

## 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

**Appointment**  
Co-founder

### Experience

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 £130m in June 2006. At the time of John's appointment, MacLellan was loss making, with a turnover of circa £5m and 50 employees. When it was sold to Interserve, MacLellan had a turnover of circa £250m and a profit before tax of circa £9m, with 13,500 employees. MacLellan grew through a series of acquisitions and organic growth. John is a Chartered Accountant and barrister.

### Committees

**A** Chair of the Audit Committee

**R** Chair of the Remuneration Committee



**Paul Teasdale**  
Chief Executive Officer

**Appointment**  
Co-founder

### Experience

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 £6m and Paul joined MacLellan as managing director of TASS.



**Roger Teasdale**  
Managing Director

**Appointment**  
November 2014

### Experience

Roger was previously president of the advanced wound management division (divisional revenue of \$1.4bn, 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

**Appointment**  
September 2014

**Experience**

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. Mark is a Chartered Accountant.



**Alan Howarth**  
Non-executive Director

**Appointment**  
February 2015

**Experience**

Alan joined the Board on Admission. He is Chairman of Cerillion plc, Tern plc and Essential Ltd plus a number of other companies, nationally and internationally. He was previously a senior partner with Ernst Young.

**Committees**

- A** Member of the Audit Committee
- R** Member of the Remuneration Committee



**Roger McDowell**  
Non-executive Director

**Appointment**  
February 2015

**Experience**

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 seven other listed companies, namely Avingtrans plc, Servelec Group plc, Swallowfield plc, D4t4 plc (formerly ISS Solutions plc), Proteome Sciences plc, Thinksmartplc and Tribal plc.

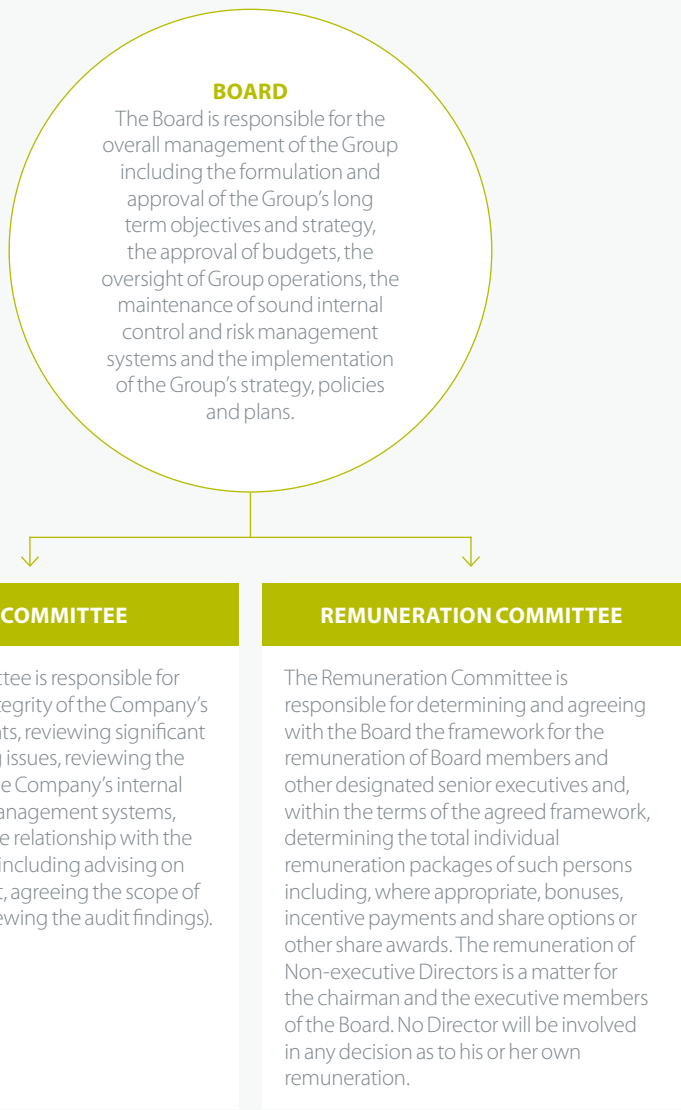
**Committees**

- A** Member of the Audit Committee
- R** Member of the Remuneration Committee

# Corporate governance

## Governance framework

Good governance of PTSG continues to be a high priority.



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.

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 2016 and has a full programme of Board meetings planned for 2017. 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.

### **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](http://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

28 March 2017

## Directors' report

The Directors present their report and the audited financial statements for the year ended 31 December 2016.

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 38 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 22 of the Consolidated Financial Statements.

### 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 30 and 31.

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. Roger Teasdale and Roger McDowell 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

	31 December 2016		31 December 2015	
	Number of shares	% of issued share capital	Number of shares	% of issued share capital
John Foley	19,253,791	21.6%	23,603,791	26.8%
Paul Teasdale	20,253,791	22.7%	23,603,791	26.8%
Roger Teasdale	2,294,827	2.6%	269,827	0.3%
Mark Watford	57,692	0.1%	57,692	0.1%
Roger McDowell	269,828	0.3%	269,828	0.3%
Alan Howarth	-	-	-	-

### Directors' shareholdings

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

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 has one class of share in issue, being ordinary shares with a nominal value of 1 pence each. During the year 758,190 ordinary shares were issued with a nominal value of £7,581.90. As at 31 December 2016 there were 88,402,534 shares in issue. Subsequent to the year end 876,758 shares were issued with a nominal value of £8,767.58. Further details of the shares issued are given in note 20 of the financial statements.

As at 24 March 2017, 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	19,253,791	21.6%
Paul Teasdale	20,253,791	22.7%
First Pacific Advisors LLC	15,191,128	17.0%
Hawk Investment Holdings Ltd	13,589,450	15.2%

### 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 (2015: £0.2m) 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

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 Directors encourage employees to be aware of all issues affecting the Group and issues a quarterly newsletter to all employees informing them of all current developments within the business.

## Environment

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

## Post balance sheet events

On 13 January 2017 the Company acquired Nimbus Lightning Protection Ltd. a designer, installer and maintainer of lightning protection and earthing systems based in Nottingham, for a total consideration of £1.0m, payable in cash on completion.

On 3 February 2017, 400,000 ordinary shares were issued to N+1 Singer, at 52p as part of their share warrant.

On 3 February 2017, 476,758 ordinary shares were issued, at 83.9p, as part payment of deferred consideration on the Acescott acquisition.

## Annual General Meeting

The Company's Annual General Meeting will be held at 13 Flemming Court, Whistler Drive, Castleford WF10 5HW on 19 June 2017. 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). 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 FRS 101 have been followed, subject to any material departures disclosed and explained in the Group and parent company financial statements respectively;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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

28 March 2017