A truly connected business

Annual Report and Accounts 2015

Strategic report

Who we are

PTSG was founded by John Foley, Paul Teasdale and Bob Morton in 2007, to provide "Man in a van" engineered solutions. Since then, we have delivered such significant growth that PTSG is now the leading supplier of façade access and fall arrest equipment services, electrical testing, high-level cleaning and training solutions in the UK.

Our vision

Our vision is for PTSG to set the standard against which other similar companies are measured. We exist to serve our customers by delivering unmatched products and services consistently in niche, specialist markets – providing products and services that can be safely relied upon at all times.

What drives us

Exceptional customer service is at the heart of everything we do, every time we do it. Professionalism and delivery are our key drivers, which means our customer retention rate remains high whilst new relationships are formed.

An award-winning company

We can proudly boast we have had a truly award-winning year.

In June, our CEO Paul Teasdale became Entrepreneur of the Year in the Listed Business category at Ernst and Young's North of England Entrepreneur of the Year Awards 2015, and Customer Service Business Leader of the Year in the European Customer Service Awards 2015. July brought the fourth consecutive RoSPA Gold Award for PTSG, while in November the Group won "Partners in SME Organisations" with UNITE Group, at the annual Premises and Facilities Management (PFM) awards and The Yorkshire Dealmakers' AIM Deal of the Year.

Our accreditations

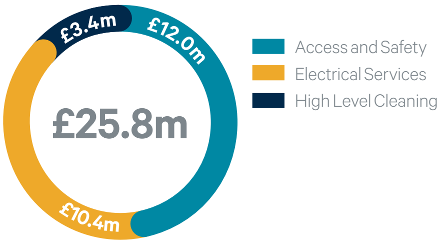
The health and safety culture and training of our staff and our high-quality customer service is tantamount to our business being the success it is today. We have worked hard to gain and maintain a reputation and have received more than 100 accreditations across the Group including the ROSPA Gold Award, RISQS, ATLAS, SAEMA and Investors in People.

2015
Reaching new heights

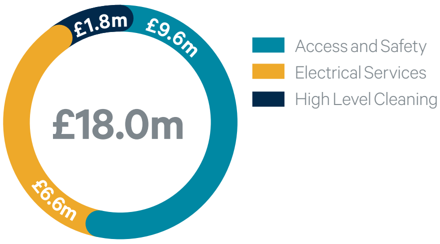
Revenue 2015 **£25.8m** +43%	Revenue 2014 £18.0m
Gross Profit 2015 **£14.0m** +36%	Gross Profit 2014 £10.3m
Operating Profit 2015* **£5.3m** +32%	Operating Profit 2014* £4.0m
Adjusted EPS 2015 **4.87p** +29%	Adjusted EPS 2014 3.77p
Dividend per Ordinary Share 2015 paid and proposed **1.00p**	Dividend per Ordinary Share 2014 0.00p

*before adjusting items of £4.0m (2014: £2.5m) resulting in a statutory operating profit of £1.3m (2014: £1.5m).

2015 Group income by sector



2014 Group income by sector



A truly connected business

Under the PTSG brand, we operate four main business divisions; Access and Safety, Electrical Services, High-level Cleaning and Training Solutions. The Group provides a central information and strategic management function for the individual businesses and champions the dissemination of key information and best practice. PTSG unites its constituent businesses under one clear identity, which supports smarter working and delivers top-class services to its customers.

At the very core of our business is the central information and strategic management function. It is what connects our business services together and drives our impressive organic growth.

Access and Safety

Safety Testing
Safety Installation
Cradle Maintenance
Cradle Installation

We are the UK's leading supplier of fall arrest systems and safety testing services. We install and maintain vital equipment to buildings across the UK.

2015 Turnover £12.0m

Contribution to turnover:

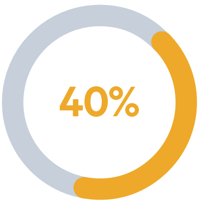
Electrical Services

Lightning Protection
Fixed Wire Testing
PAT Testing
Fire Alarm & Extinguishers
Steeplejack Services

Our systems not only save time and money, they save lives. It's as simple as that. Whether it's testing a portable appliance or a complete lightning and surge protection system we can do it.

2015 Turnover £10.4m

Contribution to turnover:



High Level Cleaning

Window Cleaning
Gutter Cleaning
Building Cleaning
Pressure Cleaning

Our high level cleaning team members are expert at working at height, which means we can provide cleaning and refurbishment support internally or externally on any building.

2015 Turnover £3.4m

Contribution to turnover:

Training Solutions

Training
Consultancy
Insurance Inspections

We have a proven track record of working in industry, developing training solutions that are of sustained value and benefit across many business sectors. Combining our top engineers, our extensive knowledge and first class customer service, we can help our clients ensure the safety of their staff with our bespoke training programme.

Growth through innovation

PTSG's growth over the past year has been truly significant, something this year's Annual Report intends to convey. Our strong brand and unique business model are driving organic growth through innovation, something we confidently believe is set to continue in 2016 and beyond.

To view our business model see p.05

ClarityWORK ClaritySALES ClarityPORTAL ClarityOFFICE

Bringing clarity

PTSG Clarity was designed to unlock growth through powerful innovation and it does exactly that. The bespoke, proprietary system is allowing us to operate effectively and efficiently, ultimately reducing costs and bringing an all-round better service to our customers.

To read more about PTSG Clarity see p.09

We do everything by word of MOUSE

We not only strive to be a great employer, but a reliable and honest company with which to do business. We thrive on servicing our customers' needs ensuring they are offered the best service at the most competitive rate, and with the quickest response time. We offer a Memorable, Outstanding, Unique, Service Experience.

Our growth in numbers

45% **Revenue growth year on year for the last 8 years**

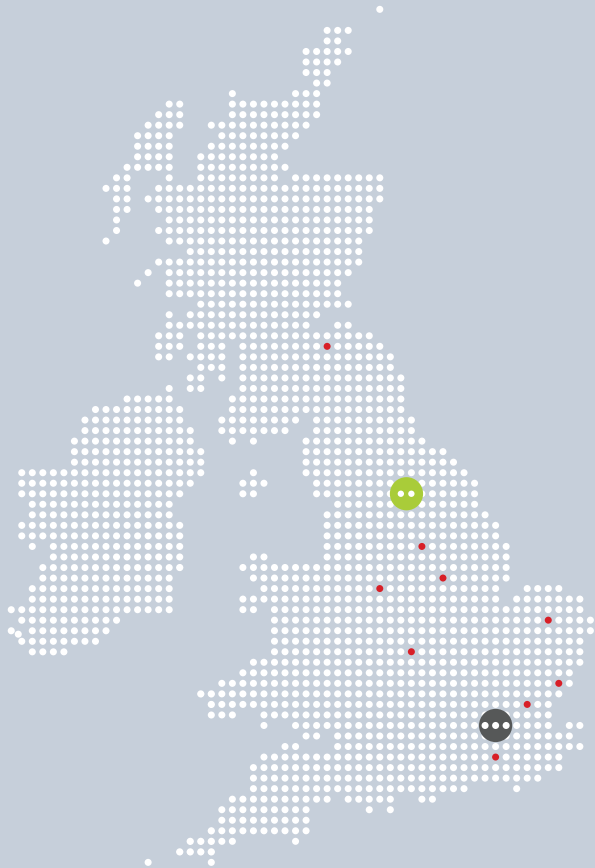
43% **Revenue growth in 2015**

32% **Operating profit growth in 2015***

*before adjusting items.

UK coverage

Headquartered in Castleford West Yorkshire with 14 offices and more than 200 engineers countrywide, PTSG is positioned to deliver. We have strategically placed staff which allows us to reduce travel costs and the necessity for overnight stays and continue to deliver a highly cost-effective service.



14
UK office locations

350
Full-time employees

100,000
Buildings serviced by PTSG

12,000
Customers across a wide range of industries

Head office:
Glasshoughton
Castleford
West Yorkshire

UK distribution centre:
Pioneer Way
Castleford
West Yorkshire

Regional offices:
Edinburgh
Sheffield
Nottingham
Stoke
Dereham (Norfolk)
Coventry
Ipswich
Witham (Essex)
Gatwick

London offices:
South HQ
South
City office

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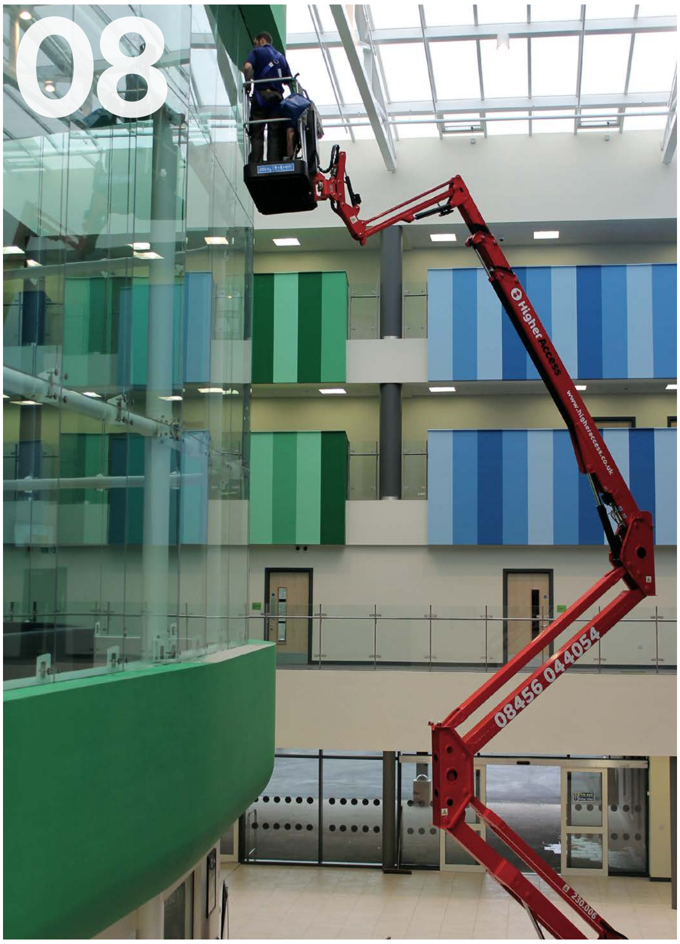
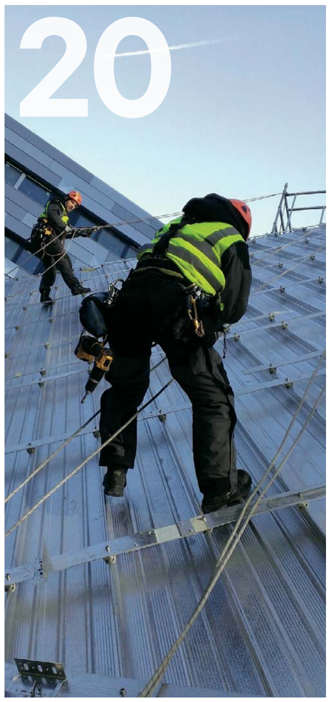




Strategic report

A message from our Chairman

"We have a scalable, efficient operating model which is capable of delivering a broad range of niche specialist services on a national basis."

2015 – A summary

2015 was a very significant year for PTSG. The Group became a publicly quoted company and was formally admitted to AIM on 11 February after a successful IPO process. Since then, we completed six acquisitions, strengthened our management structures, broadened our range of service offerings, secured numerous notable contract wins, produced strong levels of organic growth, achieved record levels of turnover, gross profit, EBITDA and underlying profit before taxation and declared a maiden dividend as a plc.

Overview of results

Turnover increased by 43% to £25.8m (2014: £18.0m). Gross profit increased by 36% to £14.0m (2014: £10.3m), adjusted EBITDA increased by 31% to £6.2m (2014: £4.7m) and underlying profit before taxation before adjusting items increased to £5.0m (2014: £3.7m). Adjusting items of £4.2m were one off or non trading items and included £2.3m relating to share option costs, £0.9m for contingent payments in relation to acquisitions, £0.5m for costs incurred in connection with the IPO, £0.2m for restructuring costs and £0.3m for refinancing and intangible amortisation. Adjusted earnings per share increased by 29% to 4.87p (2014: 3.77p).

We paid a maiden interim dividend of 0.46p per share on 30 October 2015 and the Board has recommended a final dividend of 0.54p per share to shareholders on the register on 1 July; the expected payment date is 22 July 2016.

Borrowings at 31 December 2015 increased to £7.6m (2014: £5.8m) following payments of £2.3m paid in relation to acquisitions made in the year coupled with an increase in working capital levels as a result of the substantial increase in the scale of the Group's operations. The IPO raised net cash for the business of £3.75m.

Operational highlights

We have now completed 18 acquisitions since the Group's formation in 2007 to expand the range of our service offering. The range of niche specialist services that we can offer customers on a national basis assists our organic growth. We delivered 24% organic turnover growth in 2015 if the turnover of acquisitions made in 2015 is excluded.

The acquisitions completed in 2015 are settling into PTSG in a satisfactory manner and collectively are contributing to group profits at the higher level than their aggregate run rate at acquisition.

Our gross profit margin in 2015 was 54.3% and the reduction from a 57.3% margin in 2014 was because of an increased level of installation sales which carry higher material costs than maintenance and repair sales. Our renewals teams achieved an 88% renewal rate in maintenance contracts, up from 85% in 2014. The performance of our Electrical Services division was particularly pleasing in 2015 and this division has become a major player in its selected areas of operation with new or increased service offerings in the areas of lightning protection, steeple jacking and electrical testing.

We continue to invest in and develop our proprietary internal systems in order to efficiently manage the high volume of low value transactions that is a characteristic of our business model. We were proud to win industry awards both for the quality of our service delivery and for innovations in our business model initiated by our CEO. Service delivery, customer satisfaction, efficiency and innovation remain high priority items for all members of our management team.

We secured a high number of contract wins including framework agreements with major FM customers. Full details of these wins can be found on the News section on our website www.ptsg.co.uk.

Strategy

We have a scalable, efficient operating model which is capable of delivering a broad range of niche specialist services on a national basis. Many of those services have technical or legislative barriers to entry and all require a high level of health and safety knowledge and practice. We chose to become a public company so that we could accelerate our growth plans.

“We were proud to win industry awards both for the quality of our service delivery and for innovations in our business model initiated by our CEO. Service delivery, customer satisfaction, efficiency and innovation remain high priority items for all members of our management team.”

Revenue growth

43% ↑

2015	£25.8m
2014	£18.0m

Retention rate
on maintenance contract renewals

88% ↑

2015	88%
2014	85%

Underlying profit before tax*

£5.0m ↑

2015	£5.0m
2014	£3.7m

* before adjusting items of £4.0 million resulting in a statutory operating profit of £1.3 million.

Adjusted earnings per share

4.87p ↑

2015	4.87p
2014	3.77p

To view more of our KPIs see p.07

We have a strong pipeline of carefully selected acquisition targets which can be accessed at sensible prices once acquisitions made in 2015 have been integrated into the Group.

Our people
We now have over 350 employees in the Group which is an increase of 45% from the time of our IPO. We expect a great deal from our employees and they continue to provide our customers with a great service because of their hard work and commitment. On behalf of the Board, I thank all our employees for their efforts.

Outlook
The process of an IPO can seem like an end in itself and can sometimes slow down growth plans; it has had the opposite effect on PTSG. We regard it as the start of another phase in our development and it has made us want to “step up” our energy levels to realise available growth opportunities and deliver further profitable growth. Sales have been strong in the early part of the financial year and the Group has record levels of orders in hand. We continue to face the future with confidence.

John Foley
Chairman
14 March 2016


1


2

1. PTSG offers a wide range of building cleaning and maintenance services.

2. Our engineers maintain, inspect and test a wide variety of equipment.

Strategic report

A strategy for growth

Eight transformational years of growth and development. This is set to continue.

We aim to deliver value and quality investment returns to our shareholders by increasing our market share in each of our niche services. Our strategy is to generate this through organic growth, by leveraging customer relationships and through selective acquisition.

PTSG continues to evolve in a fast changing trading and economic environment. That is why we have invested in new proprietary technology that will help us to grow our competitive advantage through innovation and continue to deliver shareholder value. Our new Clarity system, and our focus on ongoing innovation, is essential for a modern company like PTSG to continue to grow and prosper.

Our growth strategy is facilitated through three interwoven strands.

Efficiency

In today's competitive markets we need so show we are ahead and able to deliver.

Efficiency is key to the organic growth of PTSG. Our mission is to continue to be the UK's leading and best Niche Specialist Service Provider. We have positioned ourselves in the market so we are in the right locations and we can deliver our award-winning services in the shortest amount of time at the lowest cost possible.

Progress so far

- During 2015 we made carefully considered acquisitions, we have attracted more clients and continue to keep existing customers by offering and providing a competitive single-source supply.
- We are available 24 hours a day, 365 days a year and the confidence that gives to our customers, knowing the safety and efficient operation of their buildings is ensured, is greatly important to them and us.

Objectives for 2016

- We are going to continue to concentrate on our organic growth, alongside our existing workstream and complement and add to those through further acquisitions. Our training programmes complement our other sectors and we intend to continue training and investing in our people into 2016 and beyond.

Scalability

Our ability to grow further is rooted in our proven business model that we know works.

Our acquisition of other companies has enabled us to not only widen our geographical market presence, but enhance our ability to cross-sell new services to our original customers. Over the years we have built on our already strong niche services, placing us in a prominent position for further growth opportunities.

Progress so far

- Taking advantage of acquisition opportunities, leveraging our operational and managerial framework.
- Our move into the Scottish market opened new doors and opportunities and has given us a strong foothold in the area.
- We have successfully added steeplejack to our services product offering following the acquisition of Pendrich.

Objectives for 2016

- We will continue with our expansion in the UK and to strengthen our position further. The more areas we can cover, the more cost effective we become and the greater our strategic regional operations map becomes, giving us more leverage in the market.

Innovation: Reaching new heights

The dynamics of business are changing and we are embracing them.

We have designed and developed PTSG Clarity, a PDA-based software programme that will enable us to track every job in real-time from pre-planned, to re-booked, and the completion and invoice stage.

Our highly-trained developers have been working on the unique system for the past three years. Our engineers are already on the road 100% of the time. Clarity improves scheduling, back office efficiency and client service.

Progress so far

- Our developers have designed and delivered a fully-functional working system that can help all our staff from managers to engineers work efficiently.
- PTSG Clarity has given us visibility up, down and across the business, seamlessly integrating service delivery with back office systems.
- We have trialled the system within the Access & Safety Division and offered training to ensure all staff are user-aware.

