

Welcome to PTSG

PTSG is the UK's leading supplier of façade access and fall arrest high level equipment, electrical services, cleaning and training solutions.

PTSG was founded by John Foley, Paul Teasdale and Bob Morton in 2007 to provide customers with the full range of niche specialist services under one roof – delivering unrivalled quality, value and customer service.

Contents

Changing to meet the needs of an evolving industry	>
Overview	02
A message from our Chairman	04
Chief Executive's review	06
Acquisition case study	08
Unaudited consolidated statement of comprehensive income	10
Unaudited consolidated statement of changes in equity	11
Unaudited consolidated balance sheet	12
Unaudited consolidated cash flow statement	13
Notes to the unaudited consolidated financial information	14
Company information	16

Highlights

REVENUE (£)

£21.9m +19%



GROSS PROFIT (£)

£11.2m +18%



ADJUSTED OPERATING PROFIT (£)*

£4.4m +20%



ADJUSTED EPS (£)*

3.86p +21%



DIVIDEND PER ORDINARY SHARE (£)

0.80p +14%



* before adjusting items of £2.4m (2016: £1.4m) resulting in a statutory operating profit of £2.0m (2016: £2.3m) and EPS of 1.15p (2016: 1.71p).

Changing to meet the needs of an evolving industry

Since formation, we have positioned our services in four key divisional areas and this has served us well on our 10 year journey so far. Access and Safety, Electrical Services, High-Level Cleaning and Training Solutions have, over the years, become synonymous with PTSG and the quality of services delivered across these areas. This interim report is based on the performance of these four divisions between 01 January 2017 and 30 June 2017.

However, due to changes in our operating environment, a Board decision has been made to reorganise the way in which PTSG is structured. In the second half of 2017, we will reshape two of our four divisions to better aid our customers' understanding of our offering and to align to our go-to-market strategy. This follows, in particular, significant growth in the rope access/steeplejack and fire services businesses.

Under the PTSG brand, we are proud to announce our four new discrete but complementary business divisions: Access and Safety, Electrical Services, Building Access Specialists and Fire Solutions. These business divisions can individually service customers' needs or combine to deliver a comprehensive set of niche services, saving time and money.

It is fitting that in our tenth anniversary year, we present our new business structure – reshaped in line with our growing service offering to meet a surge in demand for only the highest standard of products and workmanship.

Compliance is driven by British industry safety principles, with all organisations working in facilities management having a moral responsibility to put their customers' best interests first, above all else. It is one of PTSG's founding principles and we're only too happy to redouble our efforts to ensure customer safety is the ultimate gauge of success in all our projects.

PTSG's business is segmented into four clear and distinct areas as follows:

Access and Safety

Safety Testing
Safety Installation
Cradle Maintenance
Cradle Installation

We offer 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. We provide the most comprehensive testing certificates in the industry, and we only install carefully sourced products from trusted suppliers.

H1 2017 Turnover £9.1m

Contribution to turnover:

41%

Electrical Services

Lightning Protection
Electrical Testing
Fire Services
Dry Risers
Steeplejack Services

Our work saves time, money and most importantly, lives. Whether it is the testing of a portable appliance or the design and installation of a complete building lightning and surge protection system, PTSG Electrical Services delivers an unsurpassed level of expertise and experience, leaving the people we serve confident that their staff, buildings and customers are safe.

H1 2017 Turnover £11.5m

Contribution to turnover:

53%

High Level Cleaning

High Level Window Cleaning
Gutter Cleaning
Building Cleaning
Pressure Cleaning

PTSG provides high-level building surveys, reparation, restoration and cleaning to a variety of commercial, industrial and residential customers. Our operatives are highly proficient in the use of several access methods, including rope access, steeplejacks, abseiling, building maintenance units (BMUs) and mobile elevating work platforms (MEWPs), allowing us to carry out work where other companies cannot.

H1 2017 Turnover £1.3m

Contribution to turnover:

6%

Training Solutions

Access & Safety Training
Electrical Services Training
Insurance & Compliance
Working at Height Training

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 programmes.

Overview

PTSG has achieved a considerable amount in a relatively short time by having in place a clear business strategy and a steadfast set of principles. At this point in time, coinciding with our tenth anniversary, we are reshaping part of our provision and rebranding our four business divisions. This is in response to a renewed requirement within the industry for compliance with the most rigorous standards of safety, which in turn has produced a surge of requests from customers regarding the safety of their buildings.

Renewed vision

Year on year, the company's position strengthens as PTSG remains the go-to organisation for guidance, advice, products and services to make buildings safe and compliant, enabling customers to face the future with complete confidence. This is a position we have occupied in the market over the last ten years, which enables us to define the standard which our competitors aspire to reach.



Values

We have achieved a leading position in the UK due to our high levels of customer service (endorsed by our high contract renewal rate in excess of 80 per cent), our multi-disciplinary and 'bundled' services, fast response times and unrivalled value for money. Our MOUSE talisman continues to define what we aim to deliver at every opportunity: Memorable, Outstanding, Unique, Service Experience.



Reasons to invest

Our investors have always taken great confidence that we are able to deliver beyond our promises. Now, with a renewed focus on safety and compliance, we can look forward to a position of even greater strength in the marketplace, and the financial return this brings.

