PTSG
PREMIER TECHNICAL SERVICES GROUP PLC

Annual Report 2014

UK’s leading niche specialist services provider

Premier Technical Services Group PLC (PTSG) is the UK's leading niche specialist services provider, offering a range of industry-leading services across its four divisions: Access & Safety, Electrical Services, High Level Cleaning and Training Solutions.

Vision

Our Vision is to be: "the standard against which other companies are measured".

Contents

Financial and Operational Highlights

PTSG has developed quickly and sustainably through acquisition and organic growth. Turnover and adjusted* profit before tax were in line with market forecasts at £18.0m and £3.7m respectively. In 2014, we began the IPO process with the objective of floating on AIM in February 2015, a move that helped us to raise additional funds to support our ongoing strategic growth plans. The primary objective of PTSG's ongoing strategic growth plan is to achieve a balance between financial security, return on equity and growth.

"I am pleased to report our highest levels of revenue, gross profit and underlying profit before tax since the Group's formation in 2007".

John Foley
Chairman

Revenue
£18.0m
+29.6%

Gross profit
£10.3m
+22.8%

EBITDA*
£4.7m
+25.3%

Profit before tax*
£3.7m
+22.2%

* Before adjusting items of £2.5m resulting in a statutory profit before tax of £1.2m.

Operational Highlights

- The acquisition, launch and integration of the trade and assets of Acescott Management Services Ltd – a leading high level cleaning, rope access and working at height company based in London.
- Contract renewal rates reached circa 85%.
- The introduction of dedicated service delivery teams focused on each sector, ensuring an individual, tailored service is delivered to all customers.
- Strengthening our management team including a new Managing Director and a new Financial Director, both from very senior roles within a successful FTSE company.
- The successful integration of Test Strike, our second testing and inspection business acquisition.
- Building on our position as the country's leading access and safety business.
- Continued growth in electrical services with our lightning protection business ranking second in the UK overall.

Group Overview

PTSG at a Glance

PTSG is a leading provider of façade access and fall arrest equipment services, lightning protection, electrical testing, high level cleaning and industry training solutions in the UK.

We supply highly-engineered industrial products and quality services with a substantial presence in a number of focused niche markets.

Our teams are highly trained and experienced ensuring all equipment is always operational and safe. We operate to the latest safety legislation and guidelines and our practices have been recognised by the British Safety Council.

Our products and services put our customers' needs first to bring better value in all that we offer and all that we do.

PTSG is the parent company of PTSG Access and Safety, PTSG Electrical Services, PTSG High Level Cleaning and PTSG Training Solutions.

It provides a central information service for the business and champions the dissemination of key information and best practice. PTSG unites the company's constituent businesses under one clear identity to support the broader use of smarter working as a modern day approach to delivering a top class service for the people we serve.

Due to our office locations we are able to provide full UK coverage and we are happy to take onboard projects of all sizes.

We do everything by word of mouse...

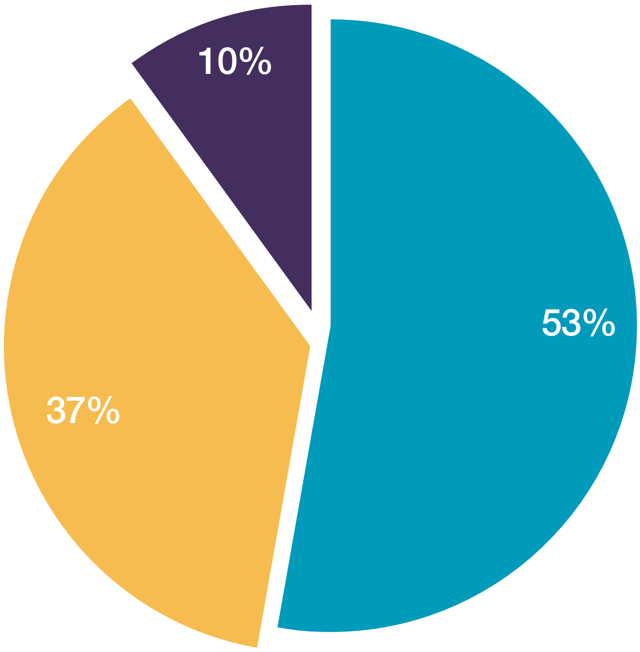
In 2014, we launched MOUSE (Memorable, Outstanding, Unique, Service, Experience), a unique customer focused initiative. MOUSE serves as PTSG's internal conscience, a permanent reminder about why PTSG exists and the importance of getting customer service right – first time, every time. It is the backbone of the company and has become a corporate mascot for all its internal and external communications.

PTSG
PREMIER TECHNICAL SERVICES GROUP
Access and Safety Ltd

PTSG Access and Safety is a leading supplier of 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 are customers reassured by our vast experience, but we also offer a range of other benefits as standard to ensure that your job is completed to the highest standards of quality and safety:

- Helpdesk
- 24 hour call-out
- Health and safety
- Quality accreditations
- Environmental accreditations
- Membership of relevant trade associations



Turnover

- Access and Safety
- Electrial Services
- High Level Clearing

PTSG
PREMIER TECHNICAL SERVICES GROUP

Electrical Services Ltd

PTSG Electrical Services is a leading supplier of lightning and surge protection, PAT testing, fixed wire testing and emergency lighting testing across the UK.

Our work saves lives, time and money. It really is as simple as that.

PTSG Electrical Services is UK CRB/disclosure Scotland approved and is NICEIC registered.

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 customers confident that their staff, buildings and customers are safe.

PTSG
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High Level Cleaning Ltd

PTSG High Level Cleaning delivers industry-leading high level building cleaning solutions for commercial, industrial and public buildings.

Our team has many years' experience in delivering our services at height. Our extensive knowledge of working at height means that we can access virtually any part of any building – either internally or externally for cleaning and refurbishment purposes.

Our services include:

- High level cleaning
- Window and gutter cleaning and maintenance
- Building fabric and specialist cleaning
- Pressure washing

PTSG
PREMIER TECHNICAL SERVICES GROUP

Training Solutions Ltd

PTSG Training Solutions Limited is committed to helping individuals develop their skills and expertise.

Over the years, PTSG's people have worked closely with industry bodies to shape vocational qualifications and training. This knowledge and experience, especially in training for people who work at height, gives PTSG an unrivalled position in being able to offer forward-thinking and responsive workplace training that truly meets the needs of employees and employers alike.

Chairman's Statement

"As Chairman of PTSG, I am extremely proud of our people and their achievements."

John Foley
Chairman

Overview of Results
PTSG's results for the year ended 31 December 2014 showed very strong growth and I am pleased to report our highest levels of turnover, gross profit and underlying profit before taxation since the Group's formation in 2007.

Turnover increased by 30% to £18.0 million (2013: £13.9 million). Gross profit increased by 23% to £10.3 million (2013: £8.4 million) and underlying profit before tax also increased by 22% to £3.7 million (2013: £3.0 million). Adjusted earnings per share increased by 39% to 3.77p (2013: 2.71p). Net debt at 31 December 2014 was £5.0 million which was an increase of £0.4 million from the previous year end and which reflects the increased levels of working capital necessary to fund the larger scale of the Group together with £0.9 million of capital payments to acquire businesses, plant and equipment, net of asset disposals.

Profit before taxation after adjusting items was £1.2 million. Adjusting items are considered to be either one off or non-trading items in nature and include deferred consideration payable to previous business owners who remain as PTSG employees, head office rebuild costs and IPO costs.

