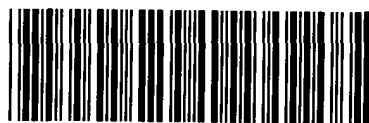


Company Registration No. 3089060 (England and Wales)

CCS GROUP PLC
ANNUAL REPORT
FOR THE YEAR ENDED
31 MARCH 2015

TUESDAY



A4GY6O9E

A37

29/09/2015

#19

COMPANIES HOUSE

CCS GROUP PLC

DIRECTORS AND ADVISERS

Directors

Sir John Gains
Patricia G O'Neill
Michael Hesnan
Michael P S Horgan
Damian F Tiernan
Simon J V Miesegaes
Antony J Black
Eileen J Schroeder

Secretary

Simon J V Miesegaes

Company number

3089060

Registered office

Heather Park House
North Circular Road
Stonebridge
London
NW10 7NN

Registered auditors

Cheesmans
4 Aztec Row
Berners Road
London
N1 0PW

Bankers

Barclays Bank PLC
One Churchill Place
London
E14 5HP

CCS GROUP PLC

CONTENTS

	Page
Strategic report	1 - 4
Directors' report	5 - 7
Independent auditors' report	8 - 9
Consolidated profit and loss account	10
Balance sheets	11
Consolidated cash flow statement	12
Notes to the financial statements	13 - 29

CCS GROUP PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The directors present the strategic report and financial statements for the year ended 31 March 2015.

Review of the business

The Group continues to focus on consolidating its position as a significant provider of infrastructure services within the railway sector. Historically, a substantial part of the business has involved the provision of cleaning, protection and mainstream services within the London Underground and Overground Network - the balance of the Group's business relates to construction support and capital works, primarily within the same network, but also within Network Rail.

The provision of such services requires specialist knowledge not only of the intricacies of the network, but also the specialist skills required and health and safety needs.

Fundamental, therefore, to the Group is its investment programme in the areas of human resources and training. During the year, and as a manifestation of its commitment to maintaining the next generation of trained infrastructure staff, the Cleshar Academy was launched - using ground breaking teaching methodologies, the Academy delivers world class education and training and forms a critical part of the Group's core expertise.

During the year, the contract for the provision of Total Purchased Services to the London Underground reached its 5 year term and, under that contract, was extended for a further 2 years; in addition, other infrastructure contracts were supported by the provision of welding services to GPX Engineering Ltd.

Staff recruitment has remained strong reflecting the directors' confidence in the business and the need to invest in the future.

Detailed reviews of the performance of each of the group companies appear in their own financial statements.

In relation to CCS Group Plc itself, which is the parent company, the main risks facing the business are:

- the failure to retain staff in an increasingly competitive environment; to mitigate this risk, the directors believe that the bonus and incentive schemes that they have introduced are appropriate mechanisms for rewarding the commitment and loyalty of the employees which the company enjoys; and
- the failure to provide appropriate IT infrastructure for the Group; to mitigate this risk, the Group has contracts with respected IT service providers in addition to employing its own IT support staff; and
- the failure to provide a comprehensive health and safety and quality and assurance function. The directors take their responsibilities in this area extremely seriously and will continue to invest in this area in order to ensure the safety of all their Clients, staff, subcontractors and the general public. A senior Health and Safety Executive reports to the Operational Board and the Main Board at the fortnightly and monthly board meetings respectively.

The main trading company within the group is Cleshar Contract Services Limited and set out below is an extract from that company's Strategic Report:

"The company has operated in the following four key areas:

- *Facilities works, including the provision of safety critical resources, specialised cleaning, litter picking, vegetation and arboricultural works, fencing and barriers, and escalator cleaning within the UK rail infrastructure network;*
- *Track maintenance and renewals within the UK rail infrastructure network;*
- *Provision of construction support services within the UK rail and airport infrastructure networks; and*
- *Provision of capital works within the UK rail infrastructure network;*

CCS GROUP PLC

STRATEGIC REPORT (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2015**

The company has continued to work closely with its main clients as they seek to upgrade the UK rail infrastructure network. The company has a number of significant contracts within which the majority of works take place.