Objectives for 2016

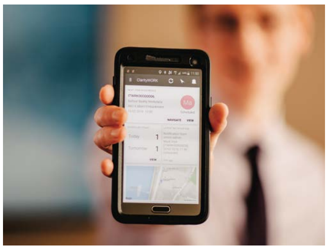
- We will continue to develop the system by testing and trialling PTSG Clarity.
- The system will be completely functional and available to our people by the end of 2016.

Our strategy in action

We are dedicated to building relationships with our customers and we understand that effective communications and exceptional customer services are vital to maintain them.

To read more please see p.12

Acquisitions in 2015 saw PTSG expanding our Scottish operations providing us with a larger, dedicated lightning team able to reach more customers quicker.



Our PDAs are set to revolutionise the way we work B2B and B2C.

Competitive advantage

Our strategy and business model drive our operations, supported by a strong commitment to good corporate governance. We champion best-in-class practices and well-established services that deliver benefits to customers, contributing to a shareholder value proposition that continues to evolve.

Our business model has changed the economics of our industry and has given PTSG a strong competitive advantage.

Value proposition
PTSG offers and can deliver clear customer value. With a strong mix of services strategically placed in the market to ensure coverage of a larger area, our innovation and work methods bring in top results.

Agility
With the nature of our business PTSG is and has to remain adaptable and flexible to internal and external changes, moving and evolving rapidly without slowing down.

Low risk
Since 2007 we have managed to keep our overheads realistic and low. PTSG is forward-thinking; planning our acquisitions carefully and considering what will impact our organic growth, will ensure the Company can remain sustainable and the profits high.

Economies of scale
Being led by a strong business model we are dedicated to making sure PTSG can deliver our promises. Since 2007 we have grown relatively quickly, but there is longevity in that growth that will benefit the Company, and attract more customers and investors.

Customer relationships
The way our customer views us is vital to our performance and our future within the industry. Our customer services are award winning and we are immensely proud of our people and the Company's reputation on every level.

People
PTSG people are the face and driving force of this company. Creating a great place to work, supporting staff to realise their full potential and building leadership strength is vital to the success of PTSG. We strive to ensure staff are given adequate training, an excellent working environment, that they are safe at all times and they know they have a support of a strong team behind them.

Service “MOUSE”
At PTSG we do everything by word of MOUSE. Memorable. Outstanding. Unique. Service. Experience . By striving to be a great employer we can confidently say PTSG is a great organisation to do business with. We obsess over our customers, offering them the best services possible building long-term relationships based on mutual benefits.

Cost structure
Company profits and its benefits to shareholders and potential investors are very important to us and our business model ensures PTSG is able to provide customers with a competitive pricing structure.

Strategic acquisition
PTSG's track record proves the acquisitions made over the years have benefited the Company and the services offered.

Moving forward, PTSG's acquisition team has a strategic buying plan to allow further market penetration and ensure we continue to offer a cost effective, efficient niche service.

Strategic report

Our marketplace

PTSG has developed a tried, tested and successful business model. The founding partners and major shareholders have more than 15 years' experience working together. A clear business plan with geographical expansion into new sectors allows real opportunities for further growth.

The Company's unique selling points are: customer service, reliability, price, expertise and sector dominance. PTSG's customers' unique service experience facilitates high client retention and has been recognised by a number of national industry bodies. The Company has a proven track record on acquisition management, integration and growth.

Market position

PTSG is focused on the provision of specialist services to niches in markets that are characterised by high regulation and strong, long term drivers, with many of its activities non-discretionary for customers.

PTSG believes it can maintain and expand its position in its chosen markets due to its competitive advantage, ability to achieve and sustain high margins, strong organic growth potential due to its wide customer base and cross selling opportunities coupled with its proven ability to successfully integrate acquisitions in complementary areas of activity.

Competitive advantage
- Established business model (delivers high margins)
- Nationwide UK engineering coverage (economies of scale)
- Bespoke operational and CRM software (leads to margin sustainability)
- Broadening multi-service coverage
- Broad customer base

Margin sustainability
- Contract renewal rates 88 per cent
- Largest UK repair and maintenance contract base in Access and Safety
- Eight year track record of £1 repair to £1 maintenance
- Efficiency of model works in all sectors
- Award winning services create further FM supply agreements

Major customers and organic growth
In most cases, we start by delivering single services before being asked to deliver more. Cofely, Mitie and M&S are three examples of clients with whom we began by delivering access and safety services. Now, they are taking advantage of our wider service offerings including electrical testing and high level services.

We have an extensive customer base with no significant exposure to any one customer and just 5% of our customers currently receive more than one service.

Although we are a market leader in a number of areas we still have less than 10% market share in our principal markets, which provides significant scope for further growth.

The Company's unique selling points

Customer service

Reliability

Cost effective solutions

Expertise

Sector dominance

Innovation

88% Contract renewal rates 88 per cent.

10% We have less than 10% penetration in our principal markets, which provides significant scope for further growth.

95% 95% of our customer base subscribe to only one service. This provides huge scope for further growth.

Key performance indicators

There are many financial and operating performance indicators regularly monitored by the Group; the primary financial performance indicators are:

Revenue growth

43%

2015	£25.8m
2014	£18.0m

Gross profit growth

36%

2015	£14.0m
2014	£10.3m

Operating profit before adjusting Items*

£5.3m

2015	£5.3m
2014	£4.0m

Profit before tax before adjusting items*

£5.0m

2015	£5.0m
2014	£3.7m

Additional key performance indicators specific to certain revenue streams:

Customer renewal rates

88%

2015	88%
2014	85%

Service delivery performance

100%

2015	100%
2014	100%

*before adjusting items of £4.0 million (2014: £2.5 million) resulting in a statutory operating profit of £1.3 million (2014: £1.5 million) and a statutory profit before tax of £0.8 million (2014: 1.2 million).

Strategic report

Chief Executive's review

"We now see great opportunities to grow our market share within our principal industry sectors, achieving our aim of being the nationwide market leader across the Facilities Management industry."

Overview
2015 was an outstanding year for Premier Technical Services Group PLC, with an excellent performance across the Group. High levels of employee engagement and customer satisfaction supported impressive like-for-like and total sales growth, which, together with our continued focus on driving efficiencies and disciplined organic growth, produced an impressive increase in profits and strong returns for our shareholders.

Our growth exceeded both the Board's projections and market expectations, with a revenue increase of 43% and a gross profit growth of 36%. Our turnover was £25.8m, which equates to a pre-tax operating profit (before adjusting items) of £5.3m. On behalf of the Board, I would like to thank each and every one of our team members. It is their hard work, passion and commitment that make PTSG the successful and progressive company it is today.

We put our customers at the heart of everything we do and use this powerful model throughout our business. We are passionate about making every day experiences special for our many thousands of customers and invest in high-quality products and services to build market–leading brands, based on strong customer preference and loyalty. By driving sales and managing efficiencies we generate the margins and cash flow to maintain a healthy balance sheet and finance continuing profitable organic growth.

By carrying this momentum into 2016, we can reach even greater heights.

Market environment
PTSG was formed to fulfil demand from the Facilities Management market for a provider of multiple expert services, stabled under the same roof. Today we occupy a strong position across the areas of Access and Safety, Electrical Services, High Level Cleaning and Training Solutions, having established an outstanding track record in each.

We believe we can build on our position within our chosen markets. This belief is based on our ability to drive strong organic growth from our wide customer base and increasing geographical coverage, as well as through opportunities for cross-selling services – with our proven ability to integrate business acquisitions in complementary market areas.

Another reason for our strong market position is the sustainability of our margins: we have a contract renewal rate of 88%, the UK's largest repair and maintenance contract base in Access & Safety and an efficient business model in all sectors, which has contributed to PTSG winning a number of industry awards.

We now see great opportunities to grow our market share within our principal industry sectors, achieving our aim of being the nationwide market leader across the Facilities Management industry.

Strategy
Our aim is simple: to deliver high-quality investment returns to our shareholders. This will be achieved by increasing our share of each of the niche markets in which we operate. Our strategy for achieving this is to generate organic growth and leverage our customer relationships.

We operate in a fast-moving environment and we need to be agile in order to evolve. Investment in technology is key to staying at the forefront of the market and continuing to deliver shareholder value.

Our growth strategy can be summarised as follows:

Efficiency – This is the key to achieving organic growth, we have positioned ourselves at strategic geographic locations across the UK, enabling us to deliver first-class solutions in all four divisions of our business.

Scalability – Our ability to grow is proven through successful acquisitions in all the sectors in which we operate, many of these acquired in 2015, and the fact that we now have staff living and operating in most towns and cities across the UK.

To read more about our strategy see p.04

> "2015 was an outstanding year for Premier Technical Services Group PLC, with excellent performance across the Group."

Innovation – Clarity, our innovative system comprising unique software, designed in-house, which is set to transform the way we do business.

Acquisitions
Strategic acquisition and business integration have been key to PTSG's success since its inception in 2007 and will continue to be going forward, while our vision and intuition have helped us to identify possible expansions into new sectors, allowing real opportunities for margin improvement.

In 2015, our service delivery and geographical coverage was substantially boosted by a number of new business acquisitions. In June, Pendrich Height Services and NATHS Ltd. – specialist steeple jacks, rope access experts and working at height professionals – became part of PTSG. October saw the integration into the Group of Integral Cradles – a cradle installation business based in London and JW Gray – a lightning protection, design, installation and testing company based in Essex. November was a very busy month, with the acquisition of Langston Jones – a long-established and respected electrical testing company; Access Contracting Ltd and Lightning Protection Testing Ltd (LPT) – specialists in the maintenance, inspection and testing of permanent façade access equipment, fall arrest systems and lightning protection testing and repair.

All of which helped to consolidate PTSG's position at the forefront of its markets, offering a comprehensive range of specialisms throughout the UK. These acquisitions have certainly generated significant interest nationally and we are seeing more enquiries for our services as a consequence.

Divisional results
Each of our divisions contributed to the outstanding performance of PTSG during 2015, thanks to our highly trained experts.

An innovative future with Clarity

PTSG Clarity is our latest innovation which is set to revolutionise the way we do business and, consequently, the service we deliver for our customers.

This completely unique, proprietary software has been designed and developed in-house and our highly talented developers are we are now preparing to roll out the high-tech, state-of-the-art programme to our ground and office staff.

The feedback we have had during trials has been very positive ahead of the new product launch later this year.

This system will change the way we work at PTSG. It is unique and clear to use and it gives us a competitive edge; it has been designed by PTSG for PTSG and it meets the needs of PTSG exactly.

It will make sure the way we work is more efficient and cost effective ensuring we have more engineers on location or moving between sites with a focus on revenue generating opportunities. It will also keep our customers closer to the work we do on their behalf, including quickly identifying other necessary remedial, repair and renewal work.

The system is made up of four key elements: ClarityPORTAL, ClaritySALES, ClarityWORK and ClarityOFFICE.

ClarityPORTAL and ClaritySALES are the back-end administrative systems that make-up the operating system and electronic functionality of PTSG Clarity.

ClarityWORK provides our engineers with everything they need to do their job safely and efficiently. The system features schedule and location information, a sat-nav, real-time engineer location tracker and job recording and submission.

As part of our commitment to safety, ClarityWORK also operates a RAMS and Lone Worker programme. All engineers are required to complete a RAMS questionnaire when they arrive on site and this can all be done through ClarityWORK. A formal framework of checking and verifying the status of lone workers has also been installed to ensure the health and safety for any staff entering a location alone.

Using real-time and historical tracking we can see where our engineers are at any given moment. Their job status can be accessed anytime, and should our engineers find themselves offline they will still be able to access their next location, and any updates will be uploaded to and from ClairtyOFFICE when a connection becomes available again.

ClarityOFFICE can be cloud-based or hosted locally and can be used on any mobile web device, and sending jobs to our engineers is just the start of what our system can do.

We have designed Clarity to make our working day – and that of our clients – run smoothly. We have developed a secure client portal for the retrieval of service certificates, an accessible platform to log requests for quotations, access information regarding their personal account, current job status and placing orders.

Giving our clients the access to this part of the system means we are able to keep in touch and to bring in new business any time of the day. It is easy to use, but secure, ensuring all private details remain that way.

On a management level we will have access to business intelligence dashboards, receive alert notifications and view monthly sales KPIs in real time.

Our accounts team will be able to integrate Sage 200 into its system to send out invoices to clients and our four divisions will be able to effectively manage client contracts.

With this technology we know we can change the future of the Company and we are looking forward to introducing Clarity in its entirety in 2016.

Strategic report

Acquisitions 2015

Total cost of acquisitions 2015

£9.3m

Comprising initial payments of £4.7m and a maximum of £4.6m in deferred payments.

12 JUNE 2015

Pendrich Height Services Limited and NATHS Limited (together "Pendrich")

Strategy: Pendrich increases our Scottish footprint. It extends our service offering to include steeplejack services, but also strengthens industrial rope access and lightning and surge protection.

Purchase price*
£1.7m

Unaudited revenue at 30/04/15
£3.5m

Profit before tax
£-0.2m

"Pendrich Height Services represents a new service stream for our business with the addition of steeplejack services."

01 OCTOBER 2015

Integral Cradles Limited ("Integral")

Strategy: The acquisition increases our market share of the cradle installation market, bringing us closer to our goal of being the UK's leading cradle installation business.

Purchase price*
£4.2m
Comprising an initial payment of £1.2m and £2.8m in redeemable loan notes.

Unaudited revenue at 30/06/15
£1.8m

Profit before tax
£-0.5m

29 OCTOBER 2015

JW Gray Lightning Protection Limited

Strategy: The acquisition provides a new office for the Group in the South East and strong foundations from which to continue our expansion into the key London market.

Purchase price*
£1.1m

Unaudited revenue at 31/12/14
£1.6m

Profit before tax
£0.2m

"JW Gray Lightning Protection Limited enables us to continue to build the UKs largest lightning protection business."

10 NOVEMBER 2015

R Langston Jones and Company Limited ("Langston Jones")

Strategy: A highly complementary acquisition, expanding the Group's client base into new geographical territories. Bringing additional expertise and knowledge to our existing portfolio.

Purchase price*
£0.7m

Unaudited revenue at 31/03/15
£1.0m

Profit before tax
£0.1m

30 NOVEMBER 2015

Access Contracting Limited

Strategy: Access Contracting is complementary to our existing market leading access and safety offering and is an excellent established business.

Purchase price*
£1.3m
Comprising an initial payment of £1.0m and a maximum of £0.3m in deferred payments over three years.

Unaudited revenue at 31/03/15
£1.4m

Profit before tax
£0.3m

"We have always considered Access Contracting to be an excellent business with a first class team of people."

30 NOVEMBER 2015

Lightning Protection Testing Limited ("LPT")

Strategy: Lightning Protection Testing is well established and respected in the UK and their addition to the Group will further increase our market share in this specialism.

Purchase price*
£0.3m

Unaudited revenue at 31/12/14
£0.2m

Profit before tax
£0.1m

* Excluding the impact of discounting of loan notes.

Chief Executive's review continued

To read more about our vision for 2020 see p.19

"PTSG will continue to cement its position as the UK's leading supplier of niche specialist services throughout 2016. By adhering to our business plan, continuing to drive innovation and delivering unbeatable customer service, we will ensure growth is maintained."

Access and Safety: Safety Testing and Installation, Cradle Maintenance and Installation. As the UK's leading supplier of fall arrest systems and safety testing services, we achieved a turnover of £12.0m in 2015 (2014: £9.6m) – a 47% contribution to the turnover of the Group. Adjusted operating profits increased to £2.0m from £1.7m in 2014 with growth across all segments. The acquisition of Integral Cradles Ltd in October brought PTSG closer to its goal of becoming the UK's leading cradle installation business.

Electrical Services: Lightning Protection, Fixed Wire and PAT Testing, Fire Alarms and Extinguishers and Steeplejack Services. Whether it's testing a portable appliance or a complete lightning and surge protection system, in 2015 we proved we can do it in style. We achieved a turnover of £10.4m in 2015 (2014: £6.6m) – a 40% contribution to the turnover of the Group. Adjusted operating profits increased from £1.9m in 2014 to £2.5m. We saw good growth across all services and the acquisitions broadened our geographic coverage and provided new service offering for our clients.

High Level Cleaning: Window Cleaning, Gutter Cleaning, Building Cleaning and Pressure Cleaning. Our team members are experts at working at height and performing a high-quality service even in the most inaccessible locations. In 2015 we achieved a turnover of £3.4m (2014: £1.8m) – a 13% contribution to the turnover of the Group. Adjusted operating profits rose from £0.4m in 2014 to £0.7m in 2015, reflecting a full year's contribution from Acescott which was acquired in July 2014.

Training Solutions: Training, Consultancy and Insurance Inspections. As well as training our own people – the best in the business – we work closely with our clients to ensure the safety of their staff through our bespoke training programmes.

People

We are committed to creating a great place to work for our 350+ team members and the development of opportunities which will help them realise their potential. As we pursue our new growth milestones we will create many more jobs at our strategic bases around the UK.

Our award-winning apprenticeship programme is built in such a way as to identify talented young people as well as develop the skill sets of more established employees.

PTSG creates winning teams and better leaders by investing significantly in training and development programmes to help our people build their skills and careers. Due to the specialist works we undertake, we need to ensure our teams are fully equipped to face an array of challenges. Their safety and ongoing training and development are of huge importance to us.

We take an avid interest in the development of PTSG's workforce, helping to identify ways in which we can improve on delivery and stay up-to-date with the latest policies, procedures and practices. As is the case in any successful business, our people are our principal asset – they are the reason behind our continued success.

Outlook for 2016

Our vision is for PTSG to be the standard against which all similar companies are measured and we have implemented a business plan which we are steadfastly executing. PTSG will continue to cement its position as the UK's leading supplier of niche specialist services throughout 2016. By adhering to our business plan, continuing to drive innovation and delivering unbeatable customer service, we will ensure growth is maintained.

In the year under review, we moved much closer to realising this vision, through our flotation on AIM and vastly increasing the breadth and depth of services PTSG offers across the UK, as well as overseas with projects in Norway, Iraq and Qatar.

PTSG was formed nine years ago with a clear target of becoming number one across all its sectors within a decade. With a superb team of professionals in all divisions, all of whom are committed to the business plan, delivering exceptional customer service, we are confident that 2016 will be another record-breaking year.

Paul Teasdale
Chief Executive
14 March 2016

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1. Our team members are experts at working at height and performing a high-quality service even in the most inaccessible locations.