2014 was an important year for PTSG for two reasons. First, we took an important step in establishing a high level cleaning division following the acquisition of the trade and certain assets of Acescott Management Services Limited – a leading high level cleaning, rope access and working at height specialist based in London. Second, we undertook the majority of work necessary to take PTSG public and we were formally admitted to AIM on 11 February 2015 as a result of a successful IPO process.

As admission occurred after the financial year end, no further dividends are proposed in respect of the year ended 31 December 2014.

Operational Highlights
Although "buy and build" is an important part of our growth story – we have successfully executed 12 acquisitions since 2007 – it is not at the expense of organic growth. We achieved organic turnover growth of 16% in 2014 if the turnover of 2014 acquisitions is excluded. We secured both numerous new single service contracts with customers and a further number of multi service contracts with large FM customers. There are a number of aspects to our service delivery which we believe are "best in class" including our Contract Renewals, Key Accounts and Health and Safety support functions and these functions continue to be strengthened to assist with the increased scale of operations. Our retention rate on maintenance contract renewals is approximately 85%. Our gross margins remain consistently high and year on year comparisons are mainly impacted by the level of installation work to testing

and repair work. Our business model is centred around a 20% return on turnover at the adjusted EBIT level and this target was once again achieved in 2014.

Strategy
PTSG has a very clear strategy and a tried and tested business model which can successfully convert that strategy into excellent financial performance. PTSG is a niche specialist services provider which seeks to be a market leader in every area in which it operates. Our Access & Safety and Electrical Services divisions already possess sufficient scale to be considered as leading businesses in their respective areas of operation. Our niche focus is a differentiator and the services offered to customers in the FM marketplace have high barriers to entry and regulatory drivers which need an established business model to successfully handle a high volume of low value transactions.

The Board
The Board has been strengthened in recent months to enable us to continue our path of profitable growth as a publicly quoted company. Roger Teasdale and Mark Watford have joined us as Group Managing Director and Group Finance Director respectively to strengthen our executive management team. Roger McDowell and Alan Howarth joined the Board as non-executive Directors in February 2015 when PTSG was admitted to AIM and have a wide range of public company experience to draw upon in their roles with PTSG. Paul Teasdale and I remain as Group Chief Executive and Chairman respectively. The Board recognises the value and importance of high standards of corporate governance and looks forward to working together to direct and oversee the next stage in PTSG's development.

Our People
As a founding shareholder I can remember when our first employee joined in 2007. We now have 230 employees and we are growing with almost every passing month. Since formation we have all been a part of a successful story; we have won industry awards for our service delivery and grown in scale because of the partnership between the Board, our senior management and our employees. This partnership guides our thoughts and actions for the benefit of everyone involved in PTSG. As Chairman of PTSG, I am extremely proud of our people and their achievements and thank them for their continuing efforts.

Outlook
The first three months trading of 2015 have been encouraging and in line with the Board's expectations. We have a significant pipeline of acquisition opportunities which have been internally identified and we expect to conclude our first acquisition as a public company in the second quarter of 2015. We face the future with confidence.

John Foley
Chairman
27 April 2015

Market and Key Performance Indicators

PTSG has a tried, tested and successful business model. The founding partners and shareholders have more than 14 years' experience working together. A clear business plan with both geographical expansion and 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 nationally recognised industry bodies. The company has a proven track record on acquisitions management, integration and growth.

PTSG's market position across its Access and Safety, Electrical Services and High Level Cleaning divisions is as follows:

PTSG
PREMIER TECHNICAL SERVICES GROUP
Access and Safety Ltd

Turnover
£9.59m

EBIT*
£1.74m

Operating Profit*
18.1%

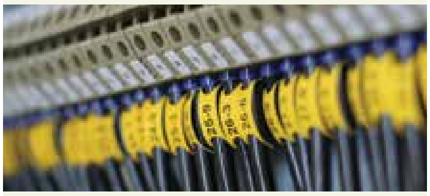
Estimated UK Market Share
5%

- Consistent strong performance
- Consolidation of our market leading position

*Before adjusting items

PTSG PREMIER TECHNICAL SERVICES GROUP

Electrical Services Ltd



Turnover

£6.58m

EBIT*

£1.88m

Operating Profit*

28.5%

Estimated UK Market Share

4%

- Strong organic growth
- Acquisitions successfully integrated
- Service offering expanded into electrical testing

*Before adjusting items

PTSG PREMIER TECHNICAL SERVICES GROUP

High Level Cleaning Ltd

Turnover

£1.83m

EBIT*

£0.42m

Operating Profit*

22.7%

Estimated UK Market Share

3%

- Acescott fully integrated into PTSG model
- Expanded service offering to PTSG's and Acescott's existing customer base
- Enhances cross selling opportunities to drive organic growth

*Before adjusting items

PTSG PREMIER TECHNICAL SERVICES GROUP

Training Solutions Ltd

- Acquisition to be targeted to expand this division

Market and Key Performance Indicators
continued

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
- Huge customer base

Margin sustainability
- Contract renewal rates circa 85%
- Largest UK repair and maintenance contract base in Access and Safety
- Seven 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 to whom we began by delivering access and safety services. Now, they are taking advantage of our wider service offerings including electrical 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.

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

- Revenue growth: 30% (2013: 15%)
- Gross profit percentage: 57.3% (2013: 60.5%)
- Operating profit before adjusting items £4,007,400 (2013: £3,159,912)
- Profit before tax before adjusting items £3,702,370 (2013: £3,029,118)

Additional key performance indicators specific to certain revenue streams:
- Customer renewal rates
- New sales generation
- Service delivery performance

Acquisition Case Study 1 – Thor Lightning Protection

Acquired in December 2010 for £1. Turnover of £572k and an operating loss of £167k for year ended 31 December 2010 and external debt of £35k.

Immediately after the acquisition, PTSG cut out unnecessary expenditure and implemented our operating procedures and policies. This coupled with the ability to offer new services to our existing customer base enabled the business to increase its turnover to £1.3m in 2011 and generate an operating profit of £374k* pre-exceptional items.

In 2012, we continued to successfully grow Thor and the outturn was an operating profit of £493k* on a turnover of £1.8m.

The knowledge gained through the successful integration of Thor gave the Group a strong base on which to develop its Electrical Services division.

*Pre-management charge

Chief Executive's Review

"PTSG enjoyed another fantastic year in 2014 as we continued our rapid growth since foundation in 2007.

It was a year structured with high-profile appointments, headline-grabbing contract wins and prestigious accolades."

Paul Teasdale
Chief Executive Officer

Overview
In 2014, PTSG comprised four offerings: Access and Safety, Electrical Services, High Level Cleaning and Specialist Training. We expanded into high level cleaning and maintenance with the acquisition of the trade and assets of Acescott Management Services Limited ("Acescott") in July 2014, Acescott contributed £0.41m to adjusted operating profits in 2014.

Topline performance has remained strong with turnover increasing to £18.0m (2013: £13.9m), and operating profits before adjusting items increasing by 27% to £4.0m (2013: £3.2m), driven by robust adjusted EBIT margins which remained consistently high at 22.3%, reflecting the specialist and skilled nature of our activities, our strong focus on cost control and operating model, while remaining competitive on pricing. Statutory profit before tax after adjusting items was £1.2m.

We have also delivered strong organic growth across the Group – most notably in electrical services where revenue grew by 58% and adjusted operating profits by 56%. Our niche specialist services are sold on a recurring basis under contract to a retained customer base. We have continued our high client retention figure of over 85% on annual orders, driven by the quality of service and our competitive pricing.