The principal risks facing Cleshar Contract Services Limited are as follows:

- *A loss of reputation as a high class provider of specialist services;*
- *Increased competition and pressure on margins as a result of an increase of new entrants into the business environment;*
- *Failure to comply with the highly stringent conditions and procedures within the UK rail infrastructure network;*
- *Failure within the Health and Safety, and Quality and Assurance environments; and*
- *Ongoing threat to budget expenditure costs as a consequence of the prevailing market conditions.*

The key performance indicators for the company are as follows:

- *Turnover;*
- *Gross Profit;*
- *Profit before tax;*
- *Trade debtors;*
- *Trade debtor days; and*
- *Audits*

Turnover

The turnover of the company has increased in the year from £84.5m to £93.4m which represents a 10.5% increase.

Gross Profit

The gross profit of the company has decreased in the year from £3.46m to £3.38m which represents a 2.3% decrease.

Profit before tax

The profit before tax of the company has decreased in the year from £485k to £454k which represents a 6.4% decrease.

CCS GROUP PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

Trade debtors

Trade debtors have decreased in the year from £7.99m to £5.72m which represents a decrease of 28.5%.

Trade debtor days

Trade debtor days have improved in the year from 34.5 to 22.4 days.

Audits

During the year, the company has again undergone and indeed undertaken a large number of internal and external audits. These have not only included the confirmation of its continued accreditation in respect of the latest revisions of BSEN ISO 9001, OHSAS 18001, BSEN ISO 14001 and Network Rail V2 Link Up approval and Network Rail Principal Contractor's Licence ("PCL") and the FORS accreditation.

The directors have continued to invest significantly in the Health and Safety department given the responsibility that they have for the proper care and control of operations. In particular, the company has continued to:

- Recruit additional members of staff into the Health and Safety department;*
- Invest in new management information systems; and*
- Ensure that the Board is apprised of Health and Safety and Quality and Assurance issues on a regular basis.*

The directors are confident of the business going forward and in particular of supporting their clients in view of the significant works that they are required to carry out under their commercial contracts.

Turnover has increased on the previous year reflecting growth in the company's main areas of business.

The following procedures continue to be applied to aid the directors in monitoring the performance of the company and include:

- Monthly meetings with senior management are held to review the management accounts including detailed reviews of the key performance indicators of margins, volumes of sales, overheads and contractual issues as well as performance against budget; and*
- Weekly cash flow forecasts and debtor analyses are reviewed by the Chief Executive Officer, Chief Financial Officer and certain other directors."*

CCS GROUP PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

The activities of CCS Group Plc expose it to a number of financial risks including contract price risks, credit risk, cash flow risk and liquidity risk.

In evaluating opportunities, careful consideration is given as to whether those opportunities are appropriate for pursuing when considered in the context of the company's strategic plan for its business sectors and markets.

In terms of contract price risk, each tender submitted by group companies is reviewed by at least one of the directors in order to ensure that where the price is fixed that it is appropriate to the transaction and where the price is variable that sufficient controls are in place to ensure that the contract price is carefully appraised.

In terms of credit risk, the company prepares aged debtor balances each week which are reviewed by the directors. This review ensures that any issues relating to outstanding debtors are addressed at an early stage.

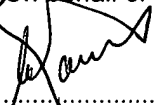
It should be noted that the majority of the group's turnover is with "blue chip" clients and this in itself is significant in reducing credit risk.

The directors have adopted the following department and group procedures to aid them in monitoring the performance of the group:-

- Fortnightly operational board meetings are held to review commercial, operational, health, safety, quality and assurance and head office issues; and
- Monthly board meetings are held to carry out a higher level of review of each department's performance, strategic issues and financial performance. All health and safety issues are reviewed in full by reference to the report prepared by a senior Health, Safety, Quality and Assurance Executive.

In summary, the directors would like to thank all staff and subcontractors for their support and loyalty during the year. The directors are confident of the group's future.

On behalf of the Board



Sir John Gains

Chairman

5 June 2015

CCS GROUP PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and financial statements for the year ended 31 March 2015.

Principal activities

The principal activities of the group are:

- the provision of support services to the UK rail infrastructure network;
- the provision of track maintenance and welding services to the UK rail infrastructure network;
- the provision of construction support services within the UK rail and airport infrastructure networks;
- the provision of capital works within the UK rail infrastructure network and other sectors;
- the provision of training services to the UK rail infrastructure network; and
- the provision of reactive maintenance services to the rail and health sectors.

