

# BOARD OF DIRECTORS



**Peter Harris**

**Non-executive Chairman**



**Eric Hook**

**Chief Executive**



**Ian Gardner**

**Divisional Managing Director**



**Iwan Phillips**

**Finance Director**



Peter Harris, aged 67, qualified as a chartered accountant having studied at Sheffield University. After a number of years in the accountancy profession he joined Borden Inc., a multinational food packaging and industrial product company, where he spent 13 years in a variety of senior financial roles. In 1994 Peter was appointed as finance director of RAC plc (formerly Lex Service Plc), a leading automotive services provider. In 1999 he became a group managing director of RAC plc, heading a number of businesses including Lex Transfleet, Lex Multipart, Lex Commercial, Lex Defence and RAC Software Solutions. In April 2006, following the acquisition of RAC plc by Aviva plc, Peter was appointed chief executive of Dawson Holdings plc, the media supply chain business, from which he retired in June 2009. Peter is also chairman of Atmaana Business Consulting Ltd and senior advisor to Chetwode SAS, a Paris-based financial services company, and a member of the Advisory Board of Sovam SAS, a French manufacturer of ground support equipment for the aviation industry. He is a member of the Remuneration and Audit Committees of the Company.

## **Skills and experience**

His extensive international business experience in the public company and charity environment, in which he has had experience of all the major executive and non-executive roles, and extensive experience in corporate governance, coupled with his ongoing career in business strategy consultancy, robustly qualify him for the role of Chairman of the Board.

Eric Hook, aged 65, qualified as a chartered certified accountant ("FCCA") in 1983 and spent many years in financial roles, culminating in his appointment as finance director of Harvey Plant Ltd, a subsidiary of Lex Service Plc. In 1994 Eric was appointed chief executive of Andrews Sykes Group Plc, the listed support services company, where he led the turnaround of the loss-making group. Eric left Andrews Sykes in 1999 to lead Longville Group, a private equity-backed consolidation of three industrial hire businesses. He expanded Longville organically and by acquisition to gain a market-leading position in pumps, fluid chillers and diesel generators. Eric left Longville Group to establish Northbridge Industrial Services in 2003.

## **Skills and experience**

His successful track record in the publicly quoted industrial equipment hire sector has given him the experience and credentials to lead the Group as its Chief Executive and to help devise and manage the delivery of its strategic goals and operational performance.

Ian Gardner, aged 52, joined the Group in 2007 and was instrumental in the start-up and subsequent growth of Northbridge Middle East and Northbridge Asia-Pacific and he now holds responsibility for the Group's oil and gas division, Tasman Oil Tools. Following the successful integration of the Tasman Oil Tools businesses, Ian is now residing in Kuala Lumpur, Malaysia, giving him access to the Tasman division and supporting the new joint venture within the region. Ian has over 28 years' experience in the industrial services and rental sector, with over 19 years being within international roles, and has championed start-ups and acquisitions and driven growth in Singapore and the Middle East, prior to joining the Group.

## **Skills and experience**

Ian brings to the Board the experience gained from his career in the industrial equipment sector prior to joining the Group which, together with his involvement since joining Northbridge in all the major areas of activity and development of the Group's operations, enables him to contribute to the Board on a broad range of operational and strategic issues, with particular emphasis on products, markets, customers and industry partners.

Iwan Phillips, aged 35, studied at Warwick University before joining BDO in 2005, where he qualified as a chartered accountant in 2008. He spent five years at BDO, working on the audits of a variety of businesses but specialising in fully listed and AIM companies. Iwan joined Northbridge in 2010 as the Group Accountant and was appointed the Group's Finance Director in 2016. He was appointed as Company Secretary in 2011.

## **Skills and experience**

Iwan's professional training and long service, with continually expanding responsibilities, at Northbridge, have given him the skills and experience to bring financial leadership and direction to the Board and to build, on behalf of the Board, secure and constructive relationships with the shareholders, bankers and other financial stakeholders of the Group.



## Ash Mehta

**Non-executive Director  
(independent)**



Ash Mehta, aged 53, qualified as a chartered accountant with KPMG, following which he worked in commercial finance roles in US multinationals. He has since held a number of senior financial roles in fully listed and AIM companies, and has extensive experience in IPO-type fundraisings and acquisitions. Ash was part-time Finance Director of the Group from 2007 to 2011 when he became a Non-executive Director of Northbridge. He is a member of the Remuneration and Audit Committees of the Company.