Market environment
Demand for our services is underpinned by regulatory requirements around the installation, maintenance and testing of access and safety systems, lightning protection and electrical equipment, as well as insurance compliance requirements, and general repair and maintenance.

Many of our customers are streamlining their businesses through supplier rationalisation, moving to single source supply, which is benefiting the Group and is expected to continue in the future.

Acquisition Case Study 2 – Test Strike

TEST Strike uk Ltd
Lightning Protection Testing

Acquired in November 2013 and brought into line with the PTSG operating model, Test Strike is already delivering beyond initial forecasts and expectations.

For the year ended 31 August 2013, Test Strike achieved turnover of £823k and generated an operating profit of £123k. Implementing PTSG's operating policies and procedures, together with back office support, has enabled Test Strike to increase its turnover in 2014 to £1.3m generating an operating profit* of £586k.

*Pre-management charge

Revenue	Operating profits*
£1.3m	**£0.6m**
+58%	+376%

Chief Executive's Review continued

Strategy
We aim to build our market share in each of our niche services, to markets characterised by high regulation, long-term growth drivers, and non-discretionary spend for customers.

As the UK's market leader in access and safety services and one of the industry's leading lightning protection businesses, we are well positioned to capitalise on our recent entry into the high level cleaning market, with organic growth and cross selling opportunities.

Our major customers include the US Air Force, Marks & Spencer plc, Royal Bank of Scotland plc, Unite, Sheffield Hallam University, Network Rail, Harrods, Motorola, Airbus, Morgan Sindall, Willmott Dixon, Carillion, Barclays, Land Securities, Land Rover and Manchester United plc.

Our strategy is to generate significant shareholder value through organic growth, including cross-selling, and complementary acquisitions. Just 5% of customers currently receive multiple lines of service, with considerable scope to improve this and increase profitability.

While we are already a market leader in a number of our operations, we still have a less than 10% share in our principal markets and there is significant scope for growth.

Acquisitions
PTSG has a track record of successfully integrating acquisitions in complementary areas of activity and driving improved operational and financial performance. We are committed to pursuing acquisition opportunities in existing and adjacent markets, with a view to cross-selling services and leveraging our client base. We are attracted to opportunities in our core markets, where owner-managers are interested in playing a role in the enlarged business.

PTSG's first acquisition, National Cradle Maintenance Limited, was in 2007, and was funded by £0.9 million of equity from the founders. Since then we have made 11 subsequent acquisitions, at a total consideration of £7.2 million, and our most recent acquisition Acescott, was completed in July 2014.

Our in-house acquisitions team considers a strong pipeline of opportunities, including bolt-ons to existing divisions and businesses with activities in new and adjacent sectors. The Board will consider acquisitions that allow the Group to enter attractive new markets where we can leverage our operational and managerial framework; expand existing operations geographically to increase our penetration of the UK market; and grow operations in an existing market and geography, leveraging economies of scale to improve margins.

We have a pipeline of acquisition opportunities which will carry us through 2015, 2016 and 2017. Our first acquisition is planned for the second quarter of 2015.

We already carry out training, but only on a limited scale, and we are confident that a training division will complement the Group's other activities. Over 2015 and 2016 we intend to significantly expand the Group's specialist training activities by acquisition. For instance, certification is already an important part of the Access and Safety and Electrical Services divisions, and the Group also provides its own engineers with regular training to maintain their compliance with any changes to the inspection and testing regimes.

Divisional results
We have achieved strong levels of organic growth by improving operational processes and efficiencies, reducing costs, being more competitive and establishing new partnerships and relationships.

Over 2014, we spent £0.1m on software development to increase productivity, efficiency and reduce costs. We have also signed new supply chain and framework agreements, including Mitie and Interserve, and renewed our three year contract with M&S.

Access and Safety is the Group's largest and longest established division, and provides maintenance, inspection and testing solutions for the highly-regulated area of "working at height", as well as the design and installation of permanently installed façade access and fall arrest equipment. Contracts often include both the initial installation of access solutions and ongoing maintenance. The majority of clients enter into a contract for a period of three to five years.

The division generated sales of £9.6m and adjusted EBIT of £1.7m for the year ended 31 December 2014.

Electrical Services is currently the Group's second largest division, with sales of £6.6m and adjusted EBIT of £1.9m in the year ended 31 December 2014. The division is an established provider of lightning and surge protection systems, PAT testing and fixed wire testing services. It is involved in both installation services and the maintenance, testing and repair of systems. Lightning protection is the largest business within PTSG Electrical Services.

Our newest division is PTSG High Level Cleaning. Our acquisition of Acescott, an established business with expertise in the design and application of cleaning systems for large and complex buildings in July 2014, contributed £0.4m to adjusted operating profits and £1.8m of revenue to the Group for the year ended 31 December 2014.

High Level Cleaning includes a wide range of specialist cleaning services, from commercial window cleaning to pressure washing of cladding, façades, guttering and rooftops and graffiti and chewing gum removal. Customers' buildings include office blocks, shopping centres, factories and hotels. PTSG has a clear advantage in tailoring projects that require complex access systems to clean and maintain buildings externally with minimal disturbance to the occupiers.

"Pipeline of acquisition opportunities for 2015, 2016 and 2017."

Paul Teasdale
Chief Executive Officer

New staff
We have a highly experienced management team with extensive industry experience that is focused on creating shareholder value through organic and acquisitive growth. Over 2014 we welcomed two new executive members to strengthen our Board, who each bring a wealth of experience and knowledge, and will help to drive PTSG forward and achieve our strategic goals. Mark Watford 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. Roger Teasdale joined the Group as Managing Director on 17 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.

Since the end of the year we have also welcomed Alan Howarth and Roger McDowell as Non-executive Directors. 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 was managing director of Oliver Ashworth for 18 years and led its main market listing and subsequent sale to Saint-Gobain S.A. He is currently the chairman or a non-executive director of eight quoted companies.

Outlook for 2015
We have had a good start to 2015 and continue to trade in line with our expectations. Our first acquisition is planned for the second quarter of 2015, with a good pipeline of future opportunities.

On 11 February 2015 we listed on AIM, raising £5m for PTSG, and were delighted to become the first Yorkshire-based business to IPO in 2015. We are acutely aware of the need to continually reinvest in the Group in order to promote future growth, both organically and through acquisition.

Customer Quotes

PTSG receives great feedback every day of the week, which is a great testament to the work that the team delivers day in, day out. Here are just a few of our customers' comments about the company's work.

MARKS & SPENCER

Jenni Harcombe, PPM and Compliance Support Manager for FM at Marks and Spencer, said: "PTSG is by far our best FM supplier. Their unique delivery model ensures that they work consistently and deliver to a fantastic standard. I really can't speak highly enough of the work that PTSG does for us."

The heart of student living UNITE

Gary Haines from UNITE, said: "PTSG gets what true partnership is actually all about and that effective communication is fundamental to maintain transparency and trust. This is helping from a continuous improvement perspective where compliance and the right corrective actions are making a real difference to both businesses.

"PTSG has developed an understanding of UNITE's building characteristics so that the team can deliver a bespoke, on-site management service. Acting as facilities officers, porters, informal security and technician, the company's building managers ensure that UNITE receives a consistent, high quality service."

Tube Lines

Simon Pateman, Stations Manager at Tubelines, said: "PTSG has developed processes for ensuring that innovation is driven through their relationship at all levels.

"We are benefiting through pooling knowledge and resources to identify value creation and innovation opportunities. Both organisations have worked hard to implement changes that add value to the relationship.