The evolution of our business structure, in answer to a direct need within the industry – and voiced by countless organisations over recent months – has already seen strong growth in the first half of 2017. Projecting these results forward over the rest of the year, we can confidently expect to see even stronger performance, with Fire Solutions Ltd. and Electrical Services Ltd. being pivotal to our ongoing success.



**A BUSINESS THAT
DOMINATES THE SECTORS
IT SERVES**



**A BUSINESS THAT IS
AGILE, RESPONDING TO
MARKET FORCES**



**A BUSINESS THAT
CONTINUES TO GROW
YEAR ON YEAR**



**A BUSINESS THAT
BECOMES EVER MORE
PROFITABLE**

Structured for success

The three cornerstones of our business continue to yield results for all our stakeholders, delighting customers and employees alike.



VALUE FOR OUR CLIENTS

From day one, this has been our principal business pledge and will continue to be so. Through the highest quality of products and workmanship, coupled with our bundled service provision, we will continue to keep our standards high and our prices low.

VALUE FOR OUR EMPLOYEES

We are proud of our talented people and the good things they say about PTSG. Their safety is our priority, while we look to develop their skills, giving them the best opportunities for development. This will see our standards keep rising and ensure we remain a great place to work and a great place to do business with.

VALUE FOR OUR STAKEHOLDERS

The bottom line for stakeholders is *our* bottom line. Every year of business has produced greater sales and net profit. We have targeted key strategic acquisitions, harnessed innovation and invested in sustainable methods. Our vision and values, methods and practices and our willingness to adapt to industry needs will ensure that we continue to deliver bigger and better for our investors.

UK coverage

With our headquarters in Castleford, West Yorkshire, and with 17 offices and over 600 specialists nationwide, we have never been in a stronger position to answer what the industry demands. We can respond to clients' requirements wherever they may come from, deploying staff within the local region. This gives us a decisive competitive advantage and allows us to reduce travel costs and overnight stays, maximising value for money.



MAP KEY

- | | | |
|--|--|---|
| ● Head office
Glasshoughton
Castleford
West Yorkshire | ● Regional offices
Bury
Chelmsford (Essex)
Edinburgh
Gatwick
Kidderminster
Manchester
Nottingham
Oldham
Sheffield
Stoke
Wilshaw (Scotland)
Witham (Essex) | ● London offices
South HQ
South
City office |
| ● UK distribution centre
Pioneer Way
Castleford
West Yorkshire | | |

A message from our Chairman



“We remain hungry to succeed, confident of our prospects and enthusiastic about the future.”

John Foley
Chairman

Overview Of Results

I am pleased to report that PTSG continues to successfully develop the range, scale and quality of its service offering and that positive evidence of the Group's progress can be clearly seen in the results for the six month period to 30 June 2017. Record levels of turnover, gross profit, adjusted EBITDA, underlying profit before taxation and adjusted earnings per share were achieved in the reporting period.

Acquisitions

One acquisition was made during the reporting period as we purchased the entire issued share capital of Nimbus Lightning Protection Limited in January 2017 for a total consideration of £1.0 million which was paid in cash on completion.

Since the reporting period end we have also made two further important acquisitions and successfully placed 12.5 million new ordinary shares and increased our bank facilities with HSBC PLC in order to finance these acquisitions and provide the Group with increased banking facilities.

The acquisition of Brooke Edgeley (Industrial Chimneys) Ltd (“BEST”) was concluded in July for an initial cash consideration of £14 million which was entirely funded from the proceeds of the placing; £6 million of deferred consideration is also payable over 3 years with two thirds of the payments payable in cash or shares at the Group's discretion. This major acquisition further advanced our position as market leader in the UK Lightning Protection sector. In addition, BEST's steeplejack business activities further expand our existing capability in this specialist area.

We announced the acquisition of UK Sprinklers Limited on 12 September 2017 for a total consideration of £2.5 million comprising an initial cash payment of £1.3 million, two fixed deferred cash payments of £0.1 million on the first and second anniversary of completion, and a contingent payment of £1.0 million payable over 3 years, dependent on performance and payable in cash or shares at the Group's discretion.

This business activity further expands our service offering in the area of Fire Solutions which was previously identified as a significant growth area for us.

Financial Overview Of Results

Turnover increased by 19% to £21.9 million (H1 2016: £18.5 million). Gross profit increased by 18% to £11.2 million (H1 2016: £9.5 million). Adjusted EBITDA increased by 22% to £5.1 million (H1 2016: £4.2 million) and underlying profit before taxation (before adjusting items of £2.4 million) increased by 19% to £4.1 million (H1 2016: £3.5 million). Adjusted earnings per share increased by 21% to 3.86 pence (H1 2016: 3.19 pence). The Board has recommended an interim dividend of 0.8 pence which will be paid on 27 October 2017 to shareholders on the register at 6 October 2017.

Net debt at 30 June 2017 was £12.2 million which was an increase of £0.1 million from 31 December 2016 after cash payments of £1.0 million in relation to the acquired business and necessary increases in working capital resulting from the increased size of the Group. We trade comfortably within our recently expanded banking facilities.