### Skills and experience

His professional qualification, together with his extensive experience in senior finance roles in listed companies, equips him to be an effective Chairman of the Audit Committee, his wide business experience in commercial finance roles allows him to offer a broad input into the Remuneration Committee and his senior management responsibilities, particularly in strategy formulation and corporate finance, are highly relevant to the general business of the Board.



## David Marshall

**Non-executive Director  
(independent)**



David Marshall, aged 74, is chairman of a number of public listed companies, including Western Selection PLC, which is a substantial shareholder of Northbridge Industrial Services plc. In recent years he has taken a leading role in the reorganisation and development of a number of medium-sized listed companies in the UK and overseas. He is a member of the Remuneration and Audit Committees of the Company.

### Skills and experience

David's breadth of experience in quoted international businesses and corporate finance gives him the stature both to contribute to the Board and its Committees and to represent the Board to external stakeholders.



## Nitin Kaul

**Non-executive Director  
(independent)**



Nitin Kaul, aged 44, studied at King's College and City Business School before joining Arthur Andersen in 1996, where he worked across various business lines in Europe, Asia and North America. He joined Tomkins plc in 2002 and spent over 13 years with the group in senior finance, M&A and operating roles, including heading various group businesses in the oil and gas vertical.

### Skills and experience

His extensive experience in senior roles in multinational businesses gives him the insight required for the chairmanship of the Remuneration Committee, his blend of finance and operational experience brings a relevant perspective to the Audit Committee and his international experience in senior management and business consultancy, coupled with a broad knowledge of the power and oil and gas markets, is of great value to the Board.



## Judith Aldersey-Williams

**Non-executive Director  
(independent)**



Judith Aldersey-Williams, aged 55, studied at Cambridge and Harvard before qualifying as a solicitor in 1989. She began her career as a commercial and competition lawyer in the City of London with Travers Smith before moving to Aberdeen and joining CMS, where she became a partner in 2007. In Aberdeen she has specialised in oil and gas law, advising operators and service companies, large and small, on regulatory issues, upstream contracts, procurement and construction contracts, IT and competition law. She is a member of the Audit and Remuneration Committees of the Company.

### Skills and experience

Judith's legal skills add to the range of professional experience on the Board. Her work in the oil and gas sector puts her at the forefront of complex industry legal issues and has given her a thorough understanding of the way the oil and gas industry works, both in operational and cultural terms, the risks it faces and how these are mitigated, which enables her to make a significant contribution to the Board and its Committees.

#### Committee key:

- A** Audit Committee
- R** Remuneration Committee
- C** Committee Chairman

# CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement addresses how the Group complies with each of the ten principles of the QCA Code; however, further disclosure relating to each principle can be found in other sections of the 2018 Annual Report and Accounts (the “2018 Report”) as indicated opposite.

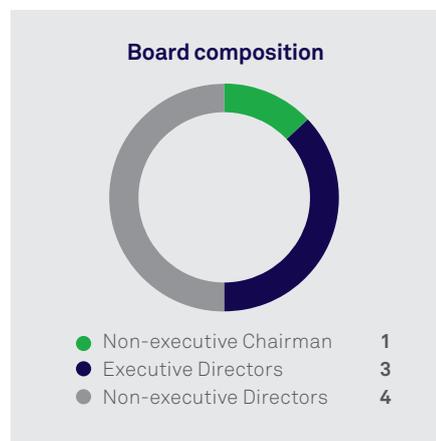
No.	Principle	Page number in the accounts
1.	Establish a strategy and business model which promotes long-term value for shareholders	2–3
2.	Seek to understand and meet shareholder needs and expectations	19
3.	Take into account wider stakeholder and social responsibilities, and their implications for long-term success	19
4.	Embed effective risk management, considering both opportunities and threats, throughout the organisation	14–15
5.	Maintain the Board as a well-functioning, balanced team led by the Chairman	18
6.	Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	16–17
7.	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	19
8.	Promote a corporate culture that is based on ethical values and behaviours	19
9.	Maintain governance structures and processes that are fit for purpose and support good decision making by the Board	18
10.	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	19

## Strategy and model

The Group hires and sells specialist industrial equipment across the world through its two divisions, Crestchic Loadbanks and Transformers and Tasman Oil Tools. For further information on the strategy, please see the Strategic Report on pages 2 and 3 and for more information on the key challenges posed to the Group in executing the strategy, please see pages 14 and 15 of the 2018 Annual Report.

## The Board

The Board meets regularly to monitor the current state of business and to determine its future strategic direction.



Day-to-day management of the Group is delegated to the Executive Directors, subject to formal delegated authority limits; however, certain matters are reserved for whole Board approval. These matters are reviewed periodically and include Board and Committee composition, strategy, funding decisions and corporate transactions among others. Directors are required to commit sufficient time to their role to appropriately discharge their duties. All Directors are offered regular training to develop their knowledge and ensure they stay up to date on matters for which they have responsibility as a Board member.