2. We are committed to creating a great place to work for our 350+ team members.

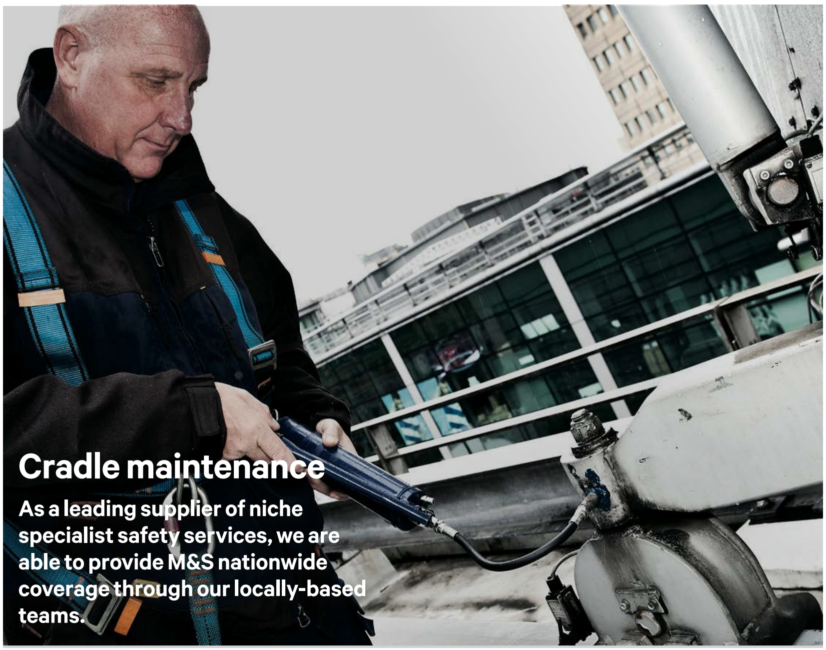
Strategic report

PTSG and M&S stronger together

PTSG and M&S have aligned their vision and values, making them stronger together. We complement each other and are attuned to each other's requirements and needs.

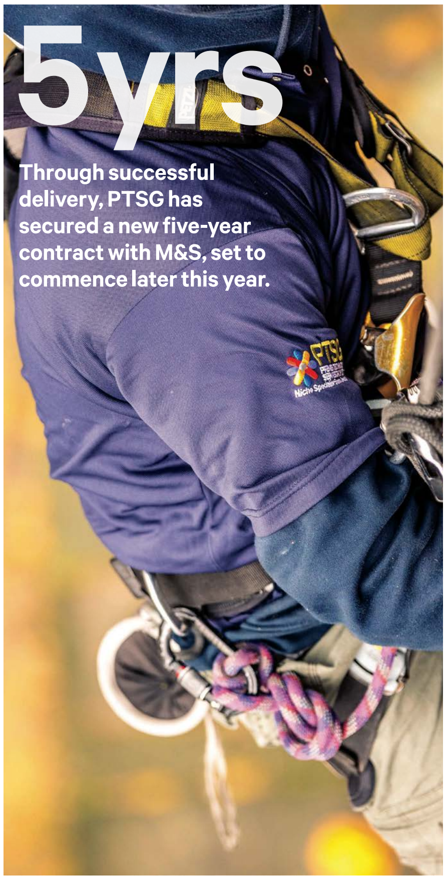
400

PTSG works across more than 400 M&S stores nationwide.



Cradle maintenance

As a leading supplier of niche specialist safety services, we are able to provide M&S nationwide coverage through our locally-based teams.



5yrs

Through successful delivery, PTSG has secured a new five-year contract with M&S, set to commence later this year.

> "The speed of response, agility and professionalism of PTSG is unrivalled. The number of our assets which PTSG work on is testament to the incredible planning and execution of their work. We look forward to working together for many years to come."

Pete Richardson
PPM and Compliance
Support Manager at M&S

PTSG has a very strong relationship with Marks & Spencer PLC. Through delivery of an outstanding service during a fall arrest testing commission we now provide solutions and services to more than 400 stores nationwide.

We also undertake surveys at new stores not yet covered within the current contract and provide cost-effective suggestions and solutions to M&S.

We have a commitment to offer unrivalled customer service and delivering cost-effective solutions that safeguard M&S's assets, ensuring a flourishing partnership, which has developed between two leading organisations within their respective industries.

The trust that has grown between the two teams has led to us to provide 24/7, 365 days a year services to M&S, a sure sign of the positive impression we have made on one of the UK's leading retailers.

The wide range of services we deliver to M&S sites across the UK often present logistical challenges because of short access windows. The popularity of M&S as a retailer means our engineers must carry out work around opening hours, utilising their flexibility thanks to our geographical reach across the UK.

Adhering to these short access windows is also being achieved by working closely with M&S's FM team to set out specific time frames and methodology for the delivery of the necessary works.

As part of this contract, PTSG works on a four to 72-hour call out. Its national coverage ensures it is able to achieve what is required by M&S should the need arise, subsequently providing industry-leading services to ensure the on-going operation of the assets.

We have access to M&S's own in-house system, known as FSI, so it can keep in touch with every transaction.

In allowing us to use this system, M&S is technically in charge of every step of every job it allocates. Engineers have dates to adhere to on the system, and they must ensure they meet them.

We work together to make sure the shoppers' experience in all of the relevant stores is as safe and pleasant as it can possibly be with PTSG remaining "invisible" when at a site carrying out work.

Through successful delivery, PTSG has secured a new five-year contract with M&S and has strengthened its association with the retail sector as a whole and is the preferred supplier of M&S.

As a result of the services we are delivering, M&S has considerably reduced maintenance costs and ensured the operational performance of a large number of its sites across the UK.

PTSG and M&S have an aligned vision and values, making them stronger together. They complement each other and are attuned to each other's requirements and needs.

Strategic report

A day in the life of PTSG

Operational efficiency

Everyday around the UK our people hit the floor running, busily generating business for PTSG every second they are at work.

Our engineers know where they are going and the task at hand from the very start of the day to the end, and we know they are on the move getting the job done.

We consider our engineers to be exceptional. They are the frontline of our business to our highly valued customers and we have chosen them to be professional and efficient representatives of the highly reputable company that we consider ourselves to be.

7.00AM

PTSG is ready

Our engineers have their jobs already and they are on the road. Their routes have been planned to ensure adequate time is spent on location, less time spent on the road and more productivity overall.

24/7

National coverage when it's needed.

Major portfolios; major projects; reaching new heights.

1.00PM

PTSG is respectful

Not all our buildings are brand new.

2.00PM

PTSG is innovative

Our development team is trialling our PTSG Clarity.

Our clarity suite of bespoke software is unlocking efficiencies across the business all day, every day. Our engineers are producing real-time, on-the-job certification via ClarityWork, providing seamless integration to our back office functions, ensuring complete visibility across the business and maximising productivity on the job.

ClarityWORK ClarityPORTAL
ClaritySALES ClarityOFFICE

43%

Increase in turnover in 2015.

100%

Total utilisation of engineers, every day.

4.00PM

PTSG is forward-thinking

We are looking to the future with our acquisition team and planning our next big moves in the UK.

4.30PM

PTSG has time

There's enough time to fit in one last job before heading home for the day.

3.00PM

PTSG is everywhere

We have customers all across the UK and to meet demand quickly we have engineers cross-country too.

8.00AM

PTSG is training

Our training officers are setting up ready for inductions and health and safety sessions. Our people are important to us. Health and Safety is vital and we pride ourselves on our accreditations and awards for our high safety standards.

9.00AM

PTSG is safe

Every year we carry out thousands of safety checks on electrical equipment making sure it has the correct PAT test ad safety certificates.

10.00AM

PTSG is aiming high

We are driving to become the biggest cradle installation company in the UK.

“PTSG is our best supply chain partner by far. The Fall Arrest Testing team do a fantastic job. We can't speak highly enough of the team and our relationship with them. If only other suppliers would follow their approach.”

Gary Haines at UNITE

11.00AM

PTSG is customer focused

We are taking calls and booking in the engineers. It's all about the MOUSE.

12.00PM

PTSG is growing

Our workforce of more than 350 people, serve over 100,000 buildings, 12,000 clients and customers, from 14 locations nationwide.

We always value people who can make a positive difference to our business.

Serving the FM market nationwide.

5.00PM

PTSG is efficient

The day shift is over, but there's time to check our tools are fully clean and working for tomorrow.

6.00PM

PTSG is working

Staff at the 14 UK offices are finishing up ready to hand over the next shift: it's been another productive day for PTSG.

No matter what the weather or the time we are working for our customers 24/7.

7.00PM – 7.00AM

PTSG is open

The night shift is well under way, the emergency lines are being monitored and we are ready for what the night may bring.

Strategic report

Acquisition of Integral Cradles Limited

PTSG completed the acquisition of Integral Cradles Ltd, based in Gatwick and London, for a maximum consideration of £4.2m, comprising an initial payment of £1.4m and £2.8m in redeemable loan notes.

> "The acquisition increases our market share of the cradle installation market, making us UK market leader and is a good strategic fit with our existing business, which is strong in the regions whilst Integral is strong within the M25 ring."

Paul Teasdale
Chief Executive

Purchase price
£4.2m

Acquired
October 2015

Core business
Access and Safety Division

The acquisition of Integral Cradles strengthens our position as the UK's leading provider of permanent Façade Access Equipment for new build, refurbishment and ongoing maintenance projects. We are delighted to add to our collection of highly professional, creative and talented engineers and designers who have acquired considerable professional experience designing and delivering advanced, complex and innovative access systems on some of the country's most iconic buildings.

Our access and safety business offers maintenance, inspection and testing solutions for safety at height as well as the design and installation of permanently installed façade access equipment and fall arrest equipment.

Not only can our customers be reassured by our vast experience, but we also offer a range of other benefits as standard to ensure that jobs are completed to the highest standards of quality and safety. It is this quality of workmanship and our commitment to delivering the best possible service for the people we serve that has resulted in PTSG being named the best collaborative company serving the FM sector on two separate occasions by Premises and Facilities Management for our work with Tubelines and Unite.

The acquisition of Integral Cradles can and will strengthen this position.

Increasing shareholder value through acquisitions

Leverage our operational and managerial framework

Enter attractive new markets

Increase our penetration of the UK market

Expand existing operations geographically

Leverage economies of scale to improve margins

Grow operations in an existing market and geography

To read more about our strategy for 2020 see p.19

Strategic report

The next chapter

Our company was founded at a time of unprecedented economic uncertainty. When others in the industry were struggling, PTSG was thriving. We saw opportunities and took them. Through innovative and forward thinking, PTSG has continued to grow, delivering growth of 40%+ year on year consistently. In 2015, the founders of PTSG decided to float the Company on AIM. We knew that the Group would deliver for shareholders in 2015 and it has.

PTSG has achieved exceptional but manageable growth, which we believe will continue, benefiting customers and shareholders alike.

Where we are now

PTSG is a niche market leader, supplying the facility management industry with its bespoke services. We are number one for supply in our key sectors, and continue to strive to become the best in all our divisions, to ensure we keep ahead of our competitors.

As an award-winning company our notable accreditations and awards are testament to the outstanding work PTSG does.

By constantly looking for new and innovative ways to give us an edge we create a great value service for our customers and shareholders.

We are confident leaders, but in no way are we complacent and our goal is to be the biggest and best nationwide, continuing to strengthen and improve in all possible areas.

Five year profit and loss summary:

Where we are going

We are expanding our markets and area growth is set to continue.

PTSG will continue to build confidence in shareholders, new investors, staff and customers. The Training Sector will be expanded making sure highly trained staff remain that way.

There are new acquisition opportunities in the pipeline that will help PTSG expand further, enabling us to offer more niche services.

– We will maintain our strong market presence.
– We will invest in the Company to realise its potential.
– We will continue to build confidence in our investors.

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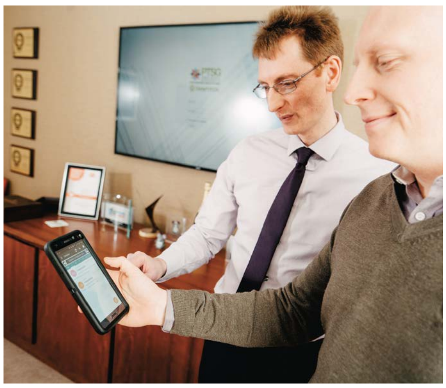
How we will get there

We are excited about the future and expect growth to continue while costs remain carefully controlled and quality of service high.

– We will build on the great work achieved so far, employing the best for the job so PTSG can continue to be a great organisation to do business with.
– Unnecessary costs will be driven out while creating value through increasing market shares across all sectors.
– We will implement our clear and ongoing strategy to build on what has been an incredible journey so far.
– The market position of PTSG will continue to strengthen through sensible and well considered investments, acquisitions, cross selling and organic growth.



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1. Our Fall Arrest Installations division has seen growth of more than 35% over the past year.

2. Safety is paramount to our company and in 2015 we won our 4th ROSPA award.

3. Training is important to PTSG and we expect our staff to be the best.

2016 2018 2020

Towards 2020

As a group we are in a prominent position to meet future challenges head on. The four divisions that make up the Group offer a varied and professional service with superior results, all built on collaboration, respect, interaction and trust.

Of course, any improvements will take place without compromise on safety. That is our foremost concern and our motto is, "if it cannot be done safely we will not do it."

Our commitment to safety is evident. We employ a full-time HSE management team, which supports all sectors with up-to-the-minute training and equipment.

We will continue to make acquisitions that are considered to be value accretive, offering the prospect of superior returns and by doing so bring in new members of staff, new ideas and experience that can only be of benefit to everyone at PTSG.

2017
2017 is set to be an exciting landmark as we celebrate 10 years in business. During the past decade we have seen many changes. We have worked successfully through a recession and stayed strong through difficult times. Social media has changed the way we engage with our customers; we can connect through Facebook and Twitter to keep our followers up to date. We have developed and implemented PTSG Clarity too, an innovative new product we are very proud of and something we are planning to utilise and move further along with in the future.

2018
Across the four sectors we are going to continue to build an impressive portfolio through acquisition and find ways to further implement our successful business model. In the Access and Safety Sector we are going to build on our performance levels, which have always been consistently strong and push our client retention number up. We will also strive to gain further recognition for the outstanding job our engineers do with the safety of our assets and customers, continuing to be an award-winning team.

2019
Our Electrical Services has always shown strong organic growth and we will move further with that through our various services. We have built notable relationships with our High-Level Cleaning sector and we intend to nurture and develop these further. Our Training Solutions Division will be ahead of the game and on par with the rest of the Group.

2020
By 2020 we will have been a public company for five years and we believe that the consistent and controlled growth delivered in this time will ensure shareholders and potential investors have 100 per cent confidence in our worth as a financially viable investment.

We are predicting growth in new sales generation and customer renewal rates. We are set to offer more services to more areas in the UK and to make investments that will increase our market share and provide significant scope for further growth from 2020 and beyond.

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1. Our High-level Cleaning team is trained to be the best and must have a head for heights.

2. Safety of our staff and customers is paramount at PTSG. Our motto is, "if it cannot be done safely we will not do it!"

Strategic report

Financial review

"In the full year 2015, we generated revenue of £25.8m (2014: £18.0m), an increase of 43% on a reported basis or 24%, excluding the 2015 acquisitions."

Summary
PTSG made significant progress in 2015 and continued to deliver substantial earnings and revenue growth. Our growth continued to be particularly strong in Electrical Services which now accounts for over 40% of turnover and gives a more diversified business. The Group was admitted to AIM in February 2015 and completed six acquisitions in the year. To provide additional financial flexibility we entered into a £7m Rolling Credit Facility and successfully applied to the High Court to cancel the share premium account, creating additional distributable reserves.

Strong earnings and revenue growth
In the full year 2015, we generated revenue of £25.8m (2014: £18.0m), an increase of 43% on a reported basis or 24%, excluding acquisitions completed in 2015. It was pleasing to see Access and Safety return a strong performance, with 13% underlying growth in revenue, and that Electrical Services continued its rapid growth with an underlying increase of 23%.

Gross profit was £14.0m (2014: £10.3m), an increase of 36% on a reported basis. The gross profit margin was 54.3%, which reflected a strong underlying performance offset by a change in mix, following the high growth in the lower GP orientated installation businesses.

Trading profit, before adjusting items, was £5.3m (2014 £4.0m), up 32% on a reported basis or 52% if a consistent treatment of the pre IPO dividends is applied. The trading profit margin was 20.5%, which represents an improvement of 86 bps on a like for like basis, despite carrying the extra costs associated with being a plc.

Profit before tax was £0.8m (2014: £1.2m) and incorporated £4.2m of adjusting items. These adjusting items were either one off or non trading in nature and were mainly associated with share option costs granted to Directors and employees, contingent payments in relation to acquisitions, IPO costs, refinancing and other rationalisation costs. The net interest charge and other financing costs were £0.4m (2014: £0.3m).

Adjusted earnings per share was 4.87p (2014: 3.77p) an increase of 29%. A maiden dividend of 0.46p per share was paid on the 30 October 2015 and the Board is proposing a final dividend of 0.54p per share.

Net debt at 31 December 2015 was £7.6m (2014: £5.8m), which represents a reduction from 32.2% of sales in 2014 to 29.5% in 2015. The increase in the reported number followed £2.3m of payments for acquisitions made in 2015, £1.1m of deferred consideration payments and an increase in working capital due to the substantial increase in the size of the Group. The loan taken out in 2013 was repaid during the year and replaced with a £7m revolving credit facility which has a lower interest rate and will give us more flexibility for the future.

In November 2015 we received High Court Approval to carry out a Capital Reduction programme enabling £4.9m to be transferred from the share premium account into distributable reserves. This together with a substantial increase in net current assets (£4.2m in 2015 compared to -£0.2m in 2014) has strengthened the balance sheet over the course of the year.

"PTSG made significant progress in 2015 and continued to deliver substantial earnings and revenue growth. Our growth trajectory continued to be particularly strong in Electrical Services which now accounts for over 40% of turnover and gives a more diversified business."

Acquisitions
We acquired six businesses in 2015 for a total consideration of £9.3m, £4.6m of which was deferred. These acquisitions enabled the Group to extend its market leading position in Access and Safety, strengthen its Electrical Services offering, brought additional geographical coverage and broadened its offering in many markets including the Steeplejack market.

The financial rationale for these acquisitions was well founded with all paying back within the Group's investment hurdle rate. We continue to seek ongoing cost savings from all our businesses, particularly by using our scale with regards to purchasing power and we also anticipate operational synergies from additional leverage and improved geographical coverage.