The company's principal activity is that of a holding company.

During the year, the company continued in its role as the parent company of the group, employing the group's staff, running the infrastructure of the group and providing management services to the various group companies.

Results and dividends

The consolidated profit and loss account for the year is set out on page 10.

Future developments

The group of companies intends to continue to pursue their principal activities in the future.

Directors

The following directors have held office since 1 April 2014:

Sir John Gains
Patricia G O'Neill
Michael Hesnan
Michael P S Horgan
Damian F Tiernan
Simon J V Miesegaes
Antony J Black
Eileen J Schroeder

	2015 £	2014 £
During the year the group made the following payments:		
Charitable donations	9,334	7,314

Charitable donations - The recipients, amounts and purpose of the main charitable donations are as follows:
Harefield Cricket Club £1,500 - a local cricket club, promoting sport to the younger generation
Paviors Livery Trust for Charities £2,700 - various charitable and educational purposes
Sparks £1,500 - children's health.

Auditors

The auditors, Cheesmans, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

CCS GROUP PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 company and of the group 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

CCS GROUP PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

Share Option Scheme

On 25 May 2009, the Board adopted the CCS Group Plc Enterprise Management Incentive Scheme ("the Scheme") following consultation with HM Revenue and Customs and professional advisors.

On 20 August 2014, the terms of the EMI Scheme were amended and further options were granted.

The key parameters are as follows:

- grant of options are at the discretion of the Remuneration Committee;
- the Scheme comprises EMI options which attract certain tax relief as well as unapproved options;
- the option holders must work for at least 25 hours a week for the group or at least 75% of their working time must be on Group matters; and
- conditions adhering to the options are set by the Remuneration Committee.

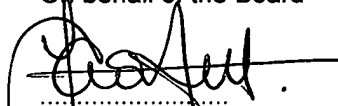
All options granted on 25 May 2009 that remain outstanding at 31 March 2015 are exercisable at £2.08 per share and may only be exercised in accordance with the rules of the Scheme; and in any event, all share options lapse in 2019.

The options granted in 2014 are exercisable at £2.55 per share and may only be exercised in accordance with the rules of the Scheme; and in any event, all share options lapse in 2024.

The share options granted in the year were as follows:

Sir John Gains	9,848 Ordinary Shares
Patricia G O'Neill	17,849 Ordinary Shares
Michael Hesnan	17,849 Ordinary Shares

On behalf of the Board



Patricia G O'Neill

Group Chief Executive Officer

5 June 2015

CCS GROUP PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CCS GROUP PLC

We have audited the group and parent company financial statements (the "financial statements") of CCS Group Plc for the year ended 31 March 2015 set out on pages 10 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2015 and of the group's profit for the year then ended;
- 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.

Opinion on other matter prescribed by the Companies Act 2006

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

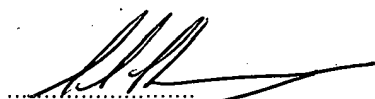
CCS GROUP PLC

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF CCS GROUP PLC

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Carol A Cheesman (Senior Statutory Auditor)
for and on behalf of Cheesmans

5 June 2015

Chartered Accountants
Statutory Auditor

4 Aztec Row
Berners Road
London
N1 0PW

CCS GROUP PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 £	2014 £
Turnover	1.4, 2	98,509,614	88,895,605
Cost of sales		(90,577,666)	(77,303,323)
Gross profit		7,931,948	11,592,282
Administrative expenses		(6,911,305)	(10,271,922)
Operating profit	3	1,020,643	1,320,360
Other interest receivable and similar income		18,772	12,258
Interest payable and similar charges	4	(6,458)	(15,360)
Profit on ordinary activities before taxation		1,032,957	1,317,258
Tax on profit on ordinary activities	5	(479,768)	(382,895)
Profit on ordinary activities after taxation	15	553,189	934,363