During the year, the Board comprised a Non-executive Chairman, three Executive Directors and three Non-executive Directors.

## Board Committees

The principal Committees established by the Directors are:

### Audit Committee

The Committee meets at least twice a year and examines any matters relating to the financial affairs of the Group including the review of annual and interim results, internal control procedures and accounting practices. The Audit Committee meets with the auditor periodically and

as necessary. This Committee is comprised of Nitin Kaul, Peter Harris, David Marshall, Judith Aldersey-Williams and Ash Mehta, who chairs the Committee. The Executive Directors may also attend meetings as appropriate to the business in hand but are not members of the Committee.

### Remuneration Committee

The Remuneration Committee meets at least twice a year and reviews the performance of the Executive Directors and sets and reviews their remuneration and the terms of their service contracts, determines the payment of bonuses to Executive Directors and senior management and considers any bonus and option schemes which may be implemented by the Group. This Committee is comprised of David Marshall, Peter Harris, Ash Mehta, Judith Aldersey-Williams and Nitin Kaul, who chairs the Committee. Executive Directors may also attend meetings as appropriate to the business in hand but are not members of the Committee. None of the Executive Directors were present at meetings of the Committee during consideration of their own remuneration.

### Nominations Committee

The Nominations Committee meets as and when required. It met once in 2018 and comprised the Chairman and Chief Executive. The composition of the Nominations Committee varies but will always include the Chairman and at least one other Board member. The recommendations of the Nominations Committee are put to the full Board for approval.

### Attendance at Board and other meetings for 2018

The Board met on six occasions during the year following a formal agenda. Attendance at formal Board meetings during the year is shown in the table below.

All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings to ensure that they have sufficient time to read and consider papers and consider their content prior to the meeting. The meetings include at least annual detailed strategy reviews of each division.

All Directors have direct access to the advice and services of the Company Secretary and are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. The Company Secretary is also the Finance Director. The Board feels this to be appropriate due to the Group's size and the fact there are no other employees with the necessary skills within the Group. This arrangement is continually being reviewed.

### Board independence

The Board has considered the independence of all Non-executive Directors and considers that all Non-executive Directors bring an independent judgement to bear, notwithstanding the varying lengths of service, the varying length of service concurrent with Chief Executive or any previous part-time Executive Director roles previously held within the Group.

### Board evaluation

The Board has undertaken an internal evaluation with the assistance of external advisors. The results of the evaluation are still being evaluated.

### Relations with shareholders

The Company encourages two-way communication with both its institutional and private investors and responds quickly to all queries received. The Chairman is available to the Group's major shareholders and ensures that their views are communicated fully to the Board.

The Board recognises the Annual General Meeting as an important opportunity to meet private shareholders. The Directors are available to listen to the views of shareholders informally, immediately following the Annual General Meeting.

The Company will disclose outcomes of all votes at general meetings of shareholders in a clear and transparent manner either on the website or via an announcement.

Where a significant proportion of votes (20% of independent votes) have been cast against a resolution at any general meeting, the Company will provide an explanation of what actions it intends to take to understand the reasons behind that vote result, and, where appropriate, any different action it has taken, or will take, as a result of the vote.

The website includes historical annual reports and other governance-related material over the last five years.

### Social responsibilities

The Group is committed to sustainable progress in all aspects of our business – for the environment, customers, suppliers and the communities we operate in.

The Group's stakeholders include shareholders, members of staff, customers, suppliers, regulators, industry bodies and creditors (including the Group's lending banks).

The principal ways in which their feedback on the Group is gathered are via meetings, direct conversations and social media.

### Corporate culture

The Board promotes the highest level of behaviour and ethics. The trading divisions adhere to the highest level of quality, health, safety and environment ("QHSE"). The Group's QHSE and anti-bribery policies can be found on its website.

	Board (scheduled)	Audit Committee	Remuneration Committee
<b>Number of meetings in year</b>	6	2	2
<b>Attendance:</b>			
P R Harris	●●●●●●	●●	●●
E W Hook	●●●●●●	—	—
I C Phillips	●●●●●●	—	—
I J Gardner	●●●●●●	—	—
N Kaul	●●●●	●●	●●
D C Marshall	●●●●●●	●●	●●
A K Mehta	●●●●●●	●●	●●

# DIRECTORS' REPORT

The Directors present their report and the financial statements for the year ended 31 December 2018.