Outlook
The Group has made significant progress during the year, driven by its substantial sales and profit growth and the strengthening of its Balance Sheet. We expect the Group to continue to deliver high underlying revenue growth supplemented by appropriate acquisitions. Additionally, we expect to leverage this growth, our cost base and increased purchasing power, to drive an improving trading profit margin.

We believe that the Group is well placed to become the UK's leading supplier of Niche Specialist Services.

Mark Watford
Finance Director
14 March 2016

Turnover

43% ↑

2015	£25.8m
2014	£18.0m

Gross profit

36% ↑

2015	£14.0m
2014	£10.3m

Operating profit*

32% ↑

2015	£5.3m
2014	£4.0m

* before adjusting items of £4.0 million resulting in a statutory operating profit of £1.3 million.

Adjusted earnings per share

29% ↑

2015	4.87p
2014	3.77p

To view more of our KPIs see p.07

Strategic report

Principal risks and uncertainties

Pre-empting, assessing and managing risk is an important part of the work that we do at PTSG.

Our leadership team has intricately assessed and established an effective command and control structure that drives processes and procedures that are designed to reduce risks that could conceivably occur within the organisation and across our supply chain partnerships.

Delivery plans are aligned to our business strategy and they are designed to reduce any potential risks whether they be safety-related, financial or operational.

For each risk identified, an effective system of internal control has been implemented to reduce any potential threat to the business.

We assess risks by pre-empting them and managing them out and we employ a full time Health & Safety team whose role is to prevent issues from arising; prevention is better than cure.

Risk	Description	Mitigation
Failure of product or system could result in litigation, damage to the Group's reputation and potentially the loss of customers.	The Group is obliged to comply with health & safety and environmental regulations. Although the Group performs internal health & safety audits, as well as being externally audited at regular intervals by quality accreditation bodies and large blue chip customers, there is no guarantee that it will be able to comply with these regulations. The Group carries out inspections of equipment and there is the possibility that human error will result in equipment that is unsafe to use being utilised by employees or third parties to whom the Group has a duty of care. This could result in personal injury and litigation proceedings against the Group in respect of health & safety matters, criminal prosecution and/or a civil claim. There can be no assurance that claimants in any litigation proceedings will not be able to devote substantially greater financial resources to any litigation proceedings or that the Group will prevail in any such litigation. Any litigation, whether or not determined in the Group's favour or settled by the Group, may be costly and may divert the efforts and attention of the Group's management and other personnel from normal business operations. If the Group is unsuccessful in its defence it could result in a loss of reputation and decreased sales, along with either a large settlement or an increase in the Group's insurance premiums should the litigation claim be covered by the Group's insurance policy. The Group's insurance cover may also not be sufficient to cover fully any liability. Even if the Group was successful in defending a claim, the Group's reputation could be damaged, by such an incident, potentially resulting in the loss of customers. Although the Group will benefit from the PTSG branding for marketing purposes, should an incident occur, this loss of reputation could impact other areas of business to a greater extent than if they had their own individual branding. An incident involving personal injury could also result in an official investigation or enquiry in respect of health & safety issues concerning the Group's operations. These investigations may result in a loss of the Group's health & safety certifications and a loss of contracts where these certifications are a requirement.	The Group has strong risk management policies, procedures and management systems throughout the organisation. They have been assessed as compliant to regulatory requirements by our stakeholders and internal Health and Safety team. The Group has been assessed, approved and registered as certified holders of the ISO 9001:2008, BS OHSAS 18001:2007 and ISO 14001:2004 standards.

Risk	Description	Mitigation
Ability to attract, retain and develop a sufficiently skilled and experienced workforce to meet the targets set by the Group and its customers.	Our employees are critical in delivering our objectives, not having employees with appropriate skills and experience could lead to poor delivery of service which could impact on the performance of the business. The Group is managed by certain key personnel including Executive Directors and senior management, who have significant experience within the Group and the wider sector who may be difficult to replace.	The Group has invested in staff training programmes, competitive rewards compensation packages, management incentive schemes and succession planning. In addition the Group has invested in apprenticeship programmes to provide a supply of qualified staff from within the Group. The Group has entered into contractual arrangements including long term incentive structures with key personnel to secure their services. Additionally a strong management structure has been developed, which would enable the Group to continue to operate effectively in the event of the departure of a member of the senior management team.
The Group's IT systems could fail due to a severe IT fault or cyber crime resulting in a loss of business and/or sensitive data.	The Group is reliant on a number of systems to manage the entire process from creating orders in the system through to payment. The systems used are dependent on each other to be able to complete their processes. Therefore, a failure of any of the core IT systems may result in failures of other IT systems as well, which in turn could result in interruption to the efficient operation of the Group's services. The Group relies to a significant degree on the efficient and uninterrupted operation of its computer and communications systems and those of third parties, including the internet. Customer access to the customer portal and the speed with which customers and suppliers navigate and interact with the procurement process in their portal affects the sales of the Group and the attractiveness of its services. Any failure of the internet generally or any failure of current or new computer and communication systems could impair the value of projects, the processing and storage of data and the day-to-day management of the Group's business.	The Group maintains tight access controls over its data and IT systems and continually monitors performance. The Group's internal IT team ensures all performance issues are resolved promptly. The Group has disaster recovery and business continuity contingency plans. If a serious disaster affecting the business systems or operations occurred the recovery plan aims to enable the Group to recommence trading without loss of business.

Strategic report

Risk	Description	Mitigation
Commercial construction market and general economic conditions.	A general downturn in the construction industry in the UK could affect the Group given the reliance, to an extent, of the installation activities of Access and Safety and Electrical Services on construction projects. A general economic downturn could lead to a decline on the volume of the Group's sales.	The Board believes that a general downturn should not adversely affect the business of the Group as its business is not concentrated in one single area of construction, with involvement in public sector projects, as well as commercial and retail sectors. Also, the Group benefits from a significant proportion of its revenues being generated from ongoing contracts for maintenance, driven by regulatory requirements, rather than solely installations which are largely driven by the rate of new build completions.
Acquisitions.	The Directors will seek to target acquisitions in line with the Group's strategic objectives. However, there is a risk that some of the expected benefits of such acquisitions will fail to materialise or that significant expense may be incurred with the integration. In addition, there can be no guarantee that there will be any suitable acquisition opportunities available.	The Group has already identified several businesses which the Board will consider acquiring in 2016. In addition the Board continually identifies new potential acquisitions and maintains ongoing dialogue with these, which would enable these acquisitions to be brought forward if any of the current acquisition targets do not complete. The Group has a successful track record of acquiring and integrating businesses and conducts extensive due diligence before any purchase which will help mitigate any issues surrounding integration.
There can be no assurance that the Group will achieve increased market penetration and competition could increase.	The Board believes that the Group can achieve greater market share across the three divisions. However, there can be no guarantee that this will be achieved. Also, competitive pressures could increase, including through new entrants to the market, which could detrimentally impact the Group's performance.	The Group has a strong track record of organic growth and has invested in its staff, systems and procedures to ensure that its delivers exceptional services to its customers. Such service will help retain existing customers and attract new customers. Complementary acquisitions will aid market penetration.

Principal risks and uncertainties continued

Risk	Description	Mitigation
Third parties and retained sub-contractors.	Third parties or sub-contractors retained by the Group may be involved in improper activities which result in penalties or loss of reputation.	The majority of work undertaken by the Group is undertaken by its own employees. In those cases when third parties or sub-contractors are used a rigorous vetting procedure is undertaken to ensure their capability and suitability, and once appointed, receive site rules.
Force majeure.	A fire, explosion, flood, earthquake or hurricane at a major site could result in the inability to meet customer orders.	The Group has disaster recovery and business continuity contingency plans. If a serious disaster affecting the business, systems or operations occurred the recovery plan aims to enable the Group to recommence trading without loss of business.

Strategic report.
The Strategic Report was approved by the Board of Directors on 14 March 2016 and signed on its behalf by:

Paul Teasdale
Chief Executive Officer
14 March 2016

Corporate governance

Board of Directors

The Board and its committees have the appropriate balance of skills, experience, independence and knowledge of the Company to enable them to discharge their responsibilities effectively.

They contain a diverse range of skills, backgrounds and experiences to enable a broad evaluation of all matters considered and to contribute to a positive culture of mutual respect and constructive challenge.

Collectively the Board is recognised as being extremely experienced, highly energetic, incredibly forward thinking and they have a proven track record of innovating to stay ahead. In building the leadership team, careful consideration has been given to matching jobs to people's strengths, ensuring that each person adds value and drives profitable growth.

John Foley
Chairman

John is a co-founder of the Group and was chief executive of MacLellan Group plc ("MacLellan"), a facilities services company, from 1994 until it was acquired by Interserve plc for an enterprise value of £130 million in June 2006. At the time of John's appointment, MacLellan was loss making, with a turnover of circa £5 million and 50 employees. When it was sold to Interserve, MacLellan had a turnover of circa £250 million and a profit before tax of circa £9 million, with 13,500 employees. MacLellan grew through a series of acquisitions and organic growth. John is a Chartered Accountant and barrister.

Paul Teasdale
Chief Executive Officer

Paul is a co-founder of the Group and has significant experience and expertise in the access and safety sector, having founded TASS Europe Limited ("TASS"), whose activities included the installation, repair and maintenance of safety eyebolt systems, cradle and safety ladder tie systems, in 1999. TASS was sold to MacLellan in 2004 for £6 million and Paul joined MacLellan as managing director of TASS.

Roger Teasdale
Managing Director

Roger joined the Group as Managing Director in November 2014, and was previously president of the advanced wound management division (divisional revenue of $1.4 billion, with 4,000 employees) of Smith & Nephew Plc. Roger was employed by Smith & Nephew Plc for 25 years and held a number of key roles including president of their North American business, president of their extruded films division and senior vice president of advanced wound care. Roger is a qualified Chartered Accountant and holds a BA in Accounting and Management Control.

Mark Watford
Finance Director

Mark joined the Group as Finance Director in September 2014 and is a Chartered Accountant. Previously, Mark was a vice president of finance at Smith & Nephew Plc and a member of the global executive management team of its advanced wound management division. Prior to Smith & Nephew Plc, Mark was finance director and managing director of a regional firm of building contractors.

Alan Howarth
Non-executive Director

Alan joined the Board on Admission. Alan was appointed as a director of Chamberlin plc in January 2007 and was previously a partner in Ernst & Young. He is chairman of Cerillion Technologies Limited and Essentia Limited and has further non-executive interests in a range of private companies.

Roger McDowell
Non-executive Director

Roger joined the Board on Admission. He was managing director of Oliver Ashworth for 18 years and led the main market listing and subsequent sale to Saint-Gobain S.A. He is currently the chairman or a non-executive director of six other listed companies, namely Avingtrans plc, Servelec Group plc, Swallowfield plc, IS Solutions plc, Proteome Sciences plc and Tribal plc.

Corporate governance

The Board recognises the value and importance of high standards of corporate governance. Accordingly, whilst the UK Corporate Governance Code does not apply to AIM companies, the Board intends to observe the requirements of the Corporate Governance Code for Small and Mid-Size Companies ("the Code") published by the Quoted Companies Alliance to the extent they consider appropriate in the light of the Group's size, stage of development and resources. In anticipation of Admission the Company established external, independent representation on the Board, by the appointment of Alan Howarth and Roger McDowell as independent Non-executive Directors on Admission.

Premier Technical Services Group PLC listed its Ordinary Shares on AIM on 11 February 2015 and therefore the requirements of the Code have only applied to the Company since that date. Accordingly, this report includes a description of how it to applied those principles since admission.

Board
The Board is responsible for the overall management of the Group including the formulation and approval of the Group's long term objectives and strategy, the approval of budgets, the oversight of Group operations, the maintenance of sound internal control and risk management systems and the implementation of the Group's strategy, policies and plans.

Whilst the Board may delegate specific responsibilities, there is a formal schedule of matters specifically reserved for decision by the Board; such reserved matters includes, amongst other things, approval of significant capital expenditure, material business contracts and major corporate transactions. The Board formally meets 10 times annually to review performance.

The Board has an audit committee and a remuneration committee with formally delegated duties and responsibilities.

Each of the Directors is subject to either an executive service agreement or letter of appointment. The Company's Articles of Association require one third of Directors to retire at every Annual General meeting.

Audit committee
The audit committee is responsible for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems, and overseeing the relationship with the external auditors (including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings).

The audit committee comprises John Foley, Roger McDowell and Alan Howarth and is chaired by John Foley. The audit committee meets at least three times a year at appropriate times in the reporting and audit cycle and otherwise as required. The audit committee also meets regularly with the Company's external auditors.

Remuneration committee
The remuneration committee is responsible for determining and agreeing with the Board the framework for the remuneration of Board members and other designated senior executives and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments and share options or other share awards. The remuneration of Non-executive Directors is a matter for the Chairman and the executive members of the Board. No Director is involved in any decision as to his or her own remuneration.

The remuneration committee comprises John Foley, Roger McDowell and Alan Howarth and is chaired by John Foley. The remuneration committee meets at least twice a year and otherwise as required.

Board balance and independence
The Code recommends a balance between Executive and Non-executive Directors. The Company has two Non-executive Directors in addition to the Chairman and three Executive Directors, thus providing balance within the Board.

The Directors consider all Non-executive Directors to be independent.

Share dealing code
The Company has adopted a share dealing code for the Directors and applicable employees of the Group for the purpose of ensuring compliance by such persons with the provisions of the AIM Rules relating to dealings in the Company's securities (including, in particular, Rule 21 of the AIM Rules). The Directors consider that this share dealing code is appropriate for a company whose shares are admitted to trading on AIM.

The Company has taken proper steps to ensure compliance by the Directors and applicable employees with the terms of the share dealing code and the relevant provisions of the AIM Rules (including Rule 21).

Information, meetings and attendance
The Board met regularly in 2015 and has a full programme of Board meetings planned for 2016. The Board receives a comprehensive pack and has a clearly defined agenda which covers all areas of the business. The pack provides a full trading analysis against budget and includes detailed financial data and analysis.

The company has external advisors on which it can call for expert advice on particular areas.

Prior to listing the Executive Directors received a briefing from N+1 Singer on their duties and responsibilities as Directors of a publically quoted company.

Board evaluation
Given that the majority of Directors were only appointed in the months preceding the listing in February 2015, the Board believes that a meaningful evaluation of the Board can only take place after it has been working together for a reasonable time. It is anticipated that the Board will in the future review its performance and that of its committees, a Non-executive Director will carry out formal individual performance reviews.

Control procedures
The Board approves the annual budget each year. This process allows the Board to identify key performance targets and risks expected during the upcoming year. The Board also considers the agreed budget when reviewing trading updates and considering expenditures throughout the year. Progress against budget is monitored via monthly reporting of actual financial performance against budget and prior year actual results.

The Group has clear authority limits deriving from the list of matters reserved for decision by the Board including capital expenditure approval procedures.

There is no internal audit function due to the size of the Group and the close involvement of senior management over the Group's accounting systems; however, this will be reviewed annually by the Audit Committee.

Relations with shareholders
The Board recognises and understands that it has a fiduciary responsibility to the shareholders. The Chairman's Statement and Chief Executive's Statement include detailed analysis of the Group's performance and future expectations. The Group's website (www.ptsg.co.uk) allows shareholders access to information, including contact details and the current share price, as well as a link to "About us" which provided information on the business and the services offered by the divisions of the Group.

The Chief Executive is responsible for on-going dialogue and relationships with shareholders, alongside the Finance Director and Chairman.

Additionally, the Annual General Meeting provides a platform for the Board to communicate with shareholders and the Board welcomes the attendance and participation of all shareholders.

By order of the Board

Adam Coates
Company Secretary

14 March 2016

Corporate governance

Directors' report

The Directors present their report and the audited financial statements for the year ended 31 December 2015.

Premier Technical Services Group plc ("the Company") is a public limited company incorporated and domiciled in the United Kingdom and under the Companies Act 2006.

The address of the Company's registered office is 13 Flemming Court, Whistler Drive, Castleford WF10 5HW.

Business review and development

Further information on the activities of the business, the Group strategy and an indication of the outlook for the business are presented in the Chairman's Statement and Chief Executive Officer's Review.

Financial results

Details of the Group's financial results are set out in the Consolidated Statement of Comprehensive Income, other primary statements and in the Notes to the Consolidated Financial Statements on pages 34 to 61.

Dividends

Following admission the Board has adopted a progressive dividend policy that will take accounts of the long term earnings trend of the Group, the availability of cash and distributable reserves and allow the Group to maintain a dividend cover of four times. Details of dividends paid in the year are given in note 23 of the Consolidated Financial Statements.

The Board has recommended a final dividend for the year of 0.54p per Ordinary Share, to be paid on 22 July for shareholders on the register at 1 July 2016 (2014: 0.0p).

Going concern

After completing a full review, the Directors have a reasonable expectation that the Group has adequate resources to fund its operations for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Directors

The Directors who served on the Board and on Board Committees during the year are set out on pages 26 and 27.

Under the Articles of Association of the Company, one third of the Directors are subject to retirement by rotation at the forthcoming Annual General Meeting, notice of which accompanies this Report and Accounts. John Foley and Paul Teasdale will seek re-election. In relation to the re-elections of each of the Directors the Board is satisfied that each of these Directors continues to be effective and to demonstrate commitment to the Company.

Directors' shareholdings

Directors' beneficial interests in the shares of the Company, including family interests, at 31 December were as follows:

	31 December 2015		31 December 2014	
	Number of shares	**% of issued share capital**	Number of shares	% of issued share capital
John Foley	**23,603,791**	**26.8%**	270,000	35.0%
Paul Teasdale	**23,603,791**	**26.8%**	270,000	35.0%
Roger Teasdale	**269,827**	**0.3%**	–	–
Mark Watford	**58,692**	**0.1%**	–	–
Roger McDowell	**269,828**	**0.3%**	N/A	N/A
Alan Howarth	**–**	**–**	N/A	N/A

As at 31 December 2015, Roger Teasdale was owed 3,857,140 shares to be transferred from John Foley (1,349,999 shares), Paul Teasdale (1,349,999 shares) and Hawk Investment Holdings Ltd (1,157,142 shares).

None of the Directors had any interests in the share capital of subsidiaries apart from Paul Teasdale who holds one share in PTSG Access and Safety Ltd.

Substantial shareholdings and share capital

The Company's share capital at the beginning of the year consisted of 771,428 ordinary shares of £1 each, 3 A ordinary shares of £1 each, 3 B ordinary shares of £1 each and 3 C ordinary shares of £1 each. Prior to listing the ordinary shares were split into 77,142,800 ordinary shares of 1 pence each and the A ordinary, B ordinary and C ordinary shares were cancelled.