"We have created an effective operational environment to harness the value of partnership working to deliver individual and collective business goals.

"Together, through strong and effective collaborative working, we are keeping London on the move."

www.ptsg.co.uk

Principal Risks

The Board carefully considers the risks facing the Group and endeavours to minimise the impact of those risks. The key risks are as follows:

Failure of product or system could result in litigation, damage to the Group's reputation and potentially the loss of customers.

Description
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.

Mitigation
The Group has strong risk management policies, procedures and management systems throughout the organisation. These have been assessed as compliant to regulatory requirements by our stakeholders and internal health & 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.

Ability to attract, retain and develop a sufficiently skilled and experienced workforce to meet the targets set by the Group and its customers.

Description
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 and may be difficult to replace.

Mitigation
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.

Description
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.

Mitigation
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.

Commercial construction market and general economic conditions.

Description
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.

Mitigation
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.

Description
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.

Mitigation
The Group has already identified several businesses which the Board will consider acquiring in 2015. 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.

Description
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.

Mitigation
The Group has a strong track record of organic growth and has invested in its staff, systems and procedures to ensure that they deliver exceptional services to its customers. Such service will help retain existing customers and attract new customers. Complementary acquisitions will aid market penetration.

Third parties and retained sub-contractors.

Description
Third parties or sub-contractors retained by the Group may be involved in improper activities which result in penalties or loss of reputation.

Mitigation
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.

Description
A fire, explosion, flood, earthquake or hurricane at a major site could result in the inability to meet customer orders.

Mitigation
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. The Group's disaster recovery plans were tested in March 2014 when a construction work related incident resulted in a significant temporary loss of primary data. However, the Group's operations remained uninterrupted.

Strategic report
The Strategic report was approved by the Board of Directors on 27 April 2015 and signed on its behalf by:

PW Teasdale
Chief Executive Officer
27 April 2015

Board of Directors

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 eight listed companies, namely Avingtrans plc, Servelec Group plc, Inspired Capital plc, Alkane Energy plc, Swallowfield plc, IS Solutions plc, Proteome Sciences plc and Augean 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 intends to apply those principles since admission.

Board
The Board will be 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 will be a formal schedule of matters specifically reserved for decision by the Board. Such reserved matters will include, amongst other things, approval of significant capital expenditure, material business contracts and major corporate transactions. The Board will formally meet on a monthly basis to review performance.

The Board will have 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 will be 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, Alan Howarth and Roger McDowell and will be 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 will also meet regularly with the Company's external auditors.

Remuneration committee
The remuneration committee will be 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 will be a matter for the Chairman and the executive members of the Board. No Director will be involved in any decision as to his or her own remuneration.

The remuneration committee comprises John Foley, Alan Howarth and Roger McDowell and will be chaired by John Foley. The remuneration committee will meet 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 will take 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 2014 and has a full programme of Board meetings planned for 2015. 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 advisers 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 publicly 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 Review 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 provides information on the business and the services offered by the divisions of the Group.

The Chief Executive is responsible for ongoing 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
27 April 2015

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 December 2014.

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.

The Company was listed on AIM, part of the London Stock Exchange on 11 February 2015.

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 24 to 46.

Dividends
Following admission the Board has adopted a progressive dividend policy that will take account 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 24 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 page 16. Mark Watford was appointed as a Director on 15 September 2014, Roger Teasdale was appointed as a Director on 10 February 2015 and Alan Howarth and Roger McDowell were appointed as Directors on 11 February 2015.

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. Mark Watford, Roger Teasdale, Alan Howarth and Roger McDowell will seek re-election given they were appointed since the last Annual General Meeting. 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.

	31 December 2014		31 December 2013	
	Number of shares	**% of issued share capital**	Number of shares	% of issued share capital
John Foley	**270,000**	**35%**	270,000	35%
Paul Teasdale	**270,000**	**35%**	270,000	35%
Mark Watford	**–**	**–**	N/A	N/A

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 during 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.

As at 24 April 2015, 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	25,076,923	28.9%
Paul Teasdale	25,076,923	28.9%
Hawk Investment Holdings Ltd	21,219,723	24.5%
Slater Investments Ltd	3,365,384	3.9%

On 11 February 2015, Roger Teasdale, Roger McDowell and Mark Watford purchased 269,827, 269,828 and 57,692 shares respectively, representing 0.31%, 0.31% and 0.07% of the new issued share capital.

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 £0.1m (2013: £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
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 11 February 2015 the Company was admitted to AIM and £5,000,000 was raised (before expenses) for the Company (see note 29).

Annual General Meeting
The Company's Annual General Meeting will be held at 13 Flemming Court, Whistler Drive, Castleford WF10 5HW on 29 June 2015. 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 reappoint 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 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 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 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
27 April 2015

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 2014 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

Premier Technical Services Group plc's financial statements comprise:
- the consolidated balance sheet as at 31 December 2014;
- 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 21, 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 2014.

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

27 April 2015

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2014

	Note	**Year ended 31 December 2014** Before adjusting items £	Adjusting items (note 6) £	Total £	Year ended 31 December 2013 Before adjusting items £	Adjusting items (note 6) £	Total £
Revenue	4	**18,002,687**	**–**	**18,002,687**	13,886,853	–	13,886,853
Cost of sales		**(7,683,423)**	**–**	**(7,683,423)**	(5,485,852)	–	(5,485,852)
Gross profit		**10,319,264**	**–**	**10,319,264**	8,401,001	–	8,401,001
Net operating costs	6	**(6,311,864)**	**(2,529,716)**	**(8,841,580)**	(5,241,089)	(514,773)	(5,755,862)
Total operating profit		**4,007,400**	**(2,529,716)**	**1,477,684**	3,159,912	(514,773)	2,645,139
Finance costs	7	**(305,030)**	**–**	**(305,030)**	(130,794)	–	(130,794)
Finance income	8	**–**	**–**	**–**	–	–	–
Profit before taxation		**3,702,370**	**(2,529,716)**	**1,172,654**	3,029,118	(514,773)	2,514,345
Taxation	10	**(794,752)**	**154,138**	**(640,614)**	(665,241)	50,919	(614,322)
Profit attributable to owners of the parent		**2,907,618**	**(2,375,578)**	**532,040**	2,363,877	(463,854)	1,900,023
Total comprehensive income for the year attributable to owners of the parent		**2,907,618**	**(2,375,578)**	**532,040**	2,363,877	(463,854)	1,900,023
Earnings per share (pence):							
Basic and diluted earnings per share	11			**0.69**			2.18

The notes on pages 28 to 46 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

	Note	Attributable to owners of the parent Share capital £	Capital redemption reserve £	Retained earnings £	Total £	Non-controlling interest £	Total equity £
Balance at 31 December 2012		**900,010**	**–**	**3,207,095**	**4,107,105**	**179**	**4,107,284**
Profit for the year		–	–	1,900,023	1,900,023	–	1,900,023
Total comprehensive income		**–**	**–**	**1,900,023**	**1,900,023**	**–**	**1,900,023**
Transactions with owners						–	
Share buy back		(128,573)	128,573	(4,038,572)	(4,038,572)	–	(4,038,572)
Ordinary dividends paid		–	–	(754,917)	(754,917)	–	(754,917)
Transactions with owners		**(128,573)**	**128,573**	**(4,793,489)**	**(4,793,489)**	**–**	**(4,793,489)**
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							
Value of employee services		–	–	165,418	165,418	–	165,418
Ordinary dividends paid	24	–	–	(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**