## Statement of Directors' responsibilities in respect of the annual report and financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Group 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 IFRS as adopted by the European Union and applicable UK accounting standards, 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.

After making appropriate enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that the Group can have a reasonable expectation that adequate resources will be available for it to continue its operations for the foreseeable future, and consequently it is appropriate to adopt the going concern principle in the preparation of the financial statements. In forming this judgement, the Directors have reviewed the Group's budget for 2019 and the forecast for 2020 (including downside sensitivity scenarios), cash flow forecasts, contingency planning, the sufficiency of banking facilities and forecast compliance with banking covenants. Since the year end a £0.5 million mortgage has been secured over the property in New Zealand to provide further headroom to invest in the oil tool rental recovery.

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 Group and 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 Group and 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.

## Principal activities

The Company was incorporated for the purpose of acquiring companies that manufacture, hire and sell specialist industrial equipment.

The principal activities of the subsidiary companies are detailed in note 23.

## Profit or loss and dividends

The loss for the year after taxation amounted to £2,409,000 (2017: £4,626,000).

The Directors are not proposing a final dividend (2017: £nil), resulting in dividends for the whole year of nil pence (2017: nil pence) per share.

## Future developments

The future developments of the Group are included within the Strategic Report.

## Financial instruments

Details of the use of financial instruments by the Group are contained in note 26 of the financial statements.

### Cash flow risk

The Group's assessment of cash flow risk is included within the Strategic Report.

### Purchase of own shares

At the year end and at the date of this report the Company held 215,150 (2017: 215,150) of its own shares, which represents 0.77% (2017: 0.82%) of the share capital of the Company.

### Directors and their interests

The present Directors are detailed on pages 16 and 17 together with brief biographies.

The Directors who served during the year and their interests in the Company's issued share capital were:

	Ordinary shares of 10 pence each		Share options	
	31 December 2018	1 January 2018	31 December 2018	1 January 2018
P R Harris	1,577,475	1,577,475	—	—
E W Hook	680,000	650,000	906,601	856,601
I J Gardner	29,914	29,914	136,000	116,000
I C Phillips	2,586	2,586	96,000	76,000
A K Mehta	183,636	183,636	—	—
N Kaul	—	—	—	—
D C Marshall*	—	—	—	—

\* D C Marshall is a director of Western Selection PLC, a substantial shareholder in the Company, which held 3,300,000 (2017: 3,223,632) ordinary shares at 31 December 2018 and at the date of this report.

Between 1 January 2019 and the balance sheet approval date there have been no changes to the above shareholdings or options. J Aldersey-Williams was appointed to the Board on 1 January 2019 and purchased 3,975 ordinary shares in the Company on 22 February 2019. Further details on Directors' share options can be found in note 24.

### Directors' indemnity insurance

Qualifying third-party indemnity insurance was in place, for the benefit of the Directors, during the year and at the date of this report.

### Substantial shareholdings

The Company has been notified that the following investors held interests in 3% or more of the Company's issued share capital (net of shares held in treasury) at 31 December 2018:

	Number	%
Artemis Investment Management Ltd	3,702,701	13.27
Western Selection PLC	3,300,000	11.83
Gresham House Strategic Plc	3,177,529	11.39
Canaccord Genuity Group Inc	3,051,318	10.94
P R Harris	1,577,475	5.65
River and Mercantile	1,316,721	4.72
BlackRock Inc	1,222,204	4.38
R G Persey	1,092,910	3.92
Lazard Frères Gestion SAS	1,001,796	3.59

From 1 January 2019 to the balance sheet approval date, the Directors have not been notified of any changes to the substantial shareholdings above.

### Annual General Meeting

The 2019 Annual General Meeting of the Company will be held at the offices of Buchanan Communications, 107 Cheapside, London EC2V 6DN, on 4 June 2019 at 12 noon. The Notice of the Meeting, together with an explanation of the business to be dealt with at the meeting, is included on pages 63 and 64 of this annual report and is also available on the website.

## **DIRECTORS' REPORT** CONTINUED

### **Auditor's independence**

The non-audit work undertaken in the year by the Group's auditor, BDO LLP, was restricted to subsidiary financial reporting assistance and advice on tax matters for the Group.

### **Auditor**

A resolution to re-appoint the independent auditor, BDO LLP, will be proposed at the next Annual General Meeting.

In the case of each of the persons who was a Director of the Company at the date when this report was approved and so far as each of the Directors is aware, there is no relevant audit information of which the Company's auditor is unaware, and each of the Directors has taken all of the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the Board on 11 April 2019 and signed by order of the Board by the Company Secretary.

**Iwan Phillips**

**Company Secretary**

11 April 2019