Operational Highlights

The Chief Executive's Review contains full details of operational performance and I wish to highlight the emphasis placed on compliance to a demanding set of safety standards, the continuing attention to our customer needs and best interests, the delivery of very high contract renewal rates, the ongoing development of our proprietary Clarity system, the importance of training and the further expansion of the Group's internal support structures. The PTSG operating model is both innovative and yet well established and volume is our friend, not our enemy, since the model is scalable so long as the areas of operation are carefully targeted. This is why our gross margin percentage has remained so steady at 51.1% (2016: 51.4%), only really affected by the mix of installation to testing and repair sales.

“These are exciting times for the Group.”

Strategy

These are exciting times for the Group. However, whilst we are pleased to make positive progress we remain fully committed to our principal objective which is to build a Group which can become the UK's leading provider of clearly identified niche specialist services to customers in the facilities management, property and construction sectors. As founders of the Group, the Group's CEO and I know that there is still much to do to achieve our goals and our vision is shared with a growing number of committed colleagues.

We undertake acquisitions to seek sector dominance in our chosen areas of operation which are those where we think that our operating model can be put to good effect. We often create new areas of operation by acquiring businesses which we think possess the necessary technical strengths to secure a good entry point and the creation of our Fire Services division is the latest case in point.

Our organic growth strategy now also needs to recognise the increased size and scale of the Group. Our existing methods of operation result in high contract retention rates, very steady gross margin performance and healthy organic growth. Our new divisional structure recognises the capability that now exists to cross sell our services to our customer base, and is an important step in our development.

Outlook

We remain hungry to succeed, confident of our prospects and enthusiastic about the future, both in the remainder of this year and beyond.

John Foley

Chairman
26 September 2017

ALIGNMENT WITH THE LEADING INDUSTRY REVIEWS

PTSG is an active supporter of the Stoddart Review, the authoritative report into the benefits the facilities management industry holds for UK businesses, and how workplace environments can drive and improve performance.

Recent research raised the question of productivity in the workplace, with a leading economist suggesting that an increase of just 1% in productivity would add almost £20 billion to our national output. Those employers that create a collaborative culture and a sense of community increase employee engagement.

This is something we actively promote and we are delighted that as a result of making PTSG a good place to work, our highly skilled and valued employees look to stay with us and develop their careers where they know they will make a difference and be appreciated.

BIFM is the distinctive voice for the profession throughout the UK and worldwide, championing the value of FM and the unique contribution it makes to business performance, the economy and wider society. Also one of the founding partners of the Stoddart Review, BIFM revealed in its most recent review that the outlook of the UK facilities management sector remained buoyant despite uncertainty

over external factors affecting the business environment, such as the EU Referendum, the economy and changes to government funding.

PTSG is proud to sponsor the Stoddart Review, making an important contribution to the sustainability of the wider FM industry. We are also pleased to sponsor the BIFM Awards once again in 2017. BIFM does so much to support the FM sector and the BIFM Awards are always a wonderful opportunity to celebrate the industry's great talent and achievements.

3.5%

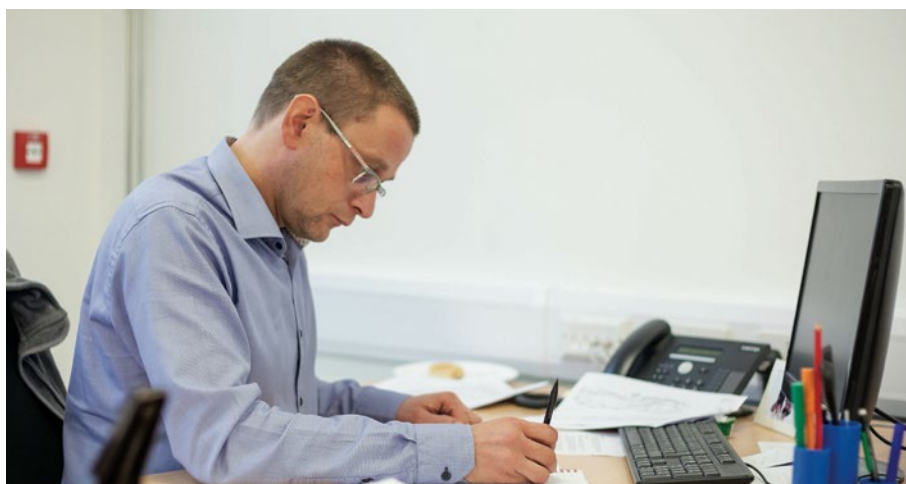
The Stoddart Review reveals that an effective workplace can improve business productivity by as much as 3.5%

£70bn

Economist Duncan Weldon believes that the above could add up to £70bn to the UK economy



Read the full report at
www.stoddartreview.com



Chief Executive's review



"We have seen exponential growth year on year, with increasing interest from clients and investors who value the clarity and strength of our business model."

Paul Teasdale
Chief Executive

Highlights

19%

Revenue growth

18%

Gross profit growth in 2017

20%

Adjusted operating profit growth in 2017*

* before adjusting items of £2.4m (H1 2016: £1.4m).

Overview

From a business perspective, the first half 2017 has gone beyond our own expectations at PTSG. Turnover and operating profit have gained considerable momentum over the first half of the year, instilling confidence that we will be in a position of real strength by the year-end.

So far 2017 has been quite unlike any other year in our ten-year history. It would be remiss of me not to reference the fact that the first half of the year was characterised by high-profile events which have had a significant effect on all who operate within facilities management. More than ever, the industry demands steadfast compliance to a set of safety standards which will ultimately keep everyone from harm.