The notes on pages 28 to 46 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet
as at 31 December 2014

	Note	2014 £	2013 £
Assets			
Non-current assets			
Goodwill	12	**3,615,748**	3,539,257
Intangible assets	12	**–**	–
Property, plant and equipment	13	**1,340,886**	1,075,740
Deferred tax asset	21	**–**	33,408
Total non-current assets		**4,956,634**	4,648,405
Current assets			
Inventories	15	**201,560**	145,476
Trade and other receivables	16	**8,060,904**	5,417,116
Cash and cash equivalents	17	**–**	372,917
Total current assets		**8,262,464**	5,935,509
Liabilities			
Current liabilities			
Trade and other payables	18	**4,408,865**	2,650,432
Bank overdraft, net of cash	17	**1,260,845**	–
Finance leases	19	**474,529**	369,956
Borrowings	19	**1,000,000**	1,250,000
Deferred consideration	20	**899,440**	100,000
Current tax liabilities		**440,282**	400,467
Total current liabilities		**8,483,961**	4,770,855
Net current (liabilities)/assets		**(221,497)**	1,164,654
Non-current liabilities			
Borrowings	19	**2,750,000**	3,750,000
Finance leases	19	**357,715**	349,241
Deferred tax liability	21	**6,146**	–
Deferred consideration	20	**500,000**	500,000
Total non-current liabilities		**3,613,861**	4,599,241
Net assets		**1,121,276**	1,213,818
Equity attributable to the owners of the parent			
Share capital	22	**771,437**	771,437
Capital redemption reserve	23	**128,573**	128,573
Retained earnings	23	**221,087**	313,629
		1,121,097	1,213,639
Non-controlling interests		**179**	179
Total equity		**1,121,276**	1,213,818

The consolidated financial statements on page 24 to 46 were approved by the Board of Directors on 27 April 2015 and were signed on its behalf by:

P W Teasdale
Chief Executive Officer

Consolidated Cash Flow Statement

for the year ended 31 December 2014

	Note	2014 £	2013 £
Cash flows from operating activities			
Profit after taxation		**532,040**	1,900,023
Adjustments for:			
Income tax charge	10	**640,614**	614,322
Depreciation	13	**700,813**	596,972
Amortisation of intangible assets	12	**–**	29,167
Profit on disposal of property, plant and equipment	9	**(128,250)**	(136,625)
Finance costs	7	**305,030**	130,794
Share based payments	14	**165,418**	–
		2,215,665	3,134,653
Changes in working capital:			
Decrease/(increase) in inventories		**(56,084)**	(30,167)
(Increase)/decrease in trade and other receivables		**(1,593,043)**	(1,569,487)
Decrease in creditors due to deferred remuneration		**–**	–
Increase in trade and other payables		**2,069,034**	302,641
Cash generated from operations		**2,635,572**	1,837,640
Interest paid		**(305,030)**	(130,794)
Interest received		**–**	–
Tax paid		**(561,245)**	(872,178)
Net cash inflow from operating activities		**1,769,297**	834,668
Cash flows from investing activities			
Acquisition of businesses		**(350,000)**	(788,776)
Purchase of property, plant and equipment		**(346,536)**	(348,995)
Purchase of intangible assets		**–**	–
Payment of deferred consideration		**(327,540)**	(60,625)
Net proceeds from sale of property, plant and equipment		**128,250**	264,616
Net cash outflow from investing activities		**(895,826)**	(933,780)
Cash flows from financing activities			
Proceeds from borrowings		**–**	5,000,000
Repayment of bank borrowings		**(1,250,000)**	–
Capital element of finance lease payments		**(467,233)**	(376,204)
Purchase of own shares		**–**	(4,038,573)
Dividends paid		**(790,000)**	(754,917)
Net cash outflow from financing activities		**(2,507,233)**	(169,694)
Net decrease in cash and cash equivalents		**(1,633,762)**	(268,806)
Cash and cash equivalents at 1 January		**372,917**	641,723
Cash and cash equivalents at 31 December	17	**(1,260,845)**	372,917

The notes on pages 28 to 46 are an integral part of these consolidated 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.

The first consolidated financial statements which were prepared under IFRS as adopted by the European Union, are the Historical Financial Information included within the AIM Admission Document. A copy of these financial statements can be obtained from the Group's website www.ptsg.co.uk. The date of transition to IFRS was 1 January 2011, and disclosures concerning the transition from UK GAAP to IFRS are detailed in note 30 of the AIM Admission Document. Therefore, the consolidated financial statements for the year ended 31 December 2014 do not constitute the first IFRS financial statements of the Group, and accordingly no associated disclosures are provided.

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 19 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 standards as of 1 January 2014:

IFRS 10 'Consolidated financial statements' (effective from periods beginning on or after 1 January 2014). This standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. This standard is not expected to have a material impact on the Group's consolidated financial information.

IFRS 11, 'Joint arrangements' (effective from periods beginning on or after 1 July 2013) reduces the types of joint arrangements to two: joint operations and joint ventures. The existing policy choice of proportionate consolidation for jointly controlled entities has also been eliminated. Equity accounting is mandatory for participants in joint ventures.

IFRS 12, 'Disclosure of interests in other entities' (effective from periods beginning on or after 1 January 2013) sets out the disclosure requirements in the financial statements in respect of IFRS 10 and IFRS 11. The key additional disclosure above those already required under existing standards, is that additional information is required on the nature, risks and financial effects of the company's interests in other entities. Further disclosure is required about the significant judgements and assumptions made in determining the classification of the investments.

2. ACCOUNTING POLICIES continued

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 2014, 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 2017 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.

(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:

- Leasehold improvements – depreciated over term of lease
- Fixture and fittings – 25% on cost
- Motor vehicles – 33% on cost
- Equipment – 25–33% 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.

Notes to the Consolidated Financial Statements continued

2. ACCOUNTING POLICIES continued

(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.

(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.

2. ACCOUNTING POLICIES continued

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.

(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).

Notes to the Consolidated Financial Statements continued

2. ACCOUNTING POLICIES continued

(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.

(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.

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 12.

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.

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.

Notes to the Consolidated Financial Statements continued

4. SEGMENTAL REPORTING continued

	2014				
	Access and Safety £	Electrical Services £	High Level Cleaning £	Group £	Total £
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 relations 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**

4. SEGMENTAL REPORTING continued

	2013			
	Access and Safety £	Electrical Services £	Group £	Total £
Revenue				
Total revenue	9,728,660	4,158,193	–	13,886,853
Total revenue from external customers	**9,728,660**	**4,158,193**	**–**	**13,886,853**
Operating profit before adjusting items	1,953,646	1,206,266	–	3,159,912
Restructuring and rebranding costs	(212,693)	(12,288)	–	(224,981)
Amortisation of intangible assets	(29,167)	–	–	(29,167)
Contingent payments in relation to acquisitions	–	(260,625)	–	(260,625)
Segment operating profit	**1,711,786**	**933,353**	**–**	**2,645,139**
Net finance cost	–	–	(130,794)	(130,794)
Profit before taxation	**1,711,786**	**933,353**	**(130,794)**	**2,514,345**
Other segmental items				
Segment assets	6,538,159	2,971,561	1,074,194	10,583,914
Segment liabilities	(6,243,499)	(2,899,188)	(227,409)	(9,370,096)
Capital expenditure	455,747	351,732	–	807,479
Depreciation	409,801	187,171	–	596,972