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

CCS GROUP PLC

BALANCE SHEETS

AS AT 31 MARCH 2015

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Fixed assets					
Intangible assets	7	-	499,775	-	-
Tangible assets	8	562,310	588,709	277,578	441,340
Investments	9	-	-	2,932,633	2,932,633
		<u>562,310</u>	<u>1,088,484</u>	<u>3,210,211</u>	<u>3,373,973</u>
Current assets					
Stock	10	108,193	123,053	-	-
Debtors	11	18,075,420	22,382,150	4,422,013	5,911,614
Cash at bank and in hand		8,228,853	6,605,571	5,008,905	4,200,701
		<u>26,412,466</u>	<u>29,110,774</u>	<u>9,430,918</u>	<u>10,112,315</u>
Creditors: amounts falling due within one year	12	(20,882,234)	(24,659,905)	(7,012,509)	(7,971,058)
Net current assets		<u>5,530,232</u>	<u>4,450,869</u>	<u>2,418,409</u>	<u>2,141,257</u>
Total assets less current liabilities		<u>6,092,542</u>	<u>5,539,353</u>	<u>5,628,620</u>	<u>5,515,230</u>
Capital and reserves					
Called up share capital	14	299,342	299,342	299,342	299,342
Share premium account	15	53,289	53,289	53,289	53,289
Profit and loss account	15	5,739,911	5,186,722	5,275,989	5,162,599
Shareholders' funds	16	<u>6,092,542</u>	<u>5,539,353</u>	<u>5,628,620</u>	<u>5,515,230</u>

Approved by the Board and authorised for issue on 5/6/15



Antony J Black
Group Chief Financial Officer

Company Registration No. 3089060

CCS GROUP PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

	Note	£	2015 £	2014 £
Net cash inflow from operating activities	22		2,651,382	1,637,312
Returns on investments and servicing of finance				
Interest received		18,772	12,258	
Interest paid		(6,458)	(15,360)	
Net cash inflow/(outflow) for returns on investments and servicing of finance			12,314	(3,102)
Taxation			(609,381)	(506,910)
Capital expenditure				
Payments to acquire tangible assets		(344,080)	(392,321)	
Receipts from sales of tangible assets		7,245	14,900	
Net cash outflow for capital expenditure			(336,835)	(377,421)
Acquisitions and disposals				
Purchase of subsidiary undertakings (net of cash acquired)		-	(781,751)	
Net cash outflow for acquisitions and disposals			-	(781,751)
Equity dividends paid			-	(22,034)
Net cash inflow/(outflow) before management of liquid resources and financing			1,717,480	(53,906)
Financing				
Capital element of finance lease contracts		(94,198)	(148,027)	
Net cash outflow from financing			(94,198)	(148,027)
Increase/(decrease) in cash in the year	23, 24		1,623,282	(201,933)

CCS GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies

1.1 Accounting convention

The group financial statements have been prepared under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) and applicable accounting standards.

The financial statements are drawn up to within one week of 31 March in each year (2015: (52 weeks) 29 March ; 2014: (52 weeks) 30 March).

The financial statements have also been prepared on the basis of historical costs and do not take into account changing money values or current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets.

As provided by Section 408 of the Companies Act 2006, the profit and loss account of the parent undertaking has not been separately presented in the financial statements. The result of the parent undertaking for the year is disclosed in note 6 to the financial statements.

The following is a summary of the significant accounting policies adopted by the company and group in the preparation of the financial statements. The accounting policies have been consistently applied unless otherwise stated.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings at 31 March each year. The results of subsidiary undertakings acquired or disposed of during the financial year are included from, or up to, the effective date of acquisition or disposal.

1.4 Turnover

Turnover represents the total value, excluding value added tax, of goods sold and services rendered during the year together with the value of work completed in the year and of work in progress where the outcome of the contract can be assessed with reasonable certainty and the related proportionate costs have been taken into account.

Provisions for foreseeable losses are recognised as soon as such losses can be determined with reasonable certainty.

1.5 Goodwill arising on acquisitions

In respect of acquisitions made prior to 1 April 1998, depending on the circumstances of each acquisition, it was the group's policy to eliminate purchased and consolidation goodwill against reserves immediately upon acquisition. For acquisitions made subsequent to 31 March 1998, depending on the circumstances of each acquisition, the group's policy is to capitalise purchased and consolidation goodwill and to amortise it over its estimated useful economic life. Where negative goodwill arises it is similarly capitalised and amortised over the period expected to benefit.