Compliance has always been one of the founding principles of PTSG. Not only does it ensure that our work and the projects we are involved in satisfy the rigorous standards set within our industry, it also has the effect of aligning safety with quality – the hallmark of success in facilities management.

Our customers' needs and interests have always taken precedence over everything else in our work, and our renewed focus in this area will simply strengthen our commitment to them. Through the highest quality products and services, our aim is to give our customers the best possible experience of the buildings in which we work.

Their satisfaction with our work is what has produced our record-high contract renewal rate in excess of 80 per cent. For this achievement, thanks must go to each and every member of our team who have made PTSG the success it is today.

Restructuring for growth

Standing still or being satisfied with success has never been the PTSG way. The forthcoming re-organisation of our business is a reflection of our desire to meet and, wherever possible, exceed the demands from our increasing client base for a single provider of all the niche specialist

services for the facilities management industry. These demands have evolved over recent months, and we will offer four discrete but complementary business divisions.

- ◆ Access & Safety
- ◆ Electrical Services
- ◆ Building Access Specialists
- ◆ Fire Solutions.

This new structure aligns our business with what our customers need and the industry demands. It enables us to provide an even more complete, multi-disciplinary service, driving the value we offer and giving our clients a measurable commercial advantage.

Further growth through acquisitions

Our business has grown rapidly over the ten years since we began trading, and has seen a significant increase since our last annual report was published. We now deliver our services from 17 locations across the UK via a talented team of over 600 highly trained, professional and dedicated people.

The growth in 2017 can in part be attributed to our recent strategic business acquisitions.

2017 began with our acquisition of Nimbus Lightning Protection Ltd ("Nimbus"), a leading Lightning protection, Design, Installation and Testing Company based in Nottingham. This enabled us to continue to build the UK's largest lightning protection business and expand into the Midlands market place.

Our acquisition of UK Dry Risers Ltd. and UK Dry Risers Maintenance Ltd. in July 2016 and their subsequent integration into PTSG and our systems of operation were a text book example of our strategy in practice. This was illustrated when the turnover of UK Dry Risers Ltd increased by 10 per cent in the six-month period following its acquisition. UK Dry Risers Maintenance Ltd also saw a significant increase of 37 per cent in its turnover.

In July 2017, we announced the acquisition of BEST, a market leading lightning protection and steeplejack company based in Manchester. Established in 1957, BEST was a privately-owned business specialising in lightning protection and expert earthing, surge protection and steeplejack services. This acquisition enabled us to increase our scale in installation activities and additional capabilities with an attractive testing and inspection base. It also provided us with significantly increased geographic coverage.

We intend to stick very closely to this model for further acquisitions within our fire solution business, identifying opportunities in dry riser and sprinkler systems, as demonstrated by our post period end acquisition of UK Sprinklers Limited in September 2017.

Carefully targeted acquisitions, linked to strong organic growth, have been a principal drivers behind our ongoing success over the last ten years, enabling us to achieve a favourable share of the markets in which we operate as well as a wide geographical spread of the UK (and overseas). This latter point is crucial in our fast response time: we are able to deploy our experts to any job in any UK location within two hours, giving us a decisive competitive advantage.

Divisional Results

Each of our divisions contributed to the strong performance of PTSG during H1.

Access and Safety: Safety Testing and Installation, Cradle Maintenance and Installation – As the market leader in all four disciplines we continue to grow our offering. Due to a strong comparative in 2016 because of the timing of the completion of some high value cradle installation turnover declined 5% to £9.1m in H1 (2016: £9.5m H1), a 41% contribution to the turnover of the Group. Consequently, adjusted operating profits decreased to £1.5m from £1.6m in 2016. In 2017 there are some high value cradle installations planned for H2.

Electrical Services: Lightning Protection, Fixed Wire and PAT Testing, Fire alarms and Extinguishers and Steeplejack services – With two acquisitions in this area in 2016, which included a new service line in dry riser services, coupled with the acquisition of Nimbus in January 2017, we have seen the division grow by 56% to a turnover of £11.5m in H1 (2016: £7.4m H1), a 53% contribution to the turnover of the Group.

Adjusted operating profits increased to £2.6m from £1.7m in 2016.

High Level Cleaning: High Level Window Cleaning, Gutter Cleaning, Building Cleaning and Pressure Washing – Our teams are experts at working at height and the majority of our work is using abseiling techniques. In H1 we achieved a turnover of £1.3m, an 6% contribution to the turnover of the Group.

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.

Divisional reorganisation

Due to changes in our operating environment, the decision has been made to reorganise the way in which PTSG is structured, therefore, in the second half of 2017, the business will be reporting under the new structure of:

- Access & Safety
- Electrical Services
- Building Access Specialists
- Fire Solutions.

People

Our aim of creating a place of excellence in which to work continues to bear fruit, with two of our Access Maintenance engineers achieving their NVQ Level 2 in Permanent Suspended Access Equipment.

Twin brothers Barry and Neil Hogg have worked incredibly hard over the last few months to demonstrate their skills and knowledge in the use of permanent suspended access equipment. Both engineers are the first to achieve this NVQ in the industry for a considerable amount of time. In fact, the qualification once risked being discontinued due to both a lack of engineers taking it and assessors accredited to award it.