On listing 9,615,384 shares were issued and subsequently a further 1,344,350 shares have been issued. As at 11 March 2016 there were 88,102,534 shares in issue.

As at 11 March 2016, being the latest practicable date prior to the publication of this document, the Company has been advised of the following shareholdings of 3% or more in the issued share capital of Premier Technical services Group plc:

	Number of shares	% of issued shares
John Foley	23,603,791	26.8%
Paul Teasdale	23,603,791	26.8%
Hawk Investment Holdings Ltd	19,746,590	22.4%
Slater Investments Ltd	3,365,384	3.8%

Payment of suppliers

It is the Group's policy to pay suppliers in accordance with the terms and conditions agreed in advance, providing all trading terms and conditions have been met. All payments are made in the ordinary course of business and the Group expects to pay all supplier debts as they become due.

Research and development

During the year the Group incurred £0.2m (2014: £0.1m) of expenditure on research activity.

Financial risk management

Due to the nature of the financial instruments used by the Group comprising bank balances, trade creditors, trade debtors and finance lease agreements, there is no exposure to price risk. The liquidity risk on the above areas is regularly monitored by the Directors.

The Group monitors credit risk closely and considers that its current policies meet its objectives of managing exposure to the risk. The Group has no significant concentration of credit risk.

Employment policy

The success of the Group depends on the skill and motivation of its people and it is the Group's policy to ensure close consultation with employees on matters of concern to them. The Directors encourage employees to be aware of all issues affecting the Group and provides regular briefings and announcements via the Group's web-portal and issues a quarterly newsletter to all employees informing them of all current developments within the business.

It is the policy of the Group to operate a fair employment policy. No employee or job applicant is less favourably treated than another on the grounds of their sex, sexual orientation, age, marital status, religion, race, nationality, ethnic or national origin, colour or disability and all appointments and promotions are determined solely on merit.

The Group has a clear policy on employment of disabled persons and ensures that disabled employees, and those who become disabled whilst in the Group's employment, benefit from training and career development in common with all employees.

Environment
The Group adheres to all environmental regulations and has, where possible, utilised environmental-sustaining policies such as recycling and waste reduction.

Annual General Meeting
The Company's Annual General Meeting will be held at 13 Flemming Court, Whistler Drive, Castleford WF10 5HW on 20 June 2016. Details of the resolutions to be proposed are set out in a separate Notice of Meeting which accompanies this report.

Independent Auditor
A resolution to appoint PricewaterhouseCoopers LLP will be proposed at the Annual General Meeting.

Statement of Directors' responsibilities
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 prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law under company law) including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101). 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 the Company and of the profit or loss of the Group for that period. 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 IFRSs as adopted by the European Union and applicable UK Accounting Standards including FRS101 have been followed, subject to any material departures disclosed and explained in the Group and parent company financial statements respectively;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Provision of information to auditor
Each of the persons who is a Director at the date of approval of this report confirm that there is no relevant audit information of which the Company's auditors are unaware. Each Director has taken the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' indemnities
As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

By order of the Board

Adam Coates
Company Secretary

14 March 2016

Financial statements

Independent auditors' report
to the members of Premier Technical Services Group PLC

REPORT ON THE GROUP FINANCIAL STATEMENTS

Our opinion

In our opinion, Premier Technical Services Group PLC's group financial statements (the "financial statements"):
- give a true and fair view of the state of the Group's affairs as at 31 December 2015 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report, comprise:
- the consolidated balance sheet as at 31 December 2015;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated cash flow statement for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 31, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OTHER MATTER

We have reported separately on the Company financial statements of Premier Technical Services Group PLC for the year ended 31 December 2015.

Arif Ahmad (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

14 March 2016

Financial statements

Consolidated statement of comprehensive income
for the year ended 31 December 2015

		Year ended 31 December 2015			Year ended 31 December 2014		
		Before adjusting items	Adjusting items (note 6)	Total	Before adjusting items	Adjusting items (note 6)	Total
	Note	£	£	£	£	£	£
Revenue	4	**25,770,503**	**–**	**25,770,503**	18,002,687	–	18,002,687
Cost of sales		**(11,785,079)**	**–**	**(11,785,079)**	(7,683,423)	–	(7,683,423)
Gross profit		**13,985,424**	**–**	**13,985,424**	10,319,264	–	10,319,264
Net operating costs	6	**(8,709,361)**	**(4,016,196)**	**(12,725,557)**	(6,311,864)	(2,529,716)	(8,841,580)
Total operating profit		**5,276,063**	**(4,016,196)**	**1,259,867**	4,007,400	(2,529,716)	1,477,684
Finance costs	7	**(273,437)**	**(155,446)**	**(428,883)**	(305,030)	–	(305,030)
Profit before taxation		**5,002,626**	**(4,171,642)**	**830,984**	3,702,370	(2,529,716)	1,172,654
Taxation	9	**(814,927)**	**473,046**	**(341,881)**	(794,752)	154,138	(640,614)
Profit attributable to owners of the parent		**4,187,699**	**(3,698,596)**	**489,103**	2,907,618	(2,375,578)	532,040
Total comprehensive income/(expense) for the year attributable to owners of the parent		**4,187,699**	**(3,698,596)**	**489,103**	2,907,618	(2,375,578)	532,040
Earnings per share (pence):							
Basic and diluted earnings per share	10			**0.57**			0.69

The notes on pages 38 to 61 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
for the year ended 31 December 2015

	Note	Share capital £	Capital redemption reserve £	Share Premium Account £	Retained earnings £	Total £	Non-controlling interest £	Total equity £
		Attributable to owners of the parent						
Balance at 31 December 2013		**771,437**	**128,573**	**–**	**313,629**	**1,213,639**	**179**	**1,213,818**
Profit for the year		–	–	–	532,040	532,040	–	532,040
Total comprehensive income		**–**	**–**	**–**	**532,040**	**532,040**	**–**	**532,040**
Transactions with owners								
Share based payments charge		–	–	–	165,418	165,418	–	165,418
Ordinary dividends paid	23	–	–	–	(790,000)	(790,000)	–	(790,000)
Transactions with owners		**–**	**–**	**–**	**(624,582)**	**(624,582)**	**–**	**(624,582)**
Balance at 31 December 2014		**771,437**	**128,573**	**–**	**221,087**	**1,121,097**	**179**	**1,121,276**
Profit for the year		–	–	–	489,103	489,103	–	489,103
Total comprehensive income		**–**	**–**	**–**	**489,103**	**489,103**	**–**	**489,103**
Transactions with owners								
Issue of share capital	21	105,010	–	4,942,818	–	5,047,828	–	5,047,828
Share based payments charge		–	–	–	2,333,915	2,333,915	–	2,333,915
Tax credit relating to share based payments		–	–	–	462,592	462,592	–	462,592
Ordinary dividends paid	23	–	–	–	(533,825)	(533,825)	–	(533,825)
Reduction of capital		–	–	(4,942,818)	4,942,818	–	–	–
Transactions with owners		**105,010**	**–**	**–**	**7,205,500**	**7,310,510**	**–**	**7,310,510**
Balance at 31 December 2015		**876,447**	**128,573**	**–**	**7,915,690**	**8,920,710**	**179**	**8,920,889**

The notes on pages 38 to 61 are an integral part of these consolidated financial statements.

Financial statements

Consolidated balance sheet
as at 31 December 2015

	Note	2015 £	2014 £
Assets			
Non-current assets			
Intangible assets	11	**10,735,826**	3,615,748
Property, plant and equipment	12	**2,373,544**	1,340,886
Deferred tax asset	20	**784,061**	–
Total non-current assets		**13,893,431**	4,956,634
Current assets			
Inventories	14	**381,760**	201,560
Trade and other receivables	15	**13,108,313**	8,060,904
Total current assets		**13,490,073**	8,262,464
Liabilities			
Current liabilities			
Trade and other payables	17	**6,429,608**	4,408,865
Bank overdraft, net of cash	16	**317,466**	1,260,845
Finance leases	18	**641,001**	474,529
Borrowings	18	**25,033**	1,000,000
Deferred consideration	19	**1,125,897**	899,440
Current tax liabilities		**749,642**	440,282
Total current liabilities		**9,288,647**	8,483,961
Net current assets/(liabilities)		**4,201,426**	(221,497)
Non-current liabilities			
Borrowings	18	**5,993,808**	2,750,000
Loan notes	19	**2,527,000**	–
Finance leases	18	**653,160**	357,715
Deferred tax liability	20	**–**	6,146
Deferred consideration	19	**–**	500,000
Total non-current liabilities		**9,173,968**	3,613,861
Net assets		**8,920,889**	1,121,276
Equity attributable to the owners of the parent			
Share capital	21	**876,447**	771,437
Capital redemption reserve	22	**128,573**	128,573
Retained earnings	22	**7,915,690**	221,087
		8,920,710	1,121,097
Non-controlling interests		**179**	179
Total equity		**8,920,889**	1,121,276

The consolidated financial statements on page 38 to 61 were approved by the Board of Directors on 14 March 2016 and were signed on its behalf by:

P W Teasdale
Chief Executive Officer

Consolidated cash flow statement
for the year ended 31 December 2015

	Note	**2015** £	2014 £
Cash flows from operating activities			
Profit after taxation		**489,103**	532,040
Adjustments for:			
Income tax charge	9	**341,881**	640,614
Depreciation	12	**898,889**	700,813
Amortisation of intangible assets	11	**108,600**	–
Profit on disposal of property, plant and equipment	8	**(384,778)**	(128,250)
Finance costs	7	**273,437**	305,030
Share based payments	13	**2,333,915**	165,418
		4,061,047	2,215,665
Changes in working capital:			
Increase in inventories		**(40,995)**	(56,084)
Increase in trade and other receivables		**(3,673,880)**	(1,593,043)
(Decrease)/increase in trade and other payables		**(876,303)**	2,069,034
Cash (used in)/generated from operations		**(530,131)**	2,635,572
Interest paid	7	**(273,437)**	(305,030)
Tax paid		**(489,732)**	(561,245)
Net cash (outflow)/inflow from operating activities		**(1,293,300)**	1,769,297
Cash flows from investing activities			
Acquisition of businesses	26	**(2,274,530)**	(350,000)
Purchase of property, plant and equipment		**(521,691)**	(346,536)
Payment of deferred consideration		**(1,057,940)**	(327,540)
Net proceeds from sale of property, plant and equipment		**404,817**	128,250
Net cash inflow/(outflow) from investing activities		**(3,449,344)**	(895,826)
Cash flows from financing activities			
Proceeds from borrowings		**5,945,727**	–
Repayment of bank borrowings		**(3,750,000)**	(1,250,000)
Capital element of finance lease payments		**(648,707)**	(467,233)
Issue of shares		**4,672,828**	–
Dividends paid	23	**(533,825)**	(790,000)
Net cash inflow/(outflow) from financing activities		**5,686,023**	(2,507,233)
Net increase/(decrease) in cash and cash equivalents		**943,379**	(1,633,762)
Cash and cash equivalents at 1 January		**(1,260,845)**	372,917
Cash and cash equivalents at 31 December	16	**(317,466)**	(1,260,845)

The notes on pages 38 to 61 are an integral part of these consolidated financial statements.

Financial statements

Notes to the consolidated financial statements

1. GENERAL INFORMATION
Premier Technical Services Group PLC (the "Company") is a company incorporated and domiciled in the UK. The address of the registered office is: 13 Flemming Court, Whistler Drive, Castleford, WF10 5HW (registered company number is 06005074). The Company and its subsidiaries' (together referred to as "the Group") is a Niche Specialist Service Provider whose principal activities are the maintenance, inspection, testing, repair and installation of permanent façade access equipment, fall arrest systems and lightning protection systems together with fixed wire and portable appliance testing and high level cleaning.

2. ACCOUNTING POLICIES
(a) Basis of preparation
These financial statements have been prepared in accordance with the requirements of the AIM Rules, in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"), the International Financial Reporting Interpretations Committee's ("IFRSIC") interpretations and with those parts of the Companies Act 2006 as applicable to companies reporting under IFRS.

These consolidated financial statements have been prepared under the historical cost convention and on a going concern basis.

The principal accounting policies adopted in the preparation of the consolidated financial information are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

(b) Going concern
This consolidated financial information relating to the Group has been prepared on the going concern basis.

After making appropriate enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for at least one year from the date of signing these financial statements. For these reasons they continue to adopt the going concern basis in preparing the Group's financial statements.

The cash flow projections are the sole responsibility of the Directors based upon their present plans, expectations and intentions. In this context, the Directors have prepared and considered cash flow projections for the Group for a period extending one year from the date of approval of these financial statements. Based on these cash flows, and having regard to the provision of the debt facility as described in note 18 to these financial statements the Directors are satisfied that the Group is able to meet its liabilities as and when they fall due for the foreseeable future and for a minimum period of 12 months from the date of signing these financial statements.

(c) New standards, amendments and interpretations
Standards, amendments and interpretations adopted by the Group:
The accounting policies adopted in the presentation of the consolidated financial statements reflect the adoption of the following new standard as of 1 January 2015:

Annual improvements 2013 (endorsed for annual periods on or after 1 January 2015). The amendments include changes to IFRS 1 "First time adoption", IFRS 3, "Business combinations", IFRS 13, "Fair value measurement" and IAS 40, "Investment Property".

New standards, amendments and interpretations not yet adopted
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

IFRS 15, "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 "Revenue" and IAS 11 "Construction contracts" and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and early application is permitted subject to EU endorsement. The Group is assessing the impact of IFRS 15. There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

(d) Basis of consolidation
Subsidiaries
Subsidiaries are all entities over which the Group has control. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial information of subsidiaries is included in the consolidated financial statements from the date on which control transferred to the Group until the date that control ceases.

Transactions eliminated on consolidation
Intragroup balances, and any gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

2. ACCOUNTING POLICIES continued

(e) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Leased assets

Leases under which the Group assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Property, plant and equipment acquired under finance leases is recorded at fair value or, if lower, the present value of minimum lease payments at inception of the lease, less depreciation and any impairment.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in the other long-term payables. The interest element of the finance cost is charged to the income statement on a straight-line basis. The property, plant and equipment under finance leases is depreciated over the shorter of the useful life of the asset and lease term.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term. Freehold land is not depreciated. The estimated useful lives are as follows:

- Freehold land and buildings – depreciated over 50 years
- Leasehold improvements – depreciated over term of lease
- Fixture and fittings – 25% on cost
- Motor vehicles – 33% on cost
- Plant and machinery – 15-50% on cost

The residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Where necessary provision is made for obsolete, slow moving and defective stocks. Cost comprises the purchase price of goods and other directly attributable costs incurred in bringing the product to its present location and condition. Net realisable value is the estimated selling price reduced by all costs of completion, marketing, selling and distribution.

(g) Intangible assets

Goodwill

Goodwill arising on acquisitions comprises the excess of the fair value of the consideration for investments in subsidiary undertakings over the fair value of the net identifiable assets acquired at the date of acquisition. Goodwill arising on acquisitions of subsidiaries is included in intangible assets.

Goodwill is not amortised but is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposals of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the lowest level within the Group at which the associated level of goodwill is monitored for management purposes and are not larger than the operating segments determined in accordance with IFRS 8 "Operating Segments".

Business Combinations

From 1 January 2011, the Group has applied IFRS 3 "Business combinations" (2008) in accounting for business combinations. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as the fair value of the consideration transferred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

For acquisitions prior to 1 January 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amounts (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Financial statements

Notes to the consolidated financial statements
continued

2. ACCOUNTING POLICIES continued
(g) Intangible assets continued
Tender list and order book
The Group's intangible assets with finite useful lives are the order book and tender list recognised following the acquisition of Integral Cradles Limited. Intangible assets with finite lives are stated at cost, less accumulated amortisation and accumulated impairment losses if any. Amortisation of the order book is recognised in the profit and loss account on a straight line basis over the estimated useful lives of the orders in place at acquisition. Amortisation of the tender list is recognised in the profit and loss account over its estimated useful life and principally reflects management's view of the average economic life.

The estimated useful lives are as follows:

- Order book – 15 months; and
- Tender list – 3 years.

(h) Impairment of non-financial assets
Assets not subject to amortisation are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill that suffered an impairment, are reviewed for possible reversal of the impairment at each reporting date.

(i) Financial assets
Classification
The Group classifies its financial assets as loans and receivables. Management determines the classification of its financial assets at initial recognition.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that arise principally through the provision of services to customers. They are initially recognised at fair value, and are subsequently stated at amortised cost using the effective interest method. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. Loans and receivables comprise mainly cash and cash equivalents and trade and other receivables.

Impairment of financial assets
Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within other operating costs in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

(j) Cash and cash equivalents
Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Cash and cash equivalents is reported at a net amount in the balance sheet as there is a legally enforceable right to offset the recognised amount.

(k) Trade and other payables
Trade and other payables are initially stated at fair value and subsequently measured at amortised cost.

(l) Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

(m) Provisions
A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material and provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. The increase in the provision due to passage of time is recognised in finance costs.

(n) Share capital
Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds.

2. ACCOUNTING POLICIES continued

(o) Revenue

Revenue is measured at the fair value of the consideration received as receivable (excluding value added tax and discount given) derived from the provision of goods and services to customers during the period.

a) Installation

The Group enters into contracts to design and install façade access equipment, fall arrest systems and lightning protection systems. Revenue is recognised (to the extent to which performance has taken place at the balance sheet date in accordance with the percentage completion method) in the accounting period in which the services are rendered, by reference to the stage of completion of the contract at the balance sheet date and assessed on the basis of the actual service provided as a proportion of the total service to be provided.

b) Test, inspection and repair

The Group maintains, tests, inspects and repairs façade access equipment, fall arrest systems and lightning protection systems. Revenue is recognised on completion of the relevant work and the Group has objective evidence that all criteria for acceptance have been satisfied.

(p) Leases

The costs associated with operating leases are taken to the income statement on an accruals basis over the period of the lease. Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease", the accounting policy for which is disclosed in (e).

(q) Net finance costs

Finance costs

Finance costs comprise interest payable on borrowings and financial leases.

Finance income

Finance income comprises interest receivable on funds invested.

(r) Income tax

Income tax for the years presented comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of other assets or liabilities that affect neither accounting nor taxable profit; nor differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Notes to the consolidated financial statements
continued

2. ACCOUNTING POLICIES continued

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the Board of Directors which has been identified as the chief operating decision maker. The Board of Directors consists of the Executive Directors and the Non-executive Directors.