Goodwill is the difference between fair values of the consideration for the acquisition and the aggregate of the fair values of the identifiable assets and liabilities acquired. Positive goodwill arises when the consideration exceeds the aggregate fair values of the identifiable assets and liabilities. Negative goodwill arises when the aggregate fair values of the identifiable assets and liabilities exceed the consideration.

CCS GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies

(Continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation/amortisation. Depreciation/amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold land and buildings	over the remaining period of the lease
Plant and machinery	2 years
Computer equipment	3 years
Fixtures, fittings & equipment	5 years
Motor vehicles	4 years

1.7 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.9 Stock

Stock represent consumable materials and is stated at the lower of cost and net realisable value.

Cost is calculated as the cost of purchases on a weighted average cost basis.

Net realisable value is the amount at which an asset can be disposed.

1.10 Pensions

The group makes contributions to schemes in respect of employees, which are contributory and defined contribution schemes. The contributions are charged to the profit and loss account in the period to which they relate. The assets of the schemes are held separately from the assets of the group.

1.11 Taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes, only to the extent that in the opinion of the directors there is a reasonable possibility that a liability or asset will crystallise in the foreseeable future.

Where group relief is claimed, the claimant company pays to the surrendering company an amount equal to the corporation tax saved.

1.12 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

CCS GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

2 Segmental analysis by class of business

The analysis by class of business of the group's turnover and profit/(loss) before taxation is set out as below:

Turnover

	2015 £	2014 £
Class of business		
Construction and civil engineering, railway engineering and maintenance services	98,111,763	88,513,303
Training	397,851	382,302
	<u>98,509,614</u>	<u>88,895,605</u>

3 Operating profit

	2015 £	2014 £
Operating profit is stated after charging:		
Amortisation of intangible assets	499,775	754,497
Depreciation of tangible assets	369,502	357,855
Loss on disposal of tangible assets	18	-
Operating lease rentals	1,373,340	977,784
and after crediting:		
Profit on disposal of tangible assets	<u>(6,286)</u>	<u>(10,676)</u>

Auditors' remuneration

Fees payable to the group's auditor for the audit of the group's annual accounts (company £22,000, 2014 £22,000)	55,000	55,000
Taxation	11,000	11,000
Other services	11,825	47,378
	<u>77,825</u>	<u>113,378</u>

4 Interest payable

	2015 £	2014 £
Hire purchase interest	9,761	15,336
On overdue tax	147	-
Other interest	<u>(3,450)</u>	<u>24</u>
	<u>6,458</u>	<u>15,360</u>

CCS GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

5	Taxation	2015 £	2014 £
	Domestic current year tax		
	U.K. corporation tax	480,600	609,500
	Adjustment for prior years	(832)	(226,605)
	Total current tax	<u>479,768</u>	<u>382,895</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,032,957</u>	<u>1,317,258</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21% (2014 - 23%)	<u>216,921</u>	<u>302,969</u>
	Effects of:		
	Non deductible expenses	203,893	221,967
	Depreciation	77,595	82,306
	Capital allowances	(94,477)	(107,147)
	Adjustments to previous periods	(832)	(226,605)
	Timing differences	76,468	120,400
	Other tax adjustments	200	(10,995)
		<u>262,847</u>	<u>79,926</u>
	Current tax charge for the year	<u>479,768</u>	<u>382,895</u>

6 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	2015 £	2014 £
Holding company's profit for the financial year	<u>113,390</u>	<u>57,678</u>

CCS GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

7 Intangible fixed assets

Group

	Goodwill arising on acquisitions £
Cost	
At 1 April 2014 & at 31 March 2015	2,540,678
Amortisation	
At 1 April 2014	2,040,903
Charge for the year	499,775
At 31 March 2015	2,540,678
Net book value	
At 31 March 2015	-
At 31 March 2014	499,775