PTSG supports its teams in gaining qualifications and accreditations across a wide range of disciplines, and invests in regular training to ensure that its operatives always demonstrate the high standards of safety and workmanship the company is known for.

Although it's a well-used saying, I don't mind repeating it: our people are the reason for our success. Without their skill, commitment and enthusiasm, we wouldn't be able to scale the heights of the industry.

Serving our investors

I hope it is clear from my own observations over the past half-year that PTSG continues to go beyond expectations, both within the company and in the markets it serves. We are becoming the standard for safe, high-quality products and services in the facilities management industry. It's what I set out to achieve ten years ago and it makes me feel incredibly proud.

Innovation is something every business strives for but few truly achieve. Clarity, our unique proprietary software system, has been nothing short of a mini-revolution. With integration into the business taking place over the last year, Clarity has already processed over two million audited transactions, generating over 30,000 documents. In simple terms, it ensures that everyone at PTSG, including the administrative team, business development managers and on-site engineers are all able to do their jobs more efficiently.

Clarity features on the front cover of August's PFM magazine, with a double-page spread dedicated to the company's innovative Clarity system. This article covers the benefits the bespoke programme has brought to the Group and its clients, greatly speeding up its processes and creating unbeatable efficiency, more intelligent scheduling and greater levels of safety for engineers.

This isn't the first time PFM has covered PTSG's innovative and value-adding Clarity system. In October 2016, the magazine took an in-depth look at the system, detailing the individual aspects of Clarity that make it so effective, giving PTSG's engineers everything they need to do their job safely and efficiently.

Another endorsement of PTSG's work over recent months came in the form of five nominations in the PFM awards – for the third year running we are the most shortlisted business in the FM industry. This follows the announcement at this year's British Business Masters Awards which saw PTSG named high growth business of the year.

These are all contributing factors to our continued success and our reputation for quality and reliability in the market sectors in which we operate. The increase in our net profit, year on year, is a natural extension of this success, guaranteeing our investors a healthy return.

Looking forward

Success in any business demands a clear vision of what you want to achieve, applying your strengths in a focused and strategic way. It also requires a continuous review of your performance, highlighting any areas for improvement and further growth. We have pursued our original principle – to be the complete provider of engineered solutions – with single-minded determination, which has been instrumental in the success of PTSG. We have seen exponential growth year on year, with increasing interest from clients and investors who value the clarity and strength of our business model, and appreciate our willingness to map out the route for the future with the aim of increasing our market share.

For the remainder of 2017, our route must continue to be an unwavering commitment to compliance with industry standards and an uncompromising approach to safety. It's what we've always done at PTSG but at this point in time it must become our *raison d'être*. We intend to set the standard for quality and safety within facilities management to which others aspire. This will help to make PTSG the go-to organisation for making buildings safe and compliant: a future-proof formula for us as a business and the industry as a whole.

We look forward to greater success during the rest of 2017 and to bringing you a full report of our business activity and divisional results in 2018.

Paul Teasdale

Chief Executive
26 September 2017

Case study

Acquisition of 'BEST' Brooke Edgeley (Industrial Chimneys) Ltd.

In July 2017 PTSG completed the acquisition of Brooke Edgely (Industrial Chimneys) Ltd ("BEST"), a market leading lightning protection and steeplejack company based in Manchester.

2,200
Customers

£2.3m
EBITDA

20%
EBIT margins

"The acquisition brings multiple cross-selling opportunities through enhanced exposure to existing clients, bringing new clients to the Group and through an increased service offering."

Information on BEST

Established in 1957, BEST was a privately-owned market leading company in lightning protection, specialist earthing, surge protection and steeplejack services.

BEST is a national provider with four office locations in Manchester, Kidderminster, Chelmsford and Wishaw, Scotland with c.160 engineers and staff. It has well established and good relationships with Blue Chip clients including Balfour Beatty, Engie, Jaguar Landrover, Tesco, John Laing and Interserve and over 2,200 customers.

BEST has a long track record of achieving strong growth rates, with revenue increasing by 12% per annum since 2014 and profit before tax by 18% per annum over the same period. Its unaudited revenue for the year ended 5 April 2017 was £10.5m, producing an EBITDA of £2.3m and profit before tax of £2.1m. It is a highly cash generative business, achieving 104% cash conversion in 2016 and has maintained attractive EBIT margins of c.20%, in line with the PTSG group average. The unaudited net assets at 5 April 2017 were £3.2m.

BEST's current owners, including David Roberts, Colin Clinkard and Ian Savory plus five other members of the management team, will remain in the business to grow and expand its operations, which will be integrated into PTSG's Electrical Services Division.

Acquisition rationale

The acquisition substantially enhances PTSG's leading position in the Lightning Protection market, and follows the Company's stated strategy to be the market leader in its chosen areas of operation. BEST provides complementary geographical coverage to PTSG's existing operations, with a strong presence in Scotland and the West of the UK. The acquisition also adds scale to PTSG's Lightning Protection, Test & Inspection and Steeplejack services.

The acquisition brings multiple cross-selling opportunities through enhanced exposure to existing clients, bringing new clients to the Group and through an increased service offering with the addition of Specialist Earthing and Surge Protection services. Furthermore, it will enable PTSG to leverage its differentiated operating model which will drive further sales, operational efficiencies and further the effectiveness of PTSG's repair model and sustainability achieved through its customers' long term renewals.