(t) Employee benefits: Pension obligations

The Group operates a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(u) Adjusting items

Adjusting items are disclosed separately in the financial statements where it is necessary to do so to provide clearer understanding of the underlying financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

(v) Share based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability,sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements under IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The Directors consider that the following estimates and judgements are likely to have the most significant effect on the amounts recognised in the consolidated financial statements:

Business combinations

On acquisition, the Company calculates the fair value of the net assets acquired. The assessment of assets is necessarily judgemental and therefore will directly impact on the value of goodwill carried on the balance sheet. Goodwill is tested annually for impairment based on the cash flows of the income generating unit to which it relates. Judgement is applied to assessing the future revenues to be achieved from an acquisition and the appropriate discount rate. These estimates affect whether an impairment of goodwill should be recognised. Further disclosures in respect of the impairment of goodwill are provided in note 11.

Revenue recognition

Certain of the Group's installation contracts have a term of several months. The Directors assess the timing of the revenue according to the extent to which performance has taken place. As such, an element of judgement is required when assessing the stage of completion at a period end.

Trade receivables

Trade receivables are continually reviewed for impairment and provided for where necessary. The Directors assess the requirement for any provision based on the age of the debt compared to agreed terms, recent history of default and current economic climate. As such there is an element of judgement required in estimating the probable losses inherent in the trade receivables.

Deferred consideration

Amounts payable in respect of acquisitions can depend in part upon the achievement of a number of financial and non-financial performance measures specified in the purchase agreements. The Directors estimate the amounts payable by assessing, amongst other things, the performance of the acquired businesses since acquisition against the measures specified in the purchase agreements. As such, an element of judgement is required in determining whether the performance measures will be achieved.

Share based payments

The fair value of share based payments is based on management estimates of the number of shares that will vest and the associated timings. Further disclosure in respect of share based payments is provided in note 13.

4. SEGMENTAL REPORTING

Management has determined the operating segments based on the operating reports reviewed by the Board of Directors that are used to assess both performance and strategic decisions. Management has identified that the Board of Directors is the chief operating decision maker in accordance with the requirements of IFRS 8 "Operating segments".

The Board of Directors organise the Group around products and services and considers the business to be split into three main types of business generating revenue; Access and Safety, Electrical Services and High Level Cleaning. There was no trade in the Training Solutions division.

All revenue originates in the UK.

Financial statements

Notes to the consolidated financial statements
continued

4. SEGMENTAL REPORTING continued

	Access and Safety £	Electrical Services £	High Level Cleaning £	Group £	Total £
					2015
Revenue					
Total revenue	12,035,772	10,402,313	3,332,418	–	25,770,503
Total revenue from external customers	**12,035,772**	**10,402,313**	**3,332,418**	**–**	**25,770,503**
Operating profit before adjusting items	2,030,685	2,518,872	669,957	56,549	5,276,063
Restructuring costs	(114,030)	(115,127)	(13,792)	–	(242,949)
IPO costs	(520,777)	–	–	–	(520,777)
Head Office rebuild costs	63,891	–	–	–	63,891
Share options granted to Directors and employees	(2,259,364)	–	–	–	(2,259,364)
Amortisation of intangible asset acquired	(108,600)	–	–	–	(108,600)
Contingent payments in relation to acquisitions	(123,333)	(335,064)	(490,000)	–	(948,397)
Segment operating profit	**(1,031,528)**	**2,068,681**	**166,165**	**56,459**	**1,259,867**
Net finance cost	–	–	–	(428,883)	(428,883)
Profit before taxation	**(1,031,528)**	**2,068,681**	**166,165**	**(372,334)**	**830,984**
Other segmental items					
Segment assets	7,437,448	2,169,577	1,317,932	16,458,547	27,383,504
Segment liabilities	(4,431,872)	(2,391,487)	(1,655,540)	(9,983,716)	(18,462,615)
Capital expenditure	685,467	761,688	56,499	–	1,503,604
Depreciation	427,771	422,671	48,447	–	898,889

Segmental operating profit

The reconciliation of Adjusted EBITDA to statutory operating profit is shown below.

	Access and Safety £	Electrical Services £	High Level Cleaning £	Group £	Total £
Adjusted EBITDA	2,458,456	2,941,543	718,404	56,549	6,174,951
Depreciation	(427,771)	(422,671)	(48,447)	–	(898,889)
Operating profit before adjusting items	2,030,685	2,518,872	669,957	56,549	5,276,063
Restructuring costs	(114,030)	(115,127)	(13,792)	–	(242,949)
IPO Costs	(520,777)	–	–	–	(520,777)
Head Office rebuild costs	63,891	–	–	–	63,891
Share options granted to Directors and employees	(2,259,364)	–	–	–	(2,259,364)
Amortisation of intangible asset acquired	(108,600)	–	–	–	(108,600)
Contingent payments in relation to acquisitions	(123,333)	(335,064)	(490,000)	–	(948,397)
Statutory operating profit	**(1,031,528)**	**2,068,681**	**166,165**	**56,549**	**1,259,867**

4. SEGMENTAL REPORTING continued

	Access and Safety £	Electrical Services £	High Level Cleaning £	Group £	Total £
					2014
Revenue					
Total revenue	9,585,682	6,583,257	1,833,748	–	18,002,687
Total revenue from external customers	**9,585,682**	**6,583,257**	**1,833,748**	**–**	**18,002,687**
Operating profit before adjusting items	1,738,058	1,876,214	415,422	(22,294)	4,007,400
Rebranding	–	(500)	–	–	(500)
Restructuring costs	(255,713)	(36,816)	(28,805)	–	(321,334)
IPO costs	(516,740)	–	–	–	(516,740)
Head Office rebuild costs	(530,224)	–	–	–	(530,224)
Share options granted to Directors and employees	(165,418)	–	–	–	(165,418)
Contingent payments in relation to acquisitions	–	(527,500)	(468,000)	–	(995,500)
Segment operating profit	**269,963**	**1,311,398**	**(81,383)**	**(22,294)**	**1,477,684**
Net finance cost	–	–	–	(305,030)	(305,030)
Profit before taxation	**269,963**	**1,311,398**	**(81,383)**	**(327,324)**	**1,172,654**
Other segmental items					
Segment assets	5,392,293	3,027,413	1,535,246	3,264,146	13,219,098
Segment liabilities	(4,223,120)	(2,483,865)	(1,805,558)	(3,585,279)	(12,097,822)
Capital expenditure	431,090	435,617	68,856	–	935,563
Depreciation	393,491	292,868	14,454	–	700,813

Segmental operating profit

The reconciliation of Adjusted EBITDA to statutory operating profit is shown below.

	Access and Safety £	Electrical Services £	High Level Cleaning £	Group £	Total £
Adjusted EBITDA	2,131,549	2,169,082	429,876	(22,294)	4,708,213
Depreciation	(393,491)	(292,868)	(14,454)	–	(700,813)
Operating profit before adjusting items	1,738,058	1,876,214	415,422	(22,294)	4,007,400
Rebranding	–	(500)	–	–	(500)
Restructuring costs	(255,713)	(36,816)	(28,805)	–	(321,334)
IPO Costs	(516,740)	–	–	–	(516,740)
Head Office rebuild costs	(530,224)	–	–	–	(530,224)
Share options granted to Directors and employees	(165,418)	–	–	–	(165,418)
Contingent payments in relation to acquisitions	–	(527,500)	(468,000)	–	(995,500)
Statutory operating profit	**269,963**	**1,311,398**	**(81,383)**	**(22,294)**	**1,477,684**

Financial statements

Notes to the consolidated financial statements continued

5. EMPLOYEES AND DIRECTORS

(a) Staff costs for the Group during the year:

	2015 £	2014 £
Wages and salaries	**8,969,476**	6,250,722
Defined contribution pension cost (note 5d)	**93,654**	20,049
Share options granted to Directors and employees (note 13)	**2,259,364**	165,418
Social security costs	**927,495**	673,145
	12,249,989	7,109,334

Average monthly number of people (including Executive Directors) employed:

	2015 Number	2014 Number
By reportable segment		
Access and Safety	**106**	102
Electrical Services	**138**	84
High Level Cleaning	**21**	25
	265	211

(b) Key Management

Key management includes Directors. The compensation paid or payable to key management for employee services is shown below.

	2015 £	2014 £
Aggregate emoluments	**2,121,218**	1,129,645
	2,121,218	1,129,645

(c) Directors' emoluments

The following costs are paid by PTSG Access and Safety Limited.

	2015 £	2014 £
Aggregate emoluments	**1,156,817**	270,873
Pension contributions	**1,200**	–
	1,158,017	270,873

In addition to the above, R Teasdale has participated in various share based payment arrangements as per note 13.

Directors Aggregate emoluments

	2015 £	2014 £
P W Teasdale	**124,150**	124,100
J R Foley	**101,579**	101,579
M I Watford	**164,798**	45,194
Roger Teasdale	**714,720**	–
Roger McDowell	**26,385**	–
Alan Howarth	**26,385**	–
	1,158,017	270,873

Highest Paid Director

	2015 £	2014 £
Aggregate emoluments	**714,720**	124,100
Pension contributions	**–**	–
	714,720	124,100

In addition to the above, R Teasdale has participated in various share based payment arrangements as per note 13.

5. EMPLOYEES AND DIRECTORS continued

(d) Retirement benefits

The Group offers membership of the PTSG Group Pension Scheme to eligible employees, the only pension arrangements operated by the Group. The scheme is a defined contribution scheme and the pensions cost in the year was £93,654 (2014: £20,049).

6. NET OPERATING COSTS

	2015 £	2014 £
Distribution costs	**496,157**	331,162
Administration costs	**12,614,178**	8,638,668
Other operating income	**(384,778)**	(128,250)
	12,725,557	8,841,580

The following adjusting items have been included in administration costs.

	2015 £	2014 £
Rebranding costs	**–**	500
Restructuring costs	**242,949**	321,334
IPO costs	**520,777**	516,740
Head Office rebuild costs	**(63,891)**	530,224
Share options granted to Directors and employees	**2,259,364**	165,418
Amortisation of intangible asset acquired (note 11)	**108,600**	–
Contingent payments in relation to acquisitions	**948,397**	995,500
	4,016,196	2,529,716

In both years, the Group undertook a rebranding and restructuring exercise. Costs relating to these one off items have been included as an adjusting item. These costs have been charged to administrative expenses.

On 11 February 2015, the Company was admitted to AIM. Certain costs relating to this have been charged in 2014 and 2015.

There was a partial collapse of the Company's Head Office in 2014. The incident caused minimal disruption to the business.

The contingent payable relates to cash payments to the vendors of the businesses acquired in accordance with the terms of each Sale and Purchase Agreement and is based on the achievement of certain milestones. Contingent amounts payable in respect of acquisitions can depend in part upon the achievement of a number of financial and non-financial performance measures specified in the purchase agreements and in part subject to the continued employment of the vendor. Where payment is linked to the continued employment of the vendor, the arrangement to pay these additional amounts is accounted for separately to the business combination as remuneration. This benefit payable is charged to the consolidated statement of comprehensive income over the period in which the services are provided as an employment expense.

7. FINANCE COSTS

	2015 £	2014 £
Interest costs:		
Interest payable on borrowings	**173,870**	220,291
Interest arising from finance leases	**99,567**	84,739
	273,437	305,030
Adjusting items:		
Costs associated with loan repayment	**155,446**	–
	428,883	305,030

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8. PROFIT BEFORE TAXATION – ANALYSIS BY FUNCTION
Profit before taxation is stated after charging/(crediting):

	2015 £	2014 £
Net operating costs		
– Distribution costs	**496,157**	331,162
– Administrative costs	**12,614,178**	8,638,668
– Other operating income	**(384,778)**	(128,250)
Employment benefit expense	**11,849,989**	7,109,334
Depreciation of property, plant and equipment – leased (note 12)	**802,080**	618,855
Depreciation of property, plant and equipment – owned (note 12)	**96,809**	81,958
Amortisation of intangible assets	**108,600**	–
Profit on the sale of property, plant and equipment	**(384,778)**	(128,250)
Operating lease rentals		
– Land and building	**270,486**	173,503

During the year the Group obtained the following services from the Company's auditors:

	2015 £	2014 £
Fees payable to Company's auditor and its associates for the audit of Consolidated financial statements	**11,000**	9,600
Fees payable to Company's auditor and its associates for other services:		
– The audit of Company's subsidiaries	**104,000**	52,400
– Other services	**97,500**	175,000
– Tax compliance	**30,000**	13,000
	242,500	250,000

9. TAXATION

Analysis of charge in year	2015 £	2014 £
Current tax on profits for the year	**703,835**	617,115
Adjustments in respect of prior years	**(884)**	(16,365)
Total current tax	**702,951**	600,750
Origination and reversal of temporary differences	**(361,070)**	39,864
Total deferred tax (note 20)	**(361,070)**	39,864
Income tax charge	**341,881**	640,614

The tax charge for the year differs from the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%).

The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	**830,984**	1,172,654
Profit on ordinary activities multiplied by the rate of corporation tax in the UK	**168,274**	252,121
Effects of:		
Other expenses not deductible	**344,886**	400,903
Capital allowances less than/(in excess of) depreciation	**62,868**	(9,591)
Income not assessable	**(76,795)**	(27,564)
Other adjustments	**(156,468)**	41,110
Prior year adjustment	**(884)**	(16,365)
Total taxation charge	**341,881**	640,614

Factors affecting current and future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 on 26 October 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. Deferred tax at the balance sheet date has been measured using these enacted rates and reflected in these financial statements.

10. EARNINGS PER SHARE

Conditional upon and with effect immediately prior to the Placing and Admission, each existing ordinary share in the Company was converted into 100 Ordinary Shares pursuant to the capital reorganisation described in Note 21. The issued ordinary share capital of the Company immediately prior to the Placing and Admission was 77,142,800 Ordinary Shares of one penny each.

The calculation of basic and diluted earnings per Ordinary Share, in 2014, is based on profit for the year attributable to owners of the parent and on 77,142,800 Ordinary Shares in issue immediately prior to the Placing and Admission.

The calculation of basic earnings per share for the year ended 31 December 2015 was based on the profit attributable to ordinary shareholders of £489,103 (year ended 31 December 2014: £532,040).

	2015 **£**	2014 £
Profit for the year attributable to owners of the parent	**489,103**	532,040
Weighted average number of ordinary shares in issue for the basic earnings per share	**85,920,559**	77,142,800
Basic and diluted earnings per share (in pence per share)	**0.57**	0.69

The calculation of adjusted earnings per share for the year ended 31 December 2015 was based on the profit before adjusting items of £4,187,699 (Year ended 31 December 2014: £2,907,618).

	2015 **£**	2014 £
Adjusted earnings	**4,187,699**	2,907,618
Weighted average number of shares	**85,920,559**	77,142,800
Adjusted earnings per share (pence)	**4.87**	3.77

11. INTANGIBLE ASSETS

	Goodwill £	Tender list and order book £	Total £
Cost			
At 31 December 2013	**3,803,314**	**–**	**3,803,314**
Additions	76,491	–	76,491
At 31 December 2014	**3,879,805**	**–**	**3,879,805**
Additions	6,528,678	700,000	7,228,678
At 31 December 2015	**10,408,483**	**700,000**	**11,108,483**
Accumulated amortisation			
At 31 December 2013	**264,057**	**–**	**264,057**
Charge for the year	–	–	–
At 31 December 2014	**264,057**	**–**	**264,057**
Charge for the year	–	108,600	108,600
At 31 December 2015	**264,057**	**108,600**	**372,657**
Net book amount			
At 31 December 2015	**10,144,426**	**591,400**	**10,735,826**
At 31 December 2014	3,615,748	–	3,615,748

All amortisation charges have been treated as an administrative expense in the income statement.

Goodwill acquired in a business combination is allocated to cash generating units (CGUs) and is tested for impairment on an annual basis by comparing the carrying amount against the discounted cash flow projections of the CGU. CGUs are not larger than the operating segments of the Group.

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11. INTANGIBLE ASSETS continued

Management reviews the business performance based on the type of business. Goodwill is monitored by management at the operating segment level. The following is a summary of the goodwill allocation for each operating segment:

	2015 £	2014 £
Access and Safety	**5,946,855**	1,802,070
Electrical Services	**4,121,080**	1,737,187
High Level Cleaning	**76,491**	76,491
Total goodwill	**10,144,426**	3,615,748

The recoverable amount has been determined based on the value in use calculations, covering approved budgets and forecasts for the next financial year, followed by an extrapolation of expected cash flows. The key assumptions in the value in use calculations were as follows:

- Pre tax discount rate 12%
- Sales growth was based on internal forecasts and a terminal growth rate of 2%
- Gross margins were projected based on recent trends

The Directors believe that there are no reasonably possible changes to a key assumption which would give rise to an impairment charge.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold £	Leasehold £	Motor vehicles £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost						
At 31 December 2013	**–**	**9,851**	**1,590,910**	**131,640**	**409,347**	**2,141,748**
Acquisitions	–	–	35,195	–	3,950	39,145
Additions	–	–	746,081	55,808	124,925	926,814
Disposals	–	–	(340,501)	–	–	(340,501)
At 31 December 2014	**–**	**9,851**	**2,031,685**	**187,448**	**538,222**	**2,767,206**
Acquisitions	250,000	52,448	621,606	208,346	176,202	1,308,602
Additions	–	12,418	1,294,306	35,598	161,282	1,503,604
Disposals	–	–	(810,151)	–	–	(810,151)
At 31 December 2015	**250,000**	**74,717**	**3,137,446**	**431,392**	**875,706**	**4,769,261**
Accumulated depreciation						
At 31 December 2013	**–**	**157**	**670,335**	**81,376**	**314,140**	**1,066,008**
Charge for the year	–	940	618,855	25,717	55,301	700,813
On disposals	–	–	(340,501)	–	–	(340,501)
At 31 December 2014	**–**	**1,097**	**948,689**	**107,093**	**369,441**	**1,426,320**
Acquisitions	–	52,448	450,152	205,618	152,402	860,620
Charge for the year	–	940	802,080	38,872	56,997	898,889
On disposals	–	–	(790,112)	–	–	(790,112)
At 31 December 2015	**–**	**54,485**	**1,410,809**	**351,583**	**578,840**	**2,395,717**
Net book amount						
At 31 December 2015	**250,000**	**20,232**	**1,726,637**	**79,809**	**296,866**	**2,373,544**
At 31 December 2014	–	8,754	1,082,996	80,355	168,781	1,340,886

Finance lease commitments

Included in motor vehicles are assets held under finance leases with a net book value of £1,726,637 (2014: £1,082,996) and accumulated depreciation of £1,410,809 (2014: £948,689).