CCS GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

8 Tangible fixed assets

Group

	Short leasehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2014	512,305	1,259,482	591,191	939,825	3,302,803
Additions	197,904	121,372	24,804	-	344,080
Disposals	-	(920)	(3,948)	(54,686)	(59,554)
At 31 March 2015	710,209	1,379,934	612,047	885,139	3,587,329
Depreciation					
At 1 April 2014	461,040	911,995	495,437	845,622	2,714,094
Released on disposals	-	(561)	(3,330)	(54,686)	(58,577)
Charge for the year	12,816	184,638	77,845	94,203	369,502
At 31 March 2015	473,856	1,096,072	569,952	885,139	3,025,019
Net book value					
At 31 March 2015	236,353	283,862	42,095	-	562,310
At 31 March 2014	51,265	347,487	95,754	94,203	588,709

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book values	
At 31 March 2015	-
At 31 March 2014	94,203
Depreciation charge for the year	
31 March 2015	-
31 March 2014	144,637

CCS GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

(Continued)

Tangible fixed assets

Company

	Short leasehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2014	178,761	1,241,769	266,399	565,252	2,252,181
Additions	-	108,797	-	-	108,797
Disposals	-	(920)	-	(16,538)	(17,458)
At 31 March 2015	178,761	1,349,646	266,399	548,714	2,343,520
Depreciation					
At 1 April 2014	178,761	897,089	263,942	471,049	1,810,841
Released on disposals	-	(561)	-	(16,538)	(17,099)
Charge for the year	-	176,028	1,969	94,203	272,200
At 31 March 2015	178,761	1,072,556	265,911	548,714	2,065,942
Net book value					
At 31 March 2015	-	277,090	488	-	277,578
At 31 March 2014	-	344,680	2,457	94,203	441,340

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book values	
At 31 March 2015	-
At 31 March 2014	94,203
Depreciation charge for the year	
31 March 2015	-
31 March 2014	144,637

CCS GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

9 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 April 2014	2,962,586
Disposals	(29,953)
At 31 March 2015	2,932,633
Provisions for diminution in value	
At 1 April 2014	29,953
Released on disposal	(29,953)
At 31 March 2015	-
Net book value	
At 31 March 2015	2,932,633
At 31 March 2014	2,932,633

In the opinion of the the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
CCS (Plant) Limited	England & Wales	Ordinary	100.00
CCS Projects Limited	England & Wales	Ordinary	100.00
CCS Rail Limited	England & Wales	Ordinary	100.00
GPX Engineering Ltd	England & Wales	Ordinary	100.00
Cleshar Contract Services Limited	England & Wales	Ordinary	100.00
Infrastructure Training Services Limited	England & Wales	Ordinary	100.00

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
CCS (Plant) Limited	Dormant
CCS Projects Limited	Dormant
CCS Rail Limited	Dormant
GPX Engineering Ltd	Welding services
Cleshar Contract Services Limited	Railway engineering and rail and airport infrastructure services
Infrastructure Training Services Limited	Training services to railway industry

CCS GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

10 Stock

	Group 2015 £	2014 £	Company 2015 £	2014 £
Consumables	108,193	123,053	-	-

11 Debtors

	Group 2015 £	2014 £	Company 2015 £	2014 £
Trade debtors	6,741,313	8,702,313	3,300	480
Accrued income	10,537,601	12,234,430	-	-
Amounts owed by group undertakings	-	-	3,932,296	4,286,124
Corporation tax	712	-	-	423,500
Other debtors	123,376	801,683	48,407	753,254
Prepayments	672,418	643,724	438,010	448,256
	18,075,420	22,382,150	4,422,013	5,911,614

Amounts falling due after more than one year and included in the debtors above are:

	2015 £	2014 £	2015 £	2014 £
Other debtors	-	714,000	-	714,000

CCS GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

12 Creditors : amounts falling due within one year

	Group 2015 £	2014 £	Company 2015 £	2014 £
Net obligations under finance lease and hire purchase contracts	-	94,198	-	94,198
Trade creditors	2,821,056	4,544,555	150,080	356,090
Corporation tax	20,599	149,500	20,599	-
Other taxes and social security costs	2,750,790	2,218,033	2,069,907	1,561,156
Other creditors	194	31,561	194	31,180
Accruals and deferred income	15,289,595	17,622,058	4,771,729	5,928,434
	<u>20,882,234</u>	<u>24,659,905</u>	<u>7,012,509</u>	<u>7,971,058</u>
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	-	94,198	-	94,198
	<u>-</u>	<u>94,198</u>	<u>-</u>	<u>94,198</u>