We wish BEST a warm welcome into the group of companies and look forward to working with them in the future.

“We are very pleased to welcome BEST, a long established and respected lightning protection and steeplejack business with a significant national presence, to the PTSG group of companies.”



Unaudited consolidated statement of comprehensive income

	Six months ended 30 June 2017			Six months ended 30 June 2016			Year ended 31 December 2016 (audited)		
	Before adjusting items £	Adjusting items £	Total £	Before adjusting items £	Adjusting items £	Total £	Before adjusting items £	Adjusting items £	Total £
Revenue	21,913,210	–	21,913,210	18,474,443	–	18,474,443	39,194,766	–	39,194,766
Cost of sales	(10,719,940)	–	(10,719,940)	(8,964,379)	–	(8,964,379)	(18,863,527)	–	(18,863,527)
Gross profit	11,193,270	–	11,193,270	9,510,064	–	9,510,064	20,331,239	–	20,331,239
Net operating costs	(6,818,907)	(2,404,830)	(9,223,737)	(5,849,823)	(1,397,193)	(7,247,016)	(12,474,374)	(4,739,988)	(17,214,362)
Total operating profit	4,374,363	(2,404,830)	1,969,533	3,660,241	(1,397,193)	2,263,048	7,856,865	(4,739,988)	3,116,877
Finance costs	(231,160)	(35,437)	(266,597)	(181,446)	–	(181,446)	(405,076)	(97,402)	(502,478)
Profit before tax	4,143,203	(2,440,267)	1,702,936	3,478,795	(1,397,193)	2,081,602	7,451,789	(4,837,390)	2,614,399
Taxation	(689,853)	13,681	(676,172)	(673,122)	95,948	(577,174)	(730,370)	415,544	(314,826)
Profit attributable to owners of the parent	3,453,350	(2,426,586)	1,026,764	2,805,673	(1,301,245)	1,504,428	6,721,419	(4,421,846)	2,299,573
Total comprehensive income for the period attributable to owners of the parent	3,453,350	(2,426,586)	1,026,764	2,805,673	(1,301,245)	1,504,428	6,721,419	(4,421,846)	2,299,573
Basic and diluted earnings per share (Pence)			1.15			1.71			2.61
Adjusted EPS	3.86			3.19			7.63		

Unaudited consolidated statement of changes in equity

	Share capital £	Capital redemption reserve £	Share premium £	Retained earnings £	Total £	Non-controlling interest £	Total equity £
Balance as at 1 January 2016	876,447	128,573	–	7,915,690	8,920,710	179	8,920,889
Profit for the year	–	–	–	2,299,573	2,299,573	–	2,299,573
Total comprehensive income	–	–	–	2,299,573	2,299,573	–	2,299,573
Transactions with owners							
Issue of share capital	7,578	–	548,418	–	555,996	–	555,996
Share based payments charge	–	–	–	1,243,841	1,243,841	–	1,243,841
Share based deferred consideration charge	–	–	–	400,000	400,000	–	400,000
Tax credit relating to share based payments	–	–	–	(283,935)	(283,935)	–	(283,935)
Ordinary dividend paid	–	–	–	(1,092,472)	(1,092,472)	–	(1,092,472)
Transactions with owners	7,578	–	548,418	267,434	823,430	–	823,430
Balance at 31 December 2016	884,025	128,573	548,418	10,482,697	12,043,713	179	12,043,892
Profit for the six months ended 30 June 2017	–	–	–	1,026,764	1,026,764	–	1,026,764
Total comprehensive income	–	–	–	1,026,764	1,026,764	–	1,026,764
Transactions with owners							
Issue of share capital	–	–	–	644,935	644,935	–	644,935
Share based payments charge	–	–	–	–	–	–	–
Issue of shares related to share based payments	22,320	–	1,138,311	(1,160,631)	–	–	–
Issue of shares related to deferred consideration	4,772	–	395,228	(400,000)	–	–	–
Issue of share capital	4,000	–	204,087	–	208,087	–	208,087
Tax charge relating to share based payments	–	–	–	231,484	231,484	–	231,484
Transactions with owners	31,092	–	1,737,626	(684,212)	1,084,506	–	1,084,506
Balance at 30 June 2017	915,117	128,573	2,286,044	10,825,249	14,154,983	179	14,155,162
Balance as at 1 January 2016	876,447	128,573	–	7,915,690	8,920,710	179	8,920,889
Profit for the six months ended 30 June 2016	–	–	–	1,504,428	1,504,428	–	1,504,428
Total comprehensive income	–	–	–	1,504,428	1,504,428	–	1,504,428
Issue of share capital	4,582	–	395,418	–	400,000	–	400,000
Share based payments charge	–	–	–	284,906	284,906	–	284,906
Tax credit relating to share based payments	–	–	–	(130,051)	(130,051)	–	(130,051)
Transactions with owners	4,582	–	395,418	154,855	554,855	–	554,855
Balance at 30 June 2016	881,029	128,573	395,418	9,574,973	10,979,993	179	10,980,172