Segmental operating profit

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

	Access and Safety £	Electrical Services £	Total £
Adjusted EBITDA	2,363,447	1,393,437	3,756,884
Depreciation	(409,801)	(187,171)	(596,972)
Operating profit before adjusting items	1,953,646	1,206,266	3,159,912
Restructuring costs and rebranding costs	(212,693)	(12,288)	(224,981)
Amortisation of intangible assets	(29,167)	–	(29,167)
Contingent payments in relation to acquisitions	–	(260,625)	(260,625)
Statutory operating profit	**1,711,786**	**933,353**	**2,645,139**

Notes to the Consolidated Financial Statements continued

5. EMPLOYEES AND DIRECTORS

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

	2014 £	2013 £
Wages and salaries	**6,250,722**	4,553,989
Defined contribution pension cost (note 5d)	**20,049**	12,987
Share options granted to directors and employees (note 14)	**165,418**	–
Social security costs	**673,145**	492,461
	7,109,334	5,059,437

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

	2014 Number	2013 Number
By reportable segment		
Access and Safety	**102**	88
Electrical Services	**84**	54
High Level Cleaning	**25**	–
	211	142

(b) Key Management

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

	2014 £	2013 £
Aggregate emoluments	**693,354**	640,000
	693,354	640,000

(c) Directors' emoluments

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

	2014 £	2013 £
Aggregate emoluments	**270,873**	232,934
Compensation for loss of office	**–**	25,000
	270,873	257,934

Directors Aggregate emoluments

	2014 £	2013 £
P W Teasdale	**124,100**	124,056
J R Foley	**101,579**	101,488
M I Watford	**45,194**	–
S R Shipley	**–**	32,390
	270,873	257,934

(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 £20,049 (2013: £12,987).

6. NET OPERATING COSTS

	2014 £	2013 £
Distribution costs	**331,162**	288,313
Administration costs	**8,638,668**	5,604,174
Other operating income	**(128,250)**	(136,625)
	8,841,580	5,755,862

6. NET OPERATING COSTS continued

The following adjusting items have been included in administration costs.

	2014 £	2013 £
Amortisation of intangible assets	**–**	29,167
Rebranding and refinancing costs	**500**	151,340
Restructuring and start up costs	**321,334**	73,641
IPO costs	**516,740**	–
Head office rebuild costs	**530,224**	–
Share options granted to directors and employees	**165,418**	–
Contingent payable in relation to acquisitions	**995,500**	260,625
	2,529,716	514,773

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, the Company was admitted to AIM. Certain costs relating to this have been charged in 2014.

There was a partial collapse of the Company's Head Office. The full cost of the rebuild is being pursued through an insurance claim. 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

	2014 £	2013 £
Interest costs:		
Interest payable on borrowings	**220,291**	66,639
Interest arising from finance leases	**84,739**	64,155
	305,030	130,794

8. FINANCE INCOME

	2014 £	2013 £
Interest income	**–**	–

9. PROFIT BEFORE TAXATION – ANALYSIS BY FUNCTION

Profit before taxation is stated after charging/(crediting):

	2014 £	2013 £
Net operating costs		
– Distribution costs	**331,162**	288,313
– Administrative costs	**8,638,668**	5,604,174
– Other operating income	**(128,250)**	(136,625)
Employment benefit expense	**7,109,334**	5,059,437
Depreciation of property, plant and equipment – leased	**618,855**	518,786
Depreciation of property, plant and equipment – owned	**81,958**	78,186
Amortisation of intangible assets	**–**	29,167
Profit on the sale of property, plant and equipment	**(128,250)**	(136,625)
Operating lease rentals		
– land and building	**173,503**	139,150

Notes to the Consolidated Financial Statements continued

9. PROFIT BEFORE TAXATION – ANALYSIS BY FUNCTION continued

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

	2014 £	2013 £
Fees payable to Company's auditor and its associates for the audit of Consolidated financial statements	**9,600**	3,000
Fees payable to Company's auditor and its associates for other services:		
– The audit of Company's subsidiaries	**52,400**	18,000
– Other services	**175,000**	–
– Tax compliance	**13,000**	11,000
– Tax advisory services	**–**	15,000
	250,000	47,000

10. TAXATION

Analysis of charge in year	2014 £	2013 £
Current tax on profits for the year	**617,115**	606,644
Adjustments in respect of prior years	**(16,365)**	(3,350)
Total current tax	**600,750**	603,294
Origination and reversal of temporary differences	**39,864**	11,028
Total deferred tax (note 21)	**39,864**	11,028
Income tax charge	**640,614**	614,322

The tax charge for the year differs from the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	**1,172,654**	2,514,345
Profit on ordinary activities multiplied by the rate of corporation tax in the UK	**252,121**	584,585
Effects of:		
Other expenses not deductible	**400,903**	41,320
Capital allowances less than/(in excess of) depreciation	**(9,591)**	(2,759)
Income not assessable	**(27,564)**	(26,062)
Other adjustments	**41,110**	44,197
Utilisation of tax losses	**–**	(23,609)
Prior year adjustment	**(16,365)**	(3,350)
Total taxation charge	**640,614**	614,322

Factors affecting current and future tax charges

The Finance Act 2013, which provides for a reduction in the main rate of UK corporation tax to 21% effective from 1 April 2014 and 20% from 1 April 2015, was enacted on 17 July 2013. As this legislation was substantively enacted prior to the balance sheet date, the closing deferred tax asset has been valued at 20% at 31 December 2014.

11. 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 22. The issued ordinary share capital of the Company immediately prior to the Placing and Admission is 77,142,800 Ordinary Shares of one penny each.

The calculation of basic and diluted earnings per Ordinary Share 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 2014 was based on the profit attributable to ordinary shareholders of £532,040 (year ended 31 December 2013: £1,900,023).

	2014 £	2013 £
Profit for the year attributable to owners of the parent	**532,040**	1,900,023
Weighted average number of ordinary shares in issue for the basic earnings per share	**77,142,800**	87,260,400
Basic and diluted earnings per share (in pence per share)	**0.69**	2.18

The calculation of adjusted earnings per share for the year ended 31 December 2014 was based on the profit before adjusting items of £2,907,618 (Year ended 31 December 2013: £2,363,877).

	2014 £	2013 £
Adjusted earnings	**2,907,618**	2,363,877
Weighted average number of shares	**77,142,800**	87,260,400
Earnings per share (pence)	**3.77**	2.71

12. INTANGIBLE ASSETS

	Goodwill £	Licence £	Total £
Cost			
At 31 December 2012	**2,650,839**	**50,000**	**2,700,839**
Additions	1,152,475	–	1,152,475
Disposals	–	(50,000)	(50,000)
At 31 December 2013	**3,803,314**	**–**	**3,803,314**
Additions	76,491	–	76,491
Disposals	–	–	–
At 31 December 2014	**3,879,805**	**–**	**3,879,805**
Accumulated amortisation			
At 31 December 2012	**264,057**	**20,833**	**284,890**
Charge for the year	–	29,167	29,167
On disposals	–	(50,000)	(50,000)
At 31 December 2013	**264,057**	**–**	**264,057**
Charge for the year	–	–	–
On disposals	–	–	–
At 31 December 2014	**264,057**	**–**	**264,057**
Net book amount			
At 31 December 2014	**3,615,748**	**–**	**3,615,748**
At 31 December 2013	3,539,257	–	3,539,257

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.

