information, please see the guidance notes on the website at www companieshouse gov uk or email enquiries@companieshouse gov uk  This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse gov uk

In accordance with Section 860 of the Companies Act 2006

### MG01 - continuation page

Particulars of a mortgage or charge

6

#### Short particulars of all the property mortgaged or charged

Please give the short particulars of the property mortgaged or charged

Short particulars

"Liabilities" means all sums required

- (a) to discharge all obligations which are due from time to time to the Landlord under the Lease or under this deed, and
- (b) to compensate the Landlord for all losses from time to time of the Landlord which arise by reason of the forfeiture of the Lease or disclaimer of liability under the Lease, and include and extend to
- (c) rent, service charges, sums in respect of insurance, interest, costs, outgoings and all other payments payable to the Landlord by the Tenant under the Lease or for which the Landlord would otherwise be responsible in default of payment by the Tenant (and for which the Tenant is responsible under the Lease) with regards to the principal rent whether or not formally demanded,
- (d) claims, damages, losses, costs and expenses arising out of, or incidental to
- (i) any breach by the Tenant of any of the covenants and conditions on the part of the tenant in the Lease or of the Tenant's obligations in this deed, or
- (ii) the enforcement of those covenants, conditions or obligations,
- (e) loss of rent arising by reason of
- (i) the disclaimer of liability under the Lease, or
- (II) the forfeiture of the Lease, or
- (iii) any other determination of the Lease otherwise than by effluxion of time or by agreement or pursuant to the exercise of the break right included in the Lease,

or an amount equal to the rent which would have been reserved by the Lease had there been no disclaimer or forfeiture or other such determination,

- (f) all bank charges applied to or levied on the Account by the Bank, and
- (g) VAT, if chargeable, in relation to such sums,

"Tenant" NBNK INVESTMENTS PLC (incorporated and registered in England and Wales under company number 7303316),

As security for the payment of the Liabilities, the Tenant, with full title guarantee charges by way of a fixed charge and in favour of the Landlord from time to time (a) all its interest in the Account, and (b) all its interest in the Deposit Balance, and assigns by way of security all its rights under the Rent Deposit Deed (including its right to the return of the Deposit Balance from the person who is the Landlord at the relevant time)



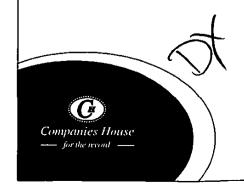
# CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 869(5) & (6) of the Companies Act 2006

COMPANY NO. 7303316 CHARGE NO. 2

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A RENT DEPOSIT DEED DATED 24 JUNE 2011 AND CREATED BY NBNK INVESTMENTS PLC FOR SECURING £22,000 DUE OR TO BECOME DUE FROM THE COMPANY TO JP MORGAN CHASE BANK, NATIONAL ASSOCIATION WAS REGISTERED PURSUANT TO CHAPTER 1 PART 25 OF THE COMPANIES ACT 2006 ON THE 1 JULY 2011

GIVEN AT COMPANIES HOUSE, CARDIFF THE 6 JULY 2011





In accordance with Section 859L of the Companies Act 2006

# **MR04**

@laserform

Statement of satisfaction in full or in part of a charge

You can use the WebFiling service to file this form onli Please go to www companieshouse gov.uk

✓ What this form is for
You may use this form to register
a statement of satisfaction in full
or in part of a mortgage or charge
against a company

What this form
You may not us
register a stater
in full or in part
charge against
LL MR04



11/06/2016

**COMPANIES HOUSE** 

ease

36

1	Company details	
Company number Company name in full	7 3 0 3 3 1 6  NBNK Investments Plc	Fliling in this form     Please complete in typescript or in bold black capitals  All fields are mandatory unless specified or indicated by *
2	Charge creation	1 appointed of indicator by
	When was the charge created?	
	→ Before 06/04/2013 Complete Part A and Part C	
	→ On or after 06/04/2013 Complete Part B and Part C	
Part A	Charges created before 06/04/2013	
A1	Charge creation date	
	Please give the date of creation of the charge	
Charge creation date	$\begin{bmatrix} d_2 & d_4 & & \\ \end{bmatrix} \begin{bmatrix} m_0 & m_6 & \\ \end{bmatrix} \begin{bmatrix} y_2 & y_0 & y_1 \\ \end{bmatrix} \begin{bmatrix} y_1 & & & \\ \end{bmatrix}$	
A2	Charge number	
	Please give the charge number. This can be found on the certificate.	
Charge number*	2	
A3	Description of instrument (if any)	
	Please give a description of the instrument (if any) by which the charge is created or evidenced	Continuation page Please use a continuation page if you need to enter more details
Instrument description	A rent deposit deed made between (1) JP Morgan Chase Bank, National Association and (2) NBNK Investments Plc dated 24 June 2011	