13. SHARE-BASED PAYMENT

1. As at 31 December 2015 there are options outstanding over up to 10,000 E shares. The E Shares have limited rights to a return of capital but a right to share in the proceeds of sale upon the sale of the entire issued share capital of PTSG or if a general offer is successfully made for the ordinary shares in the capital of PTSG within a 10 year period from 2 June 2014. In such an event the holders of the E Shares are entitled in aggregate to receive a sum equal to the profit on ordinary activities before taxation of PTSG Access and Safety Ltd as shown in the statutory accounts of PTSG Access and Safety Ltd for the financial period ending prior to the date of sale, subject to a limit of 10% of the proceeds of such a sale.

The above have been considered in accordance with IFRS 2, however as the directors consider it unlikely that there will be a sale of the Company within the relevant timeframe, there is no material charge to be reflected in the financial statements for the current year and no further disclosures have been made.

2. Under the terms of Roger Teasdale's service agreement with the Company he was entitled to require the transfer to him, on 16 November 2015, for nil consideration, ownership of 4.4% of the share capital, as at the time of the listing. Paul Teasdale, John Foley and Hawk Investments have undertaken to deliver such shares to him in proportion to their existing shareholdings for nil consideration. The transfer had not been completed by the year end.

The Directors fair valued the equity instruments at the grant date, being 16 November 2014 (the date at which the parties have shared understanding of the terms and conditions of the arrangement). The fair value of the option was calculated based on the fair value of the shares at the grant date given that there were no performance conditions, a service condition of one year and the exercise price of £nil.

The fair value of the award was expensed to the income statement over the vesting period on a straight-line basis with the corresponding credit to equity. During the year ended 31 December 2015, the charge to the income statement was £1,819,608.

3. In addition to the above, under the terms of his service agreement, the Company shall issue to Roger Teasdale (for nil or nominal consideration) additional equity calculated by reference to the then issued share capital of the Company when the following milestone targets are met in any given financial year on the first occasion only:

Adjusted EBITDA (Statutory accounts)	£8m	£10m	£12m	£14m
	2.5%	2.5%	2.5%	2.5%

The Directors have reviewed the above and consider it likely that the Company will hit the first of these milestones at the end of 2016. The Directors have fair valued the equity instruments, with the fair value being expensed over this year and the following financial year to spread the expected charge over the period to vesting. The charge to the income statement for the year ended 31 December 2015 was £439,756.

4. By an instrument dated 5 February 2015, the Company created Warrants to subscribe at the Placing Price for up to 867,581 new Ordinary Shares, being one per cent of the Enlarged Share Capital. The Warrants were issued to N+1 Singer pursuant to the Placing Agreement. The Warrants are exercisable at any time or times in the period of five years from Admission and thereafter shall lapse. The exercise price is equal to the Placing Price per share. If the Company capitalises its reserves (other than by way of shares paid up out of distributable reserves and used in lieu of a cash dividend) during the period of the Warrant or there is any sub-division, or consolidation of Ordinary Shares or a reduction of capital during such period the number and/or nominal value of Ordinary Shares the subject of the Warrant will be adjusted so as to maintain the same relative subscription rights. For so long as the Warrants are outstanding the Company has agreed, inter alia, not to vary or abrogate the rights attaching to the Ordinary Shares or to create any class of share which ranks for any purpose ahead of the Ordinary Shares.

167,581 of these warrants were exercised during the year.

The Directors have fair valued these warrants, using the Black Scholes formula, at 8.5p per share with £74,551 being charged to the 31 December 2015 income statement.

14. INVENTORIES

	2015	2014
	£	£
Finished goods	**381,760**	201,560

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15. TRADE AND OTHER RECEIVABLES

	2015 £	2014 £
Amounts falling due within one year:		
Trade receivables	**10,209,383**	6,976,593
Less: provision for impairment of trade receivables	**(376,298)**	(152,761)
Trade receivables – net	**9,833,085**	6,823,832
Other receivables	**2,398,870**	571,986
Prepayments	**876,358**	665,086
	13,108,313	8,060,904

Trade and other receivables are all current and any fair value difference is not material. Trade receivables are considered past due once they have passed their contracted due date. Trade receivables are reviewed for impairment if they are past due beyond 90 days.

The ageing of the Group's year end overdue receivables is as follows:

	2015 £	2014 £
Impaired		
Over 90 days	**376,298**	152,761
	376,298	152,761
Not impaired		
Less than 90 days	**7,507,475**	5,120,095
Over 90 days	**2,325,610**	1,703,737
	9,833,085	6,823,832

Balances not impaired over 90 days mainly relate to retention amounts that management consider to be recoverable.

Movements on the Group provision for impairment of trade receivables is as follows:

	2015 £	2014 £
At 1 January	**152,761**	366,638
Provision for receivables impairment	**223,537**	–
Receivables written off during the year as uncollectible	**–**	(213,877)
At 31 December	**376,298**	152,761

The creation and release of provision for impaired receivables have been included in 'administration expenses' in the income statement.

16. CASH AND CASH EQUIVALENTS

	2015 £	2014 £
Bank overdraft	**(317,466)**	(1,260,845)

Cash and cash equivalents is reported at a net amount in the balance sheet as there is a legally enforceable right to offset the recognised amount.

17. TRADE AND OTHER PAYABLES

	2015 £	2014 £
Trade payables	**1,843,158**	1,382,736
Other tax and social security payable	**1,288,504**	901,648
Accruals and other payables	**3,297,946**	2,124,481
	6,429,608	4,408,865

18. BORROWINGS

Book value	2015 £	2014 £
Non-current		
Bank borrowings	**5,993,808**	2,750,000
Finance lease liabilities	**653,160**	357,715
Total non-current	**6,646,968**	3,107,715
Current		
Bank borrowing	**25,033**	1,000,000
Finance lease liabilities	**641,001**	474,529
Total current	**666,034**	1,474,529
	7,313,002	4,582,244

The Company repaid the loan that was taken out in 2013, on 12 October 2015.

The bank borrowings reflect the amount drawn down from the £7,000,000 Revolving Credit Facility, which expires on 30 September 2020. This facility has an interest rate of 2.75%, for the first year, and has a bullet repayment at the end of the five year period.

The Revolving Credit Facility is subject to bank covenants covering Debt Service Coverage, Interest Cover and Leverage. Covenants are tested quarterly on 31 March, 30 June, 30 September and 31 December.

The carrying amounts and fair value of the non-current borrowings are as follows:

	2015		2014	
	Carrying amount £	Fair value £	Carrying amount £	Fair value £
Bank borrowings	**5,993,808**	**5,993,808**	2,750,000	2,750,000
Finance lease liabilities	**653,160**	**653,160**	357,715	357,715
	6,646,968	**6,646,968**	3,107,715	3,107,715

The fair value of current and non-current borrowings equals their carrying amount.

Borrowings have the following maturity profile:

	2015 £	2014 £
Less than 12 months	**666,034**	1,474,529
1–5 years	**6,646,968**	3,107,715
	7,313,002	4,582,244

The bank borrowings are secured by a fixed and floating charge over the assets of the Group. The finance leases have the assets leased as security.

19. DEFERRED CONSIDERATION AND LOAN NOTES

Deferred consideration	2015 £	2014 £
Current	**1,125,897**	899,440
Non-current	**–**	500,000
	1,125,897	1,399,440

Deferred consideration/contingent amounts payable in respect of acquisitions can depend in part upon the achievement of a number of financial and non-financial performance measures specified in the purchase agreements and in part subject to the continued employment of the vendor. Where payment is linked to the continued employment of the vendor, the arrangement to pay these additional amounts is accounted for separately to the business combination as remuneration and the benefit payable is built up over the period of service.

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19. DEFERRED CONSIDERATION AND LOAN NOTES continued

Loan notes	2015 £	2014 £
Current	–	–
Non-current	2,527,000	–
	2,527,000	–

The loan notes were issued on 1 October as part of the consideration for the acquisition of Integral Cradles Ltd ("Integral") and carry a zero coupon. They are redeemable in full following the agreement of the accounts of Integral for the period ended 30 September 2020 with an interim redemption date following agreement of the accounts for the period ended 30 September 2018.

20. DEFERRED TAX

	Accelerated capital allowances £
As at 1 January 2014	**33,408**
Charge credit to income statement	(39,864)
Arising on acquisition	310
As at 31 December 2014	**(6,146)**
As at 1 January 2015	**(6,146)**
Credit to income statement	361,070
Credit to equity	462,592
Arising on acquisition	(33,455)
As at 31 December 2015	**784,061**

Deferred tax is disclosed as a non-current liability in the Consolidated Balance Sheet.

21. CALLED UP SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
87,644,344 ordinary shares of 1p each	876,447	–
771,428 ordinary shares of 1p each	–	771,428
ordinary A shares of £1 each	–	3
ordinary B shares of £1 each	–	3
ordinary C shares of £1 each	–	3
	876,447	771,437

On 22 January 2015, the Company acquired the issued A, B and C ordinary shares in the capital of the Company at par and cancelled such shares.

On 28 January 2015, the Company's share capital was restructured such that each existing ordinary share of £1 in the capital of the Company was divided into 100 Ordinary Shares of one penny each.

On 11 February 2015, 9,615,384 ordinary shares were issued, at 52p, as part of the IPO.

On 8 May 2015, 167,581 ordinary shares were issued to N+1 Singer, at 52p, as part of their share warranty detailed in note 13.

On 1 October 2015 500,000 ordinary shares were issued, at 75p, as part of the Integral acquisition.

On 2 November 2015 218,579 ordinary shares were issued, at 91.5p, as part payment of deferred consideration on the Acescott acquisition.

The issued ordinary share capital of the Company as at the date of this document, is 87,644,344 Ordinary Shares of one penny each. All such shares are fully paid.

22. RESERVES
The following describes the nature and purpose of each reserve within shareholders' equity:

Retained earnings
Cumulative net gains and losses recognised in the Group income statement.

Capital redemption reserve
Following the purchase of own shares during 2013, the nominal value of the shares purchased was transferred to a capital redemption reserve.

Share premium
Following the IPO, and all subsequent share issues, the excess of the share price received over the nominal value was transferred to the share premium account £5,557,126. This has been offset by directly attributable costs of the IPO £614,308 and a capital reduction £4,942,818.

23. DIVIDENDS
In the year, dividends of 0.46p per ordinary share (2014: £nil) were paid, £36,667 per A ordinary share (2014: £220,000), £7,222 per B ordinary share (2014: £43,333) and £nil per D ordinary share (2014: £nil).

24. COMMITMENTS AND CONTINGENCIES
(a) Operating lease commitments
The Group holds property leases under non-cancellable operating lease agreements. The lease terms are between one and 15 years.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
	£	£
Within 1 year	**280,469**	183,750
Later than 1 year and less than 5 years	**1,100,000**	705,469
After 5 years	**2,234,750**	1,409,750
	3,615,219	2,298,969

(b) Contingencies
The Company and its subsidiaries have given unlimited multilateral company guarantees on their respective bank facilities.

25. FINANCIAL INSTRUMENTS – RISK MANAGEMENT
Financial risk management
The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Risk management is carried out by the Board of Directors.

(a) Market risk
(i) Interest rate risk
The Group's interest rate risk arises from the Group's borrowings as disclosed in Note 18.

The Group has not entered into an interest rate swap to mitigate the variable interest rate risk.

At 31 December 2015, if the LIBOR denominated borrowings at that date had been 0.5% higher/lower with all other variables held constant, post-tax profit for the year would have been £15,923 (2014: £21,250) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk
The Group monitor credit risk closely and consider that its current policies meet its objectives of managing exposure to risk. The Group has no significant concentration of credit risk. Management believe that there is no further credit risk provision required in excess of the provisions for doubtful receivables.

(c) Liquidity risk
Liquidity risk is managed on a day to day basis. Facilities are agreed at appropriate levels having regard to the Group's forecast operating cash flows and future capital expenditures.

(d) Capital risk management
The aim of the Group is to maintain sufficient funds to enable it to make suitable investments and incremental acquisitions whilst minimising recourse to bankers and/or shareholders. The Group currently has overdraft facilities in place of £2.5m (2014: £1.75m).

Leverage is monitored in accordance with the requirements of the Revolving Credit Facility covenants, which was taken out in 2015.

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26. BUSINESS ACQUISITIONS

The Group carried out six acquisitions during the year, the details associated with each acquisition are set out below:

On 12 June 2015, 100 per cent of the ordinary share capital of Pendrich Height Services Limited and NATHS Limited was purchased for a total cash consideration of £240,000. This acquisition has been accounted for in the consolidated financial statements by the acquisition method of accounting.

Pendrich and NATHS undertakes steeplejack and rope access works and enables us to extend our customer services offering and provide our new and existing client base to further utilise PTSG as their niche service provider.

The turnover and operating loss and adjusted operating loss of Pendrich/NATHS for the period from the date of acquisition to 31 December 2015 included in the consolidated financial statements was £1,771,173 and (£104,623) respectively.

The table below explains the adjustments made to the book values of the major categories of assets and liabilities in arriving at fair values:

	Book value £	Fair value adjustment £	Fair value at date of acquisition £
Fixed assets			
Tangible assets	47,264	–	47,264
Current assets			
Stock	63,016	–	63,016
Debtors	446,736	–	446,736
Cash	57,138	–	57,138
Total assets	**614,154**	**–**	**614,154**
Liabilities			
Trade creditors	155,970	–	155,970
Other creditors	870,533	–	870,533
Total liabilities	**1,026,503**	**–**	**1,026,503**
Net liabilities	**(412,349)**	**–**	**(412,349)**
Cash consideration			**240,000**
Goodwill			**652,349**
Cash paid to gain control net of cash acquired			**182,862**

26. BUSINESS ACQUISITIONS continued
On 1 October 2015, 100 per cent of the ordinary share capital of Integral Cradles Limited was purchased for a total consideration of £3,946,732. This acquisition has been accounted for in the consolidated financial statements by the acquisition method of accounting.

Integral Cradles Limited is a specialist BMU installer operating predominantly within the M25 corridor and expands the Group's presence in London.

The turnover and operating profit of Integral Cradles Limited for the period from the date of acquisition to 31 December 2015 included in the consolidated financial statements was £1,084,686, and £105,933 respectively.

The table below explains the adjustments made to the book values of the major categories of assets and liabilities in arriving at fair values:

	Book value £	Fair value adjustment £	Fair value at date of acquisition £
Fixed assets			
Tangible assets	18,227	–	18,227
Intangible assets	–	700,000	700,000
Current assets			
Debtors	147,827	–	147,827
Cash	1,280,020	–	1,280,020
Total assets	**1,446,074**	**700,000**	**2,146,074**
Liabilities			
Trade creditors	45,431	–	45,431
Other creditors	1,587,274	–	1,587,274
Total liabilities	**1,632,705**	**–**	**1,632,705**
Net (liabilities)/assets	**(186,631)**	**700,000**	**513,369**
Cash consideration			**1,044,732**
Issue of 500,000 ordinary shares of 1p each			**375,000**
Issue of loan notes			**2,527,000**
Total consideration			**3,946,732**
Goodwill			**3,433,363**
Cash paid to gain control net of cash acquired			**(235,288)**

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26. BUSINESS ACQUISITIONS continued
On 29 October 2015, 100 per cent of the ordinary share capital of J W Gray Lightning Protection Limited was purchased for a total cash consideration of £1,105,500. This acquisition has been accounted for in the consolidated financial statements by the acquisition method of accounting.

J W Gray Lightning Protection Limited undertakes the testing, maintenance, repair and installation of lightning protection systems and expanded the Group's presence in the M25 corridor.

The turnover and operating profit of J W Gray Lightning Protection Limited for the period from the date of acquisition to 31 December 2015 included in the consolidated financial statements was £331,112 and £61,736 respectively.

The table below explains the adjustments made to the book values of the major categories of assets and liabilities in arriving at fair values:

	Book value £	Fair value adjustment £	Fair value at date of acquisition £
Fixed assets			
Tangible assets	467,801	(157,438)	310,363
Current assets			
Stock	37,422	–	37,422
Debtors	321,720	–	321,720
Cash	50,278	–	50,278
Total assets	**877,221**	**(157,438)**	**719,783**
Liabilities			
Trade creditors	157,311	–	157,311
Other creditors	408,388	–	408,388
Total liabilities	**565,699**	**–**	**565,699**
Net assets	**311,522**	**(157,438)**	**154,084**
Cash consideration			**1,105,500**
Goodwill			**951,416**
Cash paid to gain control net of cash acquired			**1,055,222**

The fair value adjustment shown above represents the revaluation of the freehold property to current market value and the alignment of depreciation policies on all fixed assets.

26. BUSINESS ACQUISITIONS continued

On 10 November 2015, 100 per cent of the ordinary share capital of R Langston Jones and Company Limited was purchased for a total cash consideration of £744,855. This acquisition has been accounted for in the consolidated financial statements by the acquisition method of accounting.

R Langston Jones and Company Limited is a national electrical testing business based in Coventry and expanded the Group's geographical presence in the Midlands.

The turnover and operating profit of R Langston Jones and Company Limited for the period from the date of acquisition to 31 December 2015 included in the consolidated financial statements was £178,522 and £65,893 respectively.

The table below explains the adjustments made to the book values of the major categories of assets and liabilities in arriving at fair values:

	Book value £	Fair value adjustment £	Fair value at date of acquisition £
Fixed assets			
Tangible assets	4,714	(4,714)	–
Current assets			
Stock	36,702	–	36,702
Debtors	126,650	–	126,650
Cash	354,580	–	354,580
Total assets	**522,646**	**(4,714)**	**517,932**
Liabilities			
Trade creditors	4,470	–	4,470
Other creditors	249,840	–	249,840
Total liabilities	**254,310**	**–**	**254,310**
Net assets	**268,336**	**(4,714)**	**263,622**
Cash consideration			**744,855**
Goodwill			**481,233**
Cash paid to gain control net of cash acquired			**390,275**

The fair value adjustment, detailed in the table above, represents the adjustment required to align depreciation policies on all fixed assets.

Financial statements

Notes to the consolidated financial statements
continued

26. BUSINESS ACQUISITIONS continued
On 30 November 2015, 100 per cent of the ordinary share capital of Access Contracting Limited was purchased for an initial cash consideration of £744,855. This acquisition has been accounted for in the consolidated financial statements by the acquisition method of accounting.