Unaudited consolidated balance sheet

as at 30 June 2016 and 2017 and 31 December 2016

	30 June 2017 £	30 June 2016 £	31 December 2016 (audited) £
Assets			
Non-current assets			
Intangible assets	13,324,958	10,577,184	12,365,481
Property, plant and equipment	3,210,276	2,501,605	3,195,880
Deferred tax asset	173,989	706,013	417,336
Total non-current assets	16,709,223	13,784,802	15,978,697
Current assets			
Inventories	647,792	478,758	503,307
Trade and other receivables	23,992,192	17,169,557	20,303,115
Cash and cash equivalents	8,040,415	1,110,348	6,543,749
Total current assets	32,680,399	18,758,663	27,350,171
Liabilities			
Current liabilities			
Trade and other payables	8,109,976	6,407,680	7,231,346
Bank overdraft	10,281,519	–	8,560,270
Finance leases	776,431	568,947	767,303
Borrowings	–	25,033	25,033
Deferred consideration	1,925,137	1,353,845	1,053,070
Current tax liabilities	893,303	1,326,613	296,003
Total current liabilities	21,986,366	9,682,118	17,933,025
Net current assets	10,694,033	9,076,545	9,417,146
Non-current liabilities			
Borrowings	9,984,784	8,779,304	10,010,155
Loan notes	2,631,643	2,561,724	2,596,206
Finance leases	631,667	540,147	745,590
Deferred tax liability	–	–	–
Deferred consideration	–	–	–
Total non-current liabilities	13,248,094	11,881,175	13,351,951
Net assets	14,155,162	10,980,172	12,043,892
Equity attributable to the owners of the parent			
Share capital	915,117	881,029	884,025
Share premium	2,286,044	395,418	128,573
Capital redemption reserve	128,573	128,573	548,418
Retained earnings	10,825,249	9,574,973	10,482,697
	14,154,983	10,979,993	12,043,713
Non-controlling interests	179	179	179
Total equity	14,155,162	10,980,172	12,043,892

Unaudited consolidated cash flow statement for the six months ended 30 June 2016 and 2017 and the year ended 31 December 2016

	30 June 2017 £	30 June 2016 £	31 December 2016 (audited) £
Cash flows from operating activities			
Profit after taxation	1,026,764	1,504,428	2,299,573
Adjustments for:			
Income tax charge	676,172	577,174	314,826
Depreciation	726,688	526,616	1,164,362
Amortisation of intangible assets	38,667	243,367	499,233
Profit on disposal of property, plant and equipment	(180,000)	(300,000)	(316,134)
Finance costs	266,597	181,446	502,478
Share based payments	644,935	284,906	1,243,841
	3,199,823	3,017,937	5,708,179
Changes in working capital:			
Increase in inventories	(132,497)	(96,998)	(86,399)
Increase in trade and other receivables	(3,449,500)	(4,061,244)	(6,092,755)
Increase/(decrease) in trade and other payables	1,539,114	627,269	1,038,646
Cash generated/(used in) from operations	1,156,940	(513,036)	567,671
Interest paid	(231,160)	(181,446)	(433,272)
Tax repaid/(paid)	334,705	(52,205)	(796,812)
Net cash inflow/(outflow) from operating activities	1,260,485	(746,687)	(662,413)
Cash flows from investing activities			
Acquisition of businesses	(826,870)	(50,000)	(1,757,702)
Purchase of property, plant and equipment	(407,440)	(414,067)	(766,304)
Payment of deferred consideration	(150,000)	(421,250)	(905,159)
Net proceeds from sale of property, plant and equipment	180,000	373,339	354,849
Net cash outflow from investing activities	(1,204,310)	(511,978)	(3,074,316)
Cash flows from financing activities			
Proceeds from borrowings	–	2,800,000	4,016,347
Repayment of bank borrowings	(50,404)	(14,502)	–
Capital element of finance lease payments	(438,441)	(499,019)	(1,042,197)
Issue of shares	208,087	400,000	155,996
Dividends paid	–	–	(1,092,472)
Net cash (outflow)/inflow from financing activities	(280,758)	2,686,479	2,037,674
Net (decrease)/increase in cash and cash equivalents	(224,583)	1,427,814	(1,699,055)
Cash and cash equivalents at beginning of period	(2,016,521)	(317,466)	(317,466)
Cash and cash equivalents at end of period	(2,241,104)	1,110,348	(2,016,521)

Notes to the unaudited financial information for the six months ended 30 June 2017

1. GENERAL INFORMATION

Premier Technical Services Group plc (the "Company") is a company incorporated in England and Wales 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.

2. BASIS OF PREPARATION

The interim financial information for the six month period ended 30 June 2017 has not been audited and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The interim financial information for the period ended 30 June 2016 is also unaudited. The comparative figures for the year ended 31 December 2016 do not constitute full financial statements and have been abridged from the full accounts for the year ended on that date, on which the auditors gave an unqualified report.

This unaudited consolidated interim financial information ("interim financial information") has been prepared on a going concern basis under the historical cost convention and is in accordance with AIM Rule 18 in relation to half year reports.

3. 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. For these reasons they continue to adopt the going concern basis in preparing the interim financial information.

4. SIGNIFICANT ACCOUNTING POLICIES

In preparing the unaudited Interim Financial Information, the significant accounting policies, critical accounting estimates and judgements, and financial risk management disclosures, are the same as those set out in the 2016 Annual Report and Accounts.