Notes to the Consolidated Financial Statements continued

12. 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:

	2014 £	2013 £
Access and Safety	**1,802,070**	1,802,070
Electrical Services	**1,737,187**	1,737,187
High Level Cleaning	**76,491**	–
Total goodwill	**3,615,748**	3,539,257

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.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold £	Motor vehicles £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost					
At 31 December 2012	**–**	**1,357,223**	**98,683**	**361,758**	**1,817,664**
Additions	9,851	765,385	32,957	49,091	857,284
Disposals	–	(531,698)	–	(1,502)	(533,200)
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**
Accumulated depreciation					
At 31 December 2012	**–**	**554,952**	**64,483**	**254,506**	**873,941**
Charge for the year	157	518,786	16,802	61,227	596,972
Transfers	–	–	91	(91)	–
On disposals	–	(403,403)	–	(1,502)	(404,905)
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**
Net book amount					
At 31 December 2014	**8,754**	**1,082,996**	**80,355**	**168,781**	**1,340,886**
At 31 December 2013	9,694	920,575	50,264	95,207	1,075,740

Finance lease commitments

Included in motor vehicles are assets held under finance leases with a net book value of £1,082,996 (2013: £920,575) and accumulated depreciation of £948,689 (2013: £670,335).

14. SHARE-BASED PAYMENT

As at 31 December 2014 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.

14. SHARE-BASED PAYMENT continued

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:

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

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 and the milestone targets are unlikely to be met in the foreseeable future, there is no material charge to be reflected in the financial statements for the current year and no further disclosures have been made.

In addition to the above, under the terms of Roger Teasdale's service agreement with the Company he is entitled, provided that he is still employed by the Company on or after 16 November 2015, to require the transfer to him, for nil consideration, ownership of 5% in aggregate of the current issued share capital of the Company, being approximately 4.4% of the enlarged share capital. 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 have 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 has been calculated based on the fair value of the shares at the grant date given that there are no performance conditions, a service condition of one year and the exercise price of £nil.

The fair value of the award is being expensed to the income statement over the vesting period on a straight-line basis with the corresponding credit to equity. As at 31 December 2014, the charge to the income statement was £165,418.

15. INVENTORIES

	2014 £	2013 £
Finished goods	**201,560**	145,476

16. TRADE AND OTHER RECEIVABLES

	2014 £	2013 £
Amounts falling due within one year:		
Trade receivables	**6,976,593**	4,659,479
Less: provision for impairment of trade receivables	**(152,761)**	(366,638)
Trade receivables – net	**6,823,832**	4,292,841
Other receivables	**571,986**	604,391
Prepayments	**665,086**	519,884
	8,060,904	5,417,116

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;

	2014 £	2013 £
Impaired		
Over 90 days	**152,761**	366,638
	152,761	366,638
Not impaired		
Less than 90 days	**5,120,095**	4,082,188
Over 90 days	**1,703,737**	210,653
	6,823,832	4,292,841

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

Notes to the Consolidated Financial Statements continued

16. TRADE AND OTHER RECEIVABLES continued

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

	2014 £	2013 £
At 1 January	**366,638**	533,482
Provision for receivables impairment	**–**	–
Receivables written off during the year as uncollectible	**(213,877)**	(38,728)
Unused amounts reversed	**–**	(128,116)
At 31 December	**152,761**	366,638

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

17. CASH AND CASH EQUIVALENTS

	2014 £	2013 £
Cash and cash equivalents	**1,828,570**	1,294,921
Bank overdrafts	**(3,089,415)**	(922,004)
	(1,260,845)	372,917

18. TRADE AND OTHER PAYABLES

	2014 £	2013 £
Trade payables	**1,382,736**	626,984
Other tax and social security payable	**901,648**	602,732
Accruals and other payables	**2,124,481**	1,420,716
	4,408,865	2,650,432

19. BORROWINGS

Book value	2014 £	2013 £
Non-current		
Bank borrowings	**2,750,000**	3,750,000
Finance lease liabilities	**357,715**	349,241
Total non-current	**3,107,715**	4,099,241
Current		
Bank borrowing	**1,000,000**	1,250,000
Finance lease liabilities	**474,529**	369,956
Total current	**1,474,529**	1,619,956
	4,582,244	5,719,197

The bank loan, totalling £3,750,000 is repayable over a remaining four years. The interest rate of the bank borrowings is LIBOR plus 4.50% and is paid in line with the quarterly repayment dates.

The loan 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.

19. BORROWINGS continued

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

	2014 Carrying amount £	2014 Fair Value £	2013 Carrying amount £	2013 Fair Value £
Bank borrowings	**2,750,000**	**2,750,000**	3,750,000	3,750,000
Finance lease liabilities	**357,715**	**357,715**	349,241	349,241
	3,107,715	**3,107,715**	4,099,241	4,099,241

The fair value of current and non-current borrowings equals their carrying amount, as the impact of discounting is not significant.

Borrowings have the following maturity profile:

	2014 £	2013 £
Less than 12 months	**1,474,529**	1,619,956
1–5 years	**3,107,715**	4,099,241
	4,582,244	5,719,197

20. DEFERRED CONSIDERATION

	2014 £	2013 £
Current	**899,440**	100,000
Non-current	**500,000**	500,000
	1,399,440	600,000

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.

21. DEFERRED TAX

	Accelerated capital allowances £	Tax losses £	Total £
As at 1 January 2013	**31,902**	**16,157**	**48,059**
(Charge)/credit to income statement	5,129	(16,157)	(11,028)
Arising on acquisition	(3,623)	–	(3,623)
Change in tax rates	–	–	–
As at 31 December 2013	**33,408**	–	**33,408**
As at 1 January 2014	**33,408**	**–**	**33,408**
(Charge)/credit to income statement	(39,864)	–	(39,864)
Arising on acquisition	310	–	310
As at 31 December 2014	**(6,146)**	**–**	**(6,146)**

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

Notes to the Consolidated Financial Statements continued

22. CALLED UP SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
771,428 ordinary shares of £1 each	**771,428**	771,428
3 ordinary A shares of £1 each	**3**	3
3 ordinary B shares of £1 each	**3**	3
3 ordinary C shares of £1 each	**3**	3
	771,437	771,437

The holders of the A ordinary shares are not entitled to vote. On a return of capital, the holders of the A ordinary shares are only entitled to receive subscription price after each ordinary shareholder receives £10,000,000 per share. The holders of the A ordinary shares are entitled to receive a dividend according to a resolution of the directors. The A ordinary shares are not redeemable.

The holders of the B ordinary shares are not entitled to vote. On a return of capital, the holders of the B ordinary shares are only entitled to receive subscription price after each ordinary shareholder receives £10,000,000 per share. The holders of the B ordinary shares are entitled to receive a dividend according to a resolution of the directors. The B ordinary shares are not redeemable.

The holders of the C ordinary shares are not entitled to vote. On a return of capital, the holders of the C ordinary shares are only entitled to receive subscription price after each ordinary shareholder receives £10,000,000 per share. The holders of the C ordinary shares are entitled to receive a dividend according to a resolution of the directors. The C ordinary shares are not redeemable.

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.

The issued ordinary share capital of the Company as at the date of this document, is 86,758,184 Ordinary Shares of one penny each. All such shares are fully paid.

23. 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.

24. DIVIDENDS

In the year, dividends of £220,000 per A ordinary share were paid (2013: £220,000), £43,333 per B ordinary share (2013: £23,889) and £nil per D ordinary share (2013: £23,250).

25. 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:

	2014 £	2013 £
Within 1 year	**183,750**	174,854
Later than 1 year and less than 5 years	**705,469**	608,250
After 5 years	**1,409,750**	1,375,000
	2,298,969	2,158,104

(b) Contingencies

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

26. 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 19.