13 Pension and other post-retirement benefit commitments

Defined contribution

	2015 £	2014 £
Contributions payable by the group for the year	<u>277,153</u>	<u>318,746</u>

14 Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
299,342 Ordinary shares of £1 each	<u>299,342</u>	<u>299,342</u>

The company has granted under The CCS Group Enterprise Management Incentive Scheme 29,604 share options in respect of Ordinary Shares of £1 each. Of the options granted 4,934 have lapsed. These options are exercisable at £2.08 per share in accordance with the rules of the Scheme and the share options will lapse on 25 May 2019.

On 20 August 2014 the CCS Group Enterprise Management Incentive Scheme was amended and a further 45,546 share options in respect of Ordinary Shares of £1 each were granted. These options are exercisable at £2.55 per share in accordance with the rules of the Scheme and the share options will lapse on 20 August 2024.

CCS GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

15 Statement of movements on reserves Group

	Share premium account £	Profit and loss account £
Balance at 1 April 2014	53,289	5,186,722
Profit for the year	-	553,189
Balance at 31 March 2015	53,289	5,739,911

Company

	Share premium account £	Profit and loss account £
Balance at 1 April 2014	53,289	5,162,599
Profit for the year	-	113,390
Balance at 31 March 2015	53,289	5,275,989

16 Reconciliation of movements in shareholders' funds Group

	2015 £	2014 £
Profit for the financial year	553,189	934,363
Dividends	-	(22,034)
Net addition to shareholders' funds	553,189	912,329
Opening shareholders' funds	5,539,353	4,627,024
Closing shareholders' funds	6,092,542	5,539,353

Company

	2015 £	2014 £
Profit for the financial year	113,390	57,678
Opening shareholders' funds	5,515,230	5,457,552
Closing shareholders' funds	5,628,620	5,515,230

CCS GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

17 Contingent liabilities

Group

There is a cross guarantee/debenture facility between the companies of the CCS Group Plc group under the terms of which amounts due to Barclays Bank PLC are secured by a fixed and floating charge on the assets of all group companies.

There is also a composite accounting system overdraft facility between the companies of CCS Group Plc group and Barclays Bank PLC whereby amounts due to and from Barclays Bank PLC can be offset, both in terms of capital and interest calculation.

Some of the debt agreements entered into by the companies within the group include indemnification provisions that obligate the CCS Group Plc to make payments to the counter party if certain events occur. These are often standard contractual terms in the normal course of business. The company has not been required to make any payments for such indemnification clauses and is not in a position to estimate the maximum potential amount of any future payments. The company has not been made aware of any potential claims.

Company

There is a cross guarantee/debenture facility between the companies of the CCS Group Plc group under the terms of which amounts due to Barclays Bank PLC are secured by a fixed and floating charge on the assets of all group companies.

There is also a composite accounting system overdraft facility between the companies of CCS Group Plc group and Barclays Bank PLC whereby amounts due to and from Barclays Bank PLC can be offset, both in terms of capital and interest calculation. At 31 March 2015 amounts outstanding and covered by this arrangement totalled nil (2014: nil).

Some of the debt agreements entered into by companies with the group include indemnification provisions that obligate CCS Group Plc to make payments to the counter party if certain events occur. These are often standard contractual terms in the normal course of business. The company has not been required to make any payments for such indemnification clauses and is not in a position to estimate the maximum potential amount of any future payments. The company has not been made aware of any potential claims.

CCS GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

18 Financial commitments

Group

At 31 March 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
Within one year	143,183	150,730	1,443	26,984
Between two and five years	601,200	601,200	31,368	4,711
In over five years	1,760	-	-	-
	<u>746,143</u>	<u>751,930</u>	<u>32,811</u>	<u>31,695</u>

Company

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
Within one year	34,683	138,730	1,443	-
Between two and five years	450,000	450,000	-	4,711
	<u>484,683</u>	<u>588,730</u>	<u>1,443</u>	<u>4,711</u>