5. SEGMENTAL ANALYSIS

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 considers the business to be split into three main types of business generating revenue; Access and Safety, Electrical Services and High Level Cleaning.

	Access and Safety £	Electrical Services £	High Level Cleaning £	Group £	Total £
Six months ended 30 June 2017					
Revenue					
Total revenue	9,070,030	11,557,834	1,285,346	–	21,913,210
Total revenue from external customers	9,070,030	11,557,834	1,285,346	–	21,913,210
Operating profit/(loss) before adjusting items	1,460,275	2,612,070	335,038	(33,020)	4,374,363
Restructuring costs	(136,894)	(120,145)	(11,380)	–	(268,419)
Intangible amortisation	(26,167)	(12,500)	–	–	(38,667)
Share options granted to Directors and employees	(1,075,677)	–	–	–	(1,075,677)
Contingent payments in relation to acquisitions	(50,000)	(972,067)	–	–	(1,022,067)
Segmental operating profit/(loss)	171,537	1,507,358	323,658	(33,020)	1,969,533
Net financing costs	(41,357)	(47,078)	(1,425)	(176,737)	(266,597)
Profit/(loss) before taxation	130,180	1,460,280	322,233	(209,757)	1,702,936

5. SEGMENTAL ANALYSIS continued

Six months ended 30 June 2016	Access and Safety £	Electrical Services £	High Level Cleaning £	Group £	Total £
Revenue					
Total revenue	9,540,973	7,394,543	1,538,927	–	18,474,443
Total revenue from external customers	9,540,973	7,394,543	1,538,927	–	18,474,443
Operating profit/(loss) before adjusting items	1,604,962	1,739,770	335,592	(20,083)	3,660,241
Restructuring costs	–	(89,000)	(24,800)	–	(113,800)
One off/pre-acquisition costs	(54,212)	(2,942)	(40,597)	(8,172)	(105,923)
Intangible amortisation	(243,367)	–	–	–	(243,367)
Share options granted to Directors and employees	(284,906)	–	–	–	(284,906)
Contingent payments in relation to acquisitions	(50,000)	(452,019)	(147,178)	–	(649,197)
Segmental operating profit/(loss)	972,477	1,195,809	123,017	(28,255)	2,263,048
Net financing costs	(38,350)	(28,013)	(1,808)	(113,275)	(181,446)
Profit/(loss) before taxation	934,127	1,167,796	121,209	(141,530)	2,081,602
Year ended 31 December 2016 (audited)					
Revenue					
Total revenue	18,869,742	17,606,059	2,718,965	–	39,194,766
Total revenue from external customers	18,869,742	17,606,059	2,718,965	–	39,194,766
Operating profit before adjusting items	3,110,949	3,999,716	747,107	(907)	7,856,865
Restructuring costs	(235,288)	(188,141)	(68,883)	–	(492,312)
Share options granted to Directors and employees	(1,887,400)	–	–	–	(1,887,400)
Amortisation of intangible asset acquired	(486,733)	(12,500)	–	–	(499,233)
Contingent payments in relation to acquisitions	(100,000)	(1,361,043)	(400,000)	–	(1,861,043)
Segmental operating profit/(loss)	401,528	2,438,032	278,224	(907)	3,116,877
Net financing costs	(92,244)	(60,597)	(3,344)	(346,293)	(502,478)
Profit/(loss) before taxation	309,284	2,377,435	274,880	(347,200)	2,614,399

6. EARNINGS PER SHARE

The calculation of basic earnings per share for the half year to 30 June 2017 was based on the profit attributable to ordinary shareholders of £1,026,764 (six months ended June 2016: £1,504,428; year ended 31 December 2016: £2,299,573) and a weighted average number of Ordinary Shares in issue of 89,505,162 (six months ended 30 June 2016: 88,026,169; year ended 31 December 2016: 88,101,562).

The calculation of adjusted earnings per share for the half year to 30 June 2017 was based on the profit before adjusting items of £3,453,350 (six months ended 30 June 2016: £2,805,673; year ended 31 December 2016: £6,721,419) and a weighted average number of Ordinary Shares in issue of 89,505,162 (six months ended 30 June 2016: 88,026,169; year ended 31 December 2016: 88,101,562).

Company information

Registered office

13 Flemming Court
Whistler Drive
Castleford
West Yorkshire
WF10 5HW

Telephone +44 (0) 1977 668 771
Fax +44 (0) 1977 668 772

Registered number 06005074
Website www.ptsg.co.uk

Nominated Adviser and Broker

Numis Securities Ltd
The London Stock Exchange Building
10 Paternoster Square
London
EC4M 7LT

Auditors

PricewaterhouseCoopers LLP
Central Square
29 Wellington Street
Leeds
LS1 4DL

Bankers

HSBC
120 Edmund Street
Birmingham
B3 2QZ

Lawyers

Pinsent Masons LLP
30 Crown Place
Earl Street
London
EC2A 4ES

Gateley Plc
Ship Canal House
98 King Street
Manchester
M2 4WU

Registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU



Premier Technical Services Group PLC

13 Flemming Court
Whistler Drive
Castleford
West Yorkshire
WF10 5HW

Telephone +44 (0) 1977 668 771
Fax +44 (0) 1977 668 772

Registered number 06005074
Website www.ptsg.co.uk