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

At 31 December 2014, 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 £21,250 (2013: £6,644) 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 £1.75m.

All material cash amounts are deposited with financial institutions with high credit ratings.

Leverage is monitored in accordance with the requirements of the Loan covenants, following the loan which was taken out in 2013.

27. BUSINESS ACQUISITIONS

On 1 July 2014 the trade and certain assets of Acescott Management Services Limited were purchased for a total cash consideration of £581,694. This acquisition has been accounted for in the consolidated financial statements by the acquisition method of accounting.

Acescott undertakes high level cleaning and enables us to extend our customer services offering and provided our new and existing client base to further utilise PTSG as their niche specialist services provider.

The turnover, operating loss and adjusted operating profit of Acescott for the period from the date of acquisition to 31 December 2014 included in the consolidated financial statements was £1,833,748, (£81,383) and £415,422 respectively.

Notes to the Consolidated Financial Statements continued

27. BUSINESS ACQUISITIONS continued

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	87,539	(48,394)	39,145
Current assets			
Trade debtors	1,016,482	–	1,016,482
Prepayments	13,311	–	13,311
Other debtors	20,948	–	20,948
Total assets	**1,138,280**	**(48,394)**	**1,089,886**
Liabilities			
Trade creditors	532,406	–	532,406
Other creditors	52,277	–	52,277
Total liabilities	**584,683**	**–**	**584,683**
Net assets	**553,597**	**(48,394)**	**505,203**
Cash consideration			**350,000**
Additional cash consideration			**231,694**
Goodwill			**76,491**

The additional cash consideration is to be paid once the Completion Accounts have been finalised. The final amount will depend upon the agreed net assets of the Completion Accounts.

28. RELATED PARTY TRANSACTIONS

Key management compensation is given in Note 5.
Other related party transactions with the Company are as follows:

Dividends of £660,000 (2013: £660,000) were paid to Hallco 1766 Limited and £130,000 (2013: £71,667) to J R Foley on the Ordinary Shares in the year ended 31 December 2014. P W Teasdale is a director of Hallco 1766 Limited.

Rent of £166,250 (2013: £75,000) 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.

29. POST BALANCE SHEET EVENTS

On 11 February 2015 the Company was admitted to AIM and £5,000,000 was raised (before expenses) for the Company.

In connection with the Admission, the share capital of the Company was restructured as set out in Note 22.

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 have been 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.

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 2014;
- 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

Premier Technical Services Group plc's financial statements comprise:

- the balance sheet as at 31 December 2014; 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).

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 21, 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.

Independent Auditors' Report continued

to the members of Premier Technical Services Group plc

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 2014.

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

27 April 2015

Company Balance Sheet
as at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Investments	2	**4,304,576**	4,493,076
Current assets			
Debtors	3	**4,803,018**	4,340,287
Creditors – amounts falling due within one year	4	**(4,658,185)**	(2,748,860)
Net current assets		**144,833**	1,591,427
Total assets less current liabilities		**4,449,409**	6,084,503
Creditors – amounts falling due after one year	5	**(3,456,875)**	(5,149,383)
Net assets		**992,534**	935,120
Capital and reserves			
Called up share capital	6	**771,437**	771,437
Capital redemption reserve		**128,573**	128,573
Profit and loss account	7	**92,524**	35,110
Total shareholders' funds	8	**992,534**	935,120

The financial statements on pages 49 to 52 were approved by the Board of directors on 27 April 2015 and were signed on its behalf by:

P W Teasdale
Chief Executive Officer

Registered number: 06005074

Notes to the Financial Statements

1. ACCOUNTING POLICIES

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below and have been applied consistently throughout the year.

Investments
Investments are included at cost less amounts written off.

2. INVESTMENTS

	Company total £
Cost:	
At 1 January 2014	4,493,076
Additions	211,500
Adjustment	(400,000)
At 31 December 2014	**4,304,576**
Net book value:	
At 31 December 2014	**4,304,576**
At 31 December 2013	4,493,076

The principal subsidiary undertakings at 31 December 2014 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%§

§ Held by a subsidiary undertaking.

The Directors consider that to list all subsidiary undertakings would lead to a statement of excessive length. A full list of subsidiary undertakings will be annexed to the company's next annual return.

The Directors have assessed the deferred consideration likely to be paid and have adjusted the investment value accordingly.

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

3. DEBTORS

	Company	
	2014 £	2013 £
Amounts owed by group undertakings	**4,680,185**	4,203,035
Other debtors	**–**	10
Prepayments	**122,833**	137,242
	4,803,018	4,340,287

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

4. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	Company	
	2014	2013
	£	£
Overdrafts	**3,089,415**	922,004
Bank loan	**1,000,000**	1,250,000
Amounts owed to group undertakings	**7,159**	–
Other creditors	**532,940**	537,500
Accruals	**28,671**	39,356
	4,658,185	2,748,860

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

	Company	
	2014	2013
	£	£
Amounts owed to group undertakings	**–**	8
Bank loan	**2,750,000**	3,750,000
Other creditors	**706,875**	1,399,375
	3,456,875	5,149,383

The bank loan, totalling £3,750,000, is repayable over four years. The first instalment of £250,000 was paid in January 2014 and was followed by quarterly instalments of £250,000 on 31 March, 30 June, 30 September and 31 December. This loan carries interest at LIBOR plus 4.5%.

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

	2014	2013
	£	£
Allotted and fully paid		
771,428 ordinary shares of £1 each	**771,428**	771,428
3 ordinary A shares of £1 each	**3**	3
3 ordinary B shares of £1 each	**3**	3
3 ordinary C shares of £1 each	**3**	3
	771,437	771,437

During 2013 the company purchased 128,573 of its own shares at a cost of £4,038,572.

7. PROFIT AND LOSS ACCOUNT

	Company
	£
Balance as at 1 January 2014	35,110
Profit for the financial year	847,414
Equity dividends	(790,000)
Balance as at 31 December 2014	**92,524**

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 £847,414, (2013: £4,828,273). The audit fees in respect of the Company was £2,000 (2013: £2,000). Directors' remuneration and details on dividends are detailed in note 5 and 24 of the Consolidated Financial Statement.

Notes to the Financial Statements continued

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Profit for the financial year	**847,414**	4,828,273
Share buy back	**–**	(4,038,572)
Equity dividends	**(790,000)**	(754,917)
Net addition to shareholders' funds	**57,414**	34,784
Opening shareholders' funds as at 1 January	**935,120**	900,336
Closing shareholders' funds as at 31 December	**992,534**	935,120

Share based payments

As at 31 December 2014 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.

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:

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

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 and the milestone targets are unlikely to be met in the foreseeable future, there is no material charge to be reflected in the financial statements for the current year and no further disclosures have been made.

In addition to the above, under the terms of Roger Teasdale's service agreement with the Company he is entitled, provided that he is still employed by the Company on or after 16 November 2015, to require the transfer to him, for nil consideration, ownership of 5% in aggregate of the current issued share capital of the Company, being approximately 4.4% of the enlarged share capital. 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 have 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 has been calculated based on the fair value of the shares at the grant date given that there are no performance conditions, a service condition of one year and the exercise price of £nil.

The fair value of the award is being expensed to the income statement over the vesting period on a straight-line basis with the corresponding credit to equity. As at 31 December 2014, the charge to the income statement was £165,418. This has been borne by the subsidiary company, PTSG Access and Safety Limited.

9. POST BALANCE SHEET EVENTS

On 11 February 2015, the Company was admitted to AIM.

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