# Short particulars of the property or undertaking charged Continuation page Please give the short particulars of the property or undertaking charged. Please use a continuation page if you need to enter more details **DEFINITIONS** Short particulars "Account" means the separately designated interest bearing, instant access account held by the Landlord's solicitors or opened by the Landlord at a United Kingdom clearing bank from time to time and used by the Landlord for purposes of this deed "Deposit Balance" means the sum from time to time to the Account which is equal to the Initial Deposit plus any further sums which the Landlord has placed in the Account, less any sums which the Landlord has withdrawn from the Account, plus any interest which has accrued to the Account and which has been applied for the purposes of this deed, "Initial Deposit" means the sum of twenty two thousand pounds (£22,000), "Landlord" JPMORGAN CHASE BANK, NATIONAL ASSOCIATION of a banking association organised under the laws of the United States of America within its mam office at 1111 Polaris Parkway, Columbo, Ohio 43240 USA, acting through its London Branch at 125 London Wall, London EC2Y SAJ, See continuation sheet Charges created on or after 06/04/2013 Part B **B1** Charge code Charge code Please give the charge code This can be found on the certificate. This is the unique reference code Charge code • allocated by the registrar

CHFP025 06/14 Version 2.0

**MR04** 

In accordance with Section 859L of the Companies Act 2006

### MR04 - continuation page

Statement of satisfaction in full or in part of a charge

#### A4

#### Short particulars of the property or undertaking charged

Please give the short particulars of the property or undertaking charged

#### Short particulars

Liabilities" means all sums required

- (a) to discharge all obligations which are due from time to time to the Landlord under the Lease or under this deed, and
- (b) to compensate the Landlord for all losses from time to time of the Landlord which arise by reason of the forfeiture of the Lease or disclaimer of liability under the Lease,

and include and extend to

- (c) rent, service charges sums in respect of insurance, interest, costs, outgoings and all other payments payable to the Landlord by the Tenant under the Lease or for which the Landlord would otherwise be responsible in default of payment by the Tenant (and for which the Tenant is responsible under the Lease) with regards to the principal rent whether or not formally demanded,
- (d) claims, damages, losses, costs and expenses arising out of, or incidental to (i) any breach by the Tenant of any of the covenants and conditions on the part of the tenant in the Lease or of the Tenant's obligations in this deed, or (ii) the enforcement of those

covenants, conditions or obligations,

- (e) loss of rent arising by reason of
- (i) the disclaimer of liability under the Lease or
- (ii) the forfeiture of the Lease, or
- (iii) any other determination of the Lease otherwise than by effluxion of time or by agreement or pursuant to the exercise of the break right included in the Lease.

or an amount equal to the rent which would have been reserved by the Lease had there been no disclaimer or forfeiture or other such determination,

- (f) all bank charges applied to or levied on the Account by the Bank, and
- (g) VAT, if chargeable, in relation to such sums,

"Tenant" NBNK INVESTMENTS PLC (incorporated and registered in England and Wales under company number 7303316),

As security for the payment of the Liabilities, the Tenant, with full title guarantee charges by way of a fixed charge and in favour of the Landlord from time to time (a) all its interest in the Account, and (b) all its interest in the Deposit Balance, and assigns by way of security all its rights under the Rent Deposit Deed (including its right to the return of the Deposit Balance from the Person who is the Landlord at the relevant time)

Part C	To be completed for all charges		
C1	Satisfaction		
	I confirm that the debt for the charge as described has been paid or satisfied Please tick the appropriate box  [x] In full  In part		
C2	Details of the person delivering this statement and their interest in the	charge	
	Please give the name of the person delivering this statement		
Name	Company Secretary of NBNK Investments plc		
	Please give the address of the person delivering this statement		
Building name/number	Fifth Floor		
Street	100 Wood Street		
Post town			
County/Region	London		
Postcode	E C 2 V 7 E X		
	Please give the person's interest in the charge (e.g. chargor/chargee etc)		
Person's interest in the charge	Chargor		
C3	Signature		
	Please sign the form here		
Signature	X Representing Law Debenture Corporate Services Ltd		

### **Companies House**

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Search for companies or officers

# **NBNK INVESTMENTS PLC**

Company number 07303316

1 Insolvency case

Case number 1 — Members voluntary liquidation

Commencement of winding up 21 June 2016

Dissolved on

5 April 2018

Practitioner

Malcolm Cohen Bdo Llp 55 Baker Street, London, W1U 7EU

Appointed on

21 June 2016

Practitioner

Sarah Megan Rayment Bdo Llp 55 Baker Street, London, W1U 7EU

Appointed on

21 June 2016

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