CCS GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

19 Directors' remuneration	2015 £	2014 £
Remuneration for qualifying services	3,060,614	4,556,047
Company pension contributions to defined contribution schemes	85,000	176,907
	<u>3,145,614</u>	<u>4,732,954</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2014 - 8).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2015 £	2014 £
Remuneration for qualifying services	<u>785,318</u>	<u>1,793,193</u>

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Management and administration	30	27
Production	166	120
	<u>196</u>	<u>147</u>

Employment costs

	2015 £	2014 £
Wages and salaries	9,490,364	7,957,648
Social security costs	1,166,747	1,621,115
Other pension costs	277,153	318,746
	<u>10,934,264</u>	<u>9,897,509</u>

21 Control

Michael P S Horgan, Damian F Tiernan and Simon J V Miesegaes, directors of the company, control the company by virtue of their shareholdings in the company.

CCS GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

22	Reconciliation of operating profit to net cash inflow from operating activities	2015	2014
		£	£
	Operating profit	1,020,643	1,320,360
	Depreciation of tangible assets	369,502	357,855
	Amortisation of intangible assets	499,775	754,497
	Profit on disposal of tangible assets	(6,268)	(10,676)
	Decrease/(increase) in stocks	14,860	(37,938)
	Decrease/(increase) in debtors	4,307,442	(980,777)
	(Decrease)/ increase in creditors within one year	(3,554,572)	233,991
	Net cash inflow from operating activities	2,651,382	1,637,312

23	Analysis of net funds	1 April 2014	Cash flow	Other non-	31 March 2015
				cash changes	
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	6,605,571	1,623,282	-	8,228,853
	Finance leases	(94,198)	94,198	-	-
	Net funds	6,511,373	1,717,480	-	8,228,853

24	Reconciliation of net cash flow to movement in net debt	2015	2014
		£	£
	Increase/(decrease) in cash in the year	1,623,282	(201,933)
	Cash outflow from decrease in debt	94,198	148,027
	Movement in net funds in the year	1,717,480	(53,906)
	Opening net funds	6,511,373	6,565,279
	Closing net funds	8,228,853	6,511,373

CCS GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

25 Related party relationships and transactions

Group

During the year the group leased managed office space from Marylebone Estates Limited, a company of which Anne-Marie Horgan and Michael S Horgan, the adult children of Michael P S Horgan, and Damian F Tiernan and Simon J V Miesegaes are shareholders. Michael P S Horgan, Damian F Tiernan and Simon J V Miesegaes are also directors of Marylebone Estates Limited. The rent paid in the year totalled £244,953 (2014: £76,800).

During the year the group also incurred costs with Marylebone Estates Limited of £735,200 (2014: £827,000) for the provision of property and remuneration services to the group, of which nil (2014: £285,000) remained outstanding at the year end.

During the year GPX Rail Ltd a company in which John Stevens and Declan Carr are directors and shareholders made sales of nil (2014: £1,800) to GPX Engineering Ltd. There were no amounts outstanding at the year end nil (2014: nil)

During the year, Infrastructure Training Services Limited made sales amounting nil (2014: £1,200) to GPX Rail Ltd a company controlled by two of the directors of GPX Engineering Ltd, John Stevens and Declan Carr. At the year end no amounts were outstanding (2014: nil).

Bluerunner Solutions Limited, a company controlled by Eileen J Schroeder and her husband provided services during the year amounting to £15,118 (2014: £81,860).

CCS GROUP PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2015**

25 Related party relationships and transactions

(Continued)

Company

During the year, Cleshar Contract Services Limited, a wholly owned subsidiary, leased managed office space from Marylebone Estates Limited, a company of which Anne-Marie Horgan and Michael S Horgan, the adult children of Michael P S Horgan, and Damian F Tiernan and Simon J V Miesegaes are shareholders. Michael P S Horgan, Damian F Tiernan and Simon J V Miesegaes are also directors of Marylebone Estates Limited. The rental charge borne by the company in the year totalled £92,720 (2014: nil) and was paid by Cleshar Contract Services Limited in the year.

During the year the company also incurred costs with Marylebone Estates Limited of £735,200 (2014: £740,200) for the provision of property and remuneration services to the group, of which nil (2014: £285,000) remained outstanding at the year end.

Bluerunner Solutions Limited, a company controlled by Eileen J Schroeder and her husband provided services during the year amounting to £15,118 (2014: £81,860).