Access Contracting Limited is a national specialist access and safety business specialising in the installation, repair, testing and maintenance of fall arrest systems and cradles and associated equipment. Its acquisition gave the Group greater capacity and strengthened its established maintenance and fall arrest divisions.

The turnover and operating profit of Access Contracting Limited for the period from the date of acquisition to 31 December 2015 included in the consolidated financial statements was £111,167 and £10,130 respectively.

The table below explains the adjustments made to the book values of the major categories of assets and liabilities in arriving at fair values:

	Book value £	Fair value adjustment £	Fair value at date of acquisition £
Fixed assets			
Tangible assets	64,678	(18,772)	45,906
Current assets			
Stock	2,064	–	2,064
Debtors	276,056	–	276,056
Cash	416,290	–	416,290
Total assets	**759,088**	**(18,772)**	**740,316**
Liabilities			
Trade creditors	44,777	–	44,777
Other creditors	354,785	–	354,785
Total liabilities	**399,562**	**–**	**399,562**
Net assets	**359,526**	**(18,772)**	**340,754**
Cash consideration			**1,052,175**
Goodwill			**711,421**
Cash paid to gain control net of cash acquired			**635,885**

The fair value adjustment, detailed in the table above, represents the adjustment required to align depreciation policies on all fixed assets.

26. BUSINESS ACQUISITIONS continued

On 30 November 2015, 100 per cent of the ordinary share capital of Lightning Protection Testing Limited was purchased for a total cash consideration of £314,921. This acquisition has been accounted for in the consolidated financial statements by the acquisition method of accounting.

Lightning Protection Testing Limited undertakes the testing, maintenance, repair and installation of lightning protection systems and strengthens the Group's established and growing position in the lightning protection market sector.

The turnover and operating loss of Lightning Protection Testing Limited for the period from the date of acquisition to 31 December 2015 included in the consolidated financial statements was £11,697 and (£1,409) respectively.

The table below explains the adjustments made to the book values of the major categories of assets and liabilities in arriving at fair values:

	Book value £	Fair value adjustment £	Fair value at date of acquisition £
Fixed assets			
Tangible assets	12,344	(940)	11,404
Current assets			
Debtors	36,656	–	36,656
Cash	69,347	–	69,347
Total assets	**118,347**	**(940)**	**117,407**
Liabilities			
Trade creditors	2,845	–	2,845
Other creditors	98,537	–	98,537
Total liabilities	**101,382**	**–**	**101,382**
Net assets	**16,965**	**(940)**	**16,025**
Cash consideration			**314,921**
Goodwill			**298,896**
Cash paid to gain control net of cash acquired			**245,574**

The fair value adjustment, detailed in the table above, represents the adjustment required to align depreciation policies on all fixed assets.

27. RELATED PARTY TRANSACTIONS

Key management compensation is given in Note 5.

Other related party transactions with the Company are as follows:

Dividends of £110,000 (2014: £660,000) were paid to Hallco 1766 Limited and £21,666 (2014: £130,000) to J R Foley on the Ordinary Shares in the year ended 31 December 2015. P W Teasdale is a director of Hallco 1766 Limited.

Rent of £175,000 (2014: £166,250) was paid in the year to Ensco 835 Limited. P W Teasdale and J R Foley are directors of Ensco 835 Limited.

No other transactions with related parties were undertaken such as are required to be disclosed.

Details of share arrangements with R Teasdale are given in note 13.

Financial statements

Independent auditors' report
to the members of Premier Technical Services Group PLC

REPORT ON THE COMPANY FINANCIAL STATEMENTS

Our opinion

In our opinion, Premier Technical Services Group PLC's company financial statements (the "financial statements"):
- give a true and fair view of the state of the Company's affairs as at 31 December 2015;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report, comprise:
- the company balance sheet as at 31 December 2015;
- the company statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 31, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OTHER MATTER

We have reported separately on the Group financial statements of Premier Technical Services Group PLC for the year ended 31 December 2015.

Arif Ahmad (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

14 March 2016

Financial statements

Company balance sheet
as at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Investments	2	**7,173,809**	3,177,076
Current assets			
Debtors	3	**9,786,569**	4,803,018
Creditors – amounts falling due within one year	4	**(3,179,141)**	(4,415,685)
Net current assets		**6,607,428**	387,333
Total assets less current liabilities		**13,781,237**	3,564,409
Creditors – amounts falling due after one year	5	**(8,602,000)**	(3,025,000)
Net assets		**5,179,237**	539,409
Capital and reserves			
Called up share capital	6	**876,447**	771,437
Capital redemption reserve		**128,573**	128,573
Profit and loss account	7	**4,174,217**	(360,601)
Total shareholders' funds	8	**5,179,237**	539,409

The financial statements on pages 64 to 70 were approved by the Board of Directors on 14 March 2016 and were signed on its behalf by:

P W Teasdale
Chief Executive Officer

Registered number: 06005074

Company statement of changes in equity

	Attributable to owners of the parent				
	Share capital £	Capital redemption reserve £	Share Premium Account £	Retained earnings £	Total £
Balance at 31 December 2013	**771,437**	**128,573**	**–**	**24,485**	**924,495**
Profit for the year	–	–	–	404,914	404,914
Total comprehensive income	**–**	**–**	**–**	**404,914**	**404,914**
Transactions with owners					
Ordinary dividends paid	–	–	–	(790,000)	(790,000)
Transactions with owners	**–**	**–**	**–**	**(790,000)**	**(790,000)**
Balance at 31 December 2014	**771,437**	**128,573**	**–**	**(360,601)**	**539,409**
Profit for the year	–	–	–	125,825	125,825
Total comprehensive income	**–**	**–**	**–**	**125,825**	**125,825**
Transactions with owners					
Issue of share capital	105,010	–	4,942,818	–	5,047,828
Ordinary dividends paid	–	–	–	(533,825)	(533,825)
Reduction of capital	–	–	(4,942,818)	4,942,818	–
Transactions with owners	**105,010**	**–**	**–**	**4,408,993**	**4,514,003**
Balance at 31 December 2015	**876,447**	**128,573**	**–**	**4,174,217**	**5,179,237**

The notes on pages 66 to 70 are an integral part of these consolidated financial statements.

Financial statements

Notes to the financial statements

1. ACCOUNTING POLICIES

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with United Kingdom Accounting Standards, in particular Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and the Companies Act 2006. For all periods up to and including 31 December 2014, the Company prepared its financial statements in accordance with United Kingdom generally accepted accounting practice (UK GAAP). The financial statements for the year ended 31 December 2015 are the first the Company has prepared in accordance with FRS 101.

Accordingly, the Company has prepared financial statements which comply with FRS 101 applicable for periods ending on or after 31 December 2015, together with comparative period data as at and for the year ended 31 December 2014, as described in the accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 January 2014, the Company's date of transition to FRS 101.

FRS 101 sets out a reduced disclosure framework for a qualifying entity that would otherwise apply the recognition, measurement and disclosure requirement of EU-adopted IFRS. The Company is a qualifying entity for the purposes of FRS 101. Included within this document are the Group consolidated financial statements prepared in accordance with IFRS. FRS 101 requires that the balance sheet is presented in the format requirements of the Companies Act 2006, rather than the requirements of International Accounting Standard (IAS) 1 Presentation of Financial Statements.

A summary of the disclosure exemptions adopted for the period ended 31 December 2015 is presented below.

Area	Disclosure Exemption
Cash flow statements	Complete exemption from preparing a cash flow statement. (IAS 7)
Related party disclosures	Exemption for related party transactions entered into between two or members of a group, provided that any subsidiary which is party to a transaction is wholly owned by such a member.
Comparative information	Exemption from comparative disclosure for movements on share capital, tangibles and intangibles.
Presentation of financial statements	Exemption from statement of compliance with IFRS, cash flow information.
Financial instruments	The requirements of IFRS 7 "Financial instruments": Disclosures, as equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated.
Fair value measurement	Paragraphs 91 to 99 of IFRS 13 "Fair value measurement" as equivalent disclosures are included in the consolidated financial statements of the Group in which the entity is consolidated.

The Company is a public limited company, domiciled and incorporated in the United Kingdom and under the Companies Act 2006.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment.

Critical accounting estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to them are recognised in the period in which they are revised.

2. INVESTMENTS

	£
Cost:	
At 1 January 2015	3,177,076
Additions	4,046,733
Write-off of investments	(50,000)
At 31 December 2015	**7,173,809**
Net book value:	
At 31 December 2015	**7,173,809**
At 31 December 2014	3,177,076

2. INVESTMENTS continued

The subsidiary undertakings at 31 December 2015 were:

Name	Nature of Business	Shares held
PTSG Access and Safety Ltd	Installation and maintenance of access and safety systems	100%
PTSG Electrical Services Ltd	Installation and maintenance of lightning protection systems	100%
Test Strike UK Ltd	Maintenance of lightning protection systems	100%
PTSG Electrical Testing Services Limited	Holding company	100%
Ohmega Testing Services Ltd	Portable appliance and fixed wire testing	100%
Acescott Specialist Services Ltd	High level cleaning	100%*
PTSG Steeplejacks Ltd	Dormant	100%
PTSG Steeplejacking Ltd	Dormant	100%
Cradle Runways Maintenance Ltd	Dormant	100%
Cradle Runways Installations Ltd	Dormant	100%
Access Training Solutions Ltd	Dormant	100%
PTSG High Level Cleaning Ltd	Dormant	100%
PTSG Specialist M & E Ltd.	Dormant	100%
PTSG Management Services Ltd	Dormant	100%
PTSG Electrical Services Ltd	Dormant	100%
Access Contracting Ltd	Installation and maintenance of access and safety systems	100%*
Integral Cradles Ltd	Cradle Installation	100%
NATHS Ltd	Steeplejack Services	100%*
Pendrich Height Services Ltd	Steeplejack Services	100%*
J W Gray Lightning Protection Ltd	Installation and maintenance of lightning protection systems	100%*
Lightning Protection Testing Ltd	Installation and maintenance of lightning protection systems	100%*
R Langston Jones & Company Ltd	Portable appliance and fixed wire testing	100%*
Guardian Cradle Maintenance Ltd	Dormant	100%*
Protectis Ltd	Dormant	100%*
CJS (Eastern) Ltd	Dormant	100%*
Cardinal Specialist Services Ltd	Dormant	100%*
National Cradle Maintenance Ltd	Dormant	100%*
Thor Lightning Protection Ltd	Dormant	100%*
Kobi Ltd	Dormant	100%*
PTSG Ltd	Dormant	100%*
Acescott Management Services Ltd	Dormant	100%*
Fall Arrest Services Ltd	Dormant	100%*
PTSG Training Solutions Ltd	Dormant	100%
NAP Height Services Ltd	Intermediary holding company	100%*
Pendrich Rope Access Ltd	Dormant	100%*
Apex Steeplejacks Ltd	Dormant	100%*
Integral Cradles Group Ltd	Dormant	100%
Integral Cleaning Ltd	Dormant	100%*

*Held by a subsidiary undertaking.

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

Financial statements

Notes to the financial statements
continued

3. DEBTORS

	2015 £	2014 £
Amounts owed by group undertakings	**9,475,345**	4,680,185
Prepayments	**311,224**	122,833
	9,786,569	4,803,018

Amounts owed by group undertakings are unsecured, interest free and payable on demand.

4. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Overdrafts	**2,866,353**	3,089,415
Bank loan	**–**	1,000,000
Amounts owed to group undertakings	**52,150**	7,159
Other creditors	**233,333**	290,440
Accruals	**27,305**	28,671
	3,179,141	4,415,685

The bank loans and overdrafts are secured by an unlimited multilateral Company guarantee given by this Company and other members of the Group to secure all liabilities of each other.

Amounts owed to group undertakings are unsecured, interest free and payable on demand.

5. CREDITORS – AMOUNTS FALLING DUE AFTER ONE YEAR

	2015 £	2014 £
Loan notes	**2,527,000**	–
Bank loan	**5,950,000**	2,750,000
Other creditors	**125,000**	275,000
	8,602,000	3,025,000

The Company repaid the loan, that was taken out in 2013, on 12 October 2015.

The bank borrowings reflect the amount drawn down from the £7,000,000 Revolving Credit Facility, which expires on 30 September 2020. This facility has an interest rate between 2% and 2.75%, depending upon the amount drawn down, and has a bullet repayment at the end of the five year period.

The Revolving Credit Facility is subject to bank covenants covering Debt Service Coverage, Interest Cover and Leverage. Covenants are tested quarterly on 31 March, 30 June, 30 September and 31 December.

The loan notes were issued on 1 October as part of the consideration for the acquisition of Integral Cradles Ltd ("Integral") and carry a zero coupon. They are redeemable in full following the agreement of the accounts of Integral for the period ended 30 September 2020 with an interim redemption date following agreement of the accounts for the period ended 30 September 2018.

Contingencies
An unlimited multilateral Company guarantee given by this Company and other members of the Group to secure all liabilities of each other.

6. CALLED UP SHARE CAPITAL

	2015 £	2014 £
Allotted and fully paid		
87,644,344 ordinary shares of 1p each	**876,447**	–
771,428 ordinary shares of £1 each	**–**	771,428
3 ordinary A shares of £1 each	**–**	3
3 ordinary B shares of £1 each	**–**	3
3 ordinary C shares of £1 each	**–**	3
	876,447	771,437

7. PROFIT AND LOSS ACCOUNT

	£
Balance as at 1 January 2015	(360,601)
Profit for the financial year	125,825
Transfer from Share Premium	4,942,818
Equity dividends	(533,825)
Balance as at 31 December 2015	**4,174,217**

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss in these financial statements. The parent company's profit for the year was £125,825 (2014: £404,914). The audit fees in respect of the Company was £2,000 (2014: £2,000). Directors' remuneration and details on dividends are detailed in note 5 and 24 of the Consolidated Financial Statement.

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Profit for the financial year	**125,825**	404,914
Shares issued	**5,047,828**	–
Equity dividends	**(533,825)**	(790,000)
Net addition to shareholders' funds	**4,639,828**	(385,086)
Opening shareholders' funds as at 1 January	**539,409**	924,495
Closing shareholders' funds as at 31 December	**5,179,237**	539,409

Share based payments

1. As at 31 December 2015 there are options outstanding over up to 10,000 E shares. The E Shares have limited rights to a return of capital but a right to share in the proceeds of sale upon the sale of the entire issued share capital of PTSG or if a general offer is successfully made for the ordinary shares in the capital of PTSG within a 10 year period from 2 June 2014. In such an event the holders of the E Shares are entitled in aggregate to receive a sum equal to the profit on ordinary activities before taxation of PTSG Access and Safety Ltd as shown in the statutory accounts of PTSG Access and Safety Ltd for the financial period ending prior to the date of sale, subject to a limit of 10% of the proceeds of such a sale.

The above have been considered in accordance with IFRS 2, however as the Directors consider it unlikely that there will be a sale of the Company within the relevant timeframe , there is no material charge to be reflected in the financial statements for the current year and no further disclosures have been made.

2. Under the terms of Roger Teasdale's service agreement with the Company he was entitled, to require the transfer to him, on 16 November 2015, for nil consideration, ownership of 4.4% of the share capital, as at the time of the listing. Paul Teasdale, John Foley and Hawk Investments have undertaken to deliver such shares to him in proportion to their existing shareholdings for nil consideration.

The Directors fair valued the equity instruments at the grant date, being 16 November 2014 (the date at which the parties have shared understanding of the terms and conditions of the arrangement). The fair value of the option was calculated based on the fair value of the shares at the grant date given that there were no performance conditions, a service condition of one year and the exercise price of £nil.

The fair value of the award was expensed to the income statement over the vesting period on a straight-line basis with the corresponding credit to equity. During the year ended 31 December 2015, the charge to the income statement was £1,819,608.

Financial statements

Notes to the financial statements
continued

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS continued
3. In addition to the above, under the terms of his service agreement, the Company shall issue to Roger Teasdale (for nil or nominal consideration) additional equity calculated by reference to the then issued share capital of the Company when the following milestone targets are met in any given financial year on the first occasion only:

Adjusted EBITDA (Statutory accounts)	£8m	£10m	£12m	£14m
	2.5%	2.5%	2.5%	2.5%

The Directors have reviewed the above and consider it likely that the Company will hit the first of these milestones at the end of 2016. The Directors have fair valued the equity instruments, with the fair value being expensed over this year and the following financial year to spread the expected charge over the period to vesting. The charge to the income statement for the year ended 31 December 2015 was £439,756.

4. By an instrument dated 5 February 2015, the Company created Warrants to subscribe at the Placing Price for up to 867,581 new Ordinary Shares, being one per cent of the Enlarged Share Capital. The Warrants were issued to N+1 Singer Pursuant to the Placing Agreement. The Warrants are exercisable at any time or times in the period of five years from Admission and thereafter shall lapse. The exercise price is equal to the Placing Price per share. If the Company capitalises its reserves (other than by way of shares paid up out of distributable reserves and used in lieu of a cash dividend) during the period of the Warrant or there is any sub-division, or consolidation of Ordinary Shares or a reduction of capital during such period the number and/or nominal value of Ordinary Shares the subject of the Warrant will be adjusted so as to maintain the same relative subscription rights. For so long as the Warrants are outstanding the Company has agreed, inter alia, not to vary or abrogate the rights attaching to the Ordinary Shares or to create any class of share which ranks for any purpose ahead of the Ordinary Shares.

167,581 of these warrants were exercised during the year.

The Directors have fair valued these warrants, using the Black Scholes formula, at 8.5p per share with £74,551 being charged to the 31 December 2015 income statement.

9. IMPACT OF CONVERSION TO FRS 101
For all periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with United Kingdom Financial Reporting Standard 101 (FRS 101).

The Company has therefore prepared individual statements which comply with FRS 101 for periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

Set out below are the adjustments which reconcile the profit for the financial year and the shareholders' funds as at 31 December 2013 and 31 December 2014 between UK GAAP as previously reported and FRS 101. The Company has made an adjustment for investment values not qualifying for recognition under IFRS.

Profit for the financial year	**2014** **£**	2013 £
Profit for the year as previously reported under UK GAAP	**847,414**	4,828,273
Adjustments on transition	**(442,500)**	(10,625)
Profit for the year as reported under FRS 101	**404,914**	4,817,648

Total shareholder's funds	**31 December 2014** **£**	31 December 2013 £
Total shareholders' funds as previously reported under UK GAAP	**992,534**	935,120
Adjustments on transition	**(453,125)**	(10,625)
Total shareholders' funds as reported under FRS 101	**539,409**	924,495

Notes

Notes

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