Pegasus Group was established in 2003 and has grown to become a leading independent, national planning and environmental consultancy. Our Planning, Design, Environment and Economics teams specialise in every aspect of the planning process, ensuring optimal results for our clients.

Operating from ten offices and with over 220 members of staff throughout the UK, Pegasus prides itself in providing a service that is second to none. By employing specialists we can ensure optimal results and outstanding service. With an acute understanding of the changing nature of planning policy at local and national level, we can inform and advise clients on the implications of emerging planning and environmental planning policy and offer the most informed and sustainable solutions.

Our reputation makes us leaders in our field and our commitment, passion and expertise is entirely client focused to ensure the best possible service.
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Managing Director’s Statement

Our Results

In last year’s report in considering the outlook for 2014/15, I set out the view there would be an impact on our result for 2015/16 caused by the government reducing its support in respect of renewables. As a result of this change in policy, turnover and profit was impacted for the Group.

We achieved an operating profit of £3.7m which was a reduction of some 20% on the previous year, although turnover remained more or less unchanged at £21.5m. Taking account of the annual amortisation of goodwill of £1.25m, the profit figure would have been £4.95m and as a percentage of turnover would have been 23.1%. This remains a strong result given the trading difficulties experienced.

The Group’s results for the year to 30th June 2016 are set out above in summary form.

These results show that the Group has maintained a steady level of turnover building on our diversification programme both in new sectors and expanding into new offices.
Managing Director’s Statement

Our Business

The reducing support by the government for renewables had a significant impact on our business. Given the importance of being self-sufficient in respect of power production and our current energy requirements as a country it is hard to understand this policy of the government when one looks at the long term.

Nevertheless, renewables is an area that we did a good proportion of business in and indeed still do in those areas where support remains, for example Scotland.

When we understood the potential impact of the government announcements in the Autumn of 2015, we took steps to reduce our costs in this area and also to utilise our resources in other areas of work. The final impact on the company, whilst still significant, was not I am pleased to be able to report, as great as it may have been and indeed has been with some of our competitors and some of the renewable companies themselves.

To that extent therefore profits in our Environment sector were reduced from those originally forecast.

In all other sectors we do business in, however, demand for our services remained strong and indeed we registered improvements both in our northern offices and on the back of our automotive sector work.

The government have signalled the importance of encouraging regional development and rebalancing the economy through initiatives such as the Northern Powerhouse and Midlands Engine. On the back of this and also reflecting the increasing demand for our services in the northern part of England, I am pleased to be able to report that in September we opened our tenth office in our national network in Liverpool.

In addition, given the strength of the London market I can also report that we are also experiencing significant growth in our London office that we opened the previous year. We look forward to seeing the growth continue this year.

The company has also expanded the services we offer and we now have a successful Heritage department that continues to grow, given the amount of work available in this sector, and which we anticipate will continue unabated into the future.

Our determination not to utilise individual profit centres for each of our offices has been a major aspect behind the success of the company and has allowed us to grow cross selling of all our work sectors countrywide. We do of course continue to monitor our whole company through the use of detailed monthly management accounts, which last year enabled us to act quickly on the governments announcements regarding renewables and reduce the potential impact on the company.

Despite the cost savings that we had to bring in the last year the numbers of our employees has remained relatively steady from the previous year. This reflects our determination to invest in and reward competitively a strong workforce to enable the company to continue to grow within the areas in which the company works.
Planning

Planning remains the largest sector of the company. We have consistently grown the amount of work we do in this sector, whilst at the same time endeavouring to diversify away from reliance on any one client or area of planning expertise.

Retail has seen significant change over the last few years as shopping patterns have changed. This has meant us moving from large food store applications in out of town locations to much smaller food stores within urban areas and also diversification of the food store offer into, for example, petrol filling stations. Despite remaining concerns over the future of the High Street, our retail work remains buoyant but mainly in respect of restaurants, bars, coffee bars and hot food take away.

Commercial and leisure work has continued its growth particularly in the automotive sector, theme parks and also in respect of motorway service areas.

Renewables planning work has inevitably seen a decline, but we are still involved in a number of solar and wind turbine applications. We also have further work in respect of hydro electric power, power storage and other forms of power generation. In addition, our telecommunications planning work has significantly increased.

Providing advice to our house building clients remains an important part of our overall business and the company have been at the forefront of determining overall housing levels in a number of Authorities through our Local Plan and Chelmer modelling work. In addition, the company have been acknowledged as experts in determining the full objectively assessed housing needs of areas as well as the accompanying five year supply calculations for planning appeals and in numerous High Court cases.

Our significant investment in respect of Heritage has seen our work, and indeed our employees, grow to become a major element of our overall planning work this year both in respect of advice on heritage concerns and also in expert witness work at planning appeals.

Lastly in respect of consultation, we continue to give advice on a whole range of important strategic projects and assisting our clients to undertake good quality consultation to ease the path of applications through the planning system.

Design

Our design sector has moved from strength to strength over the last year. We have consolidated our growth in the Birmingham office and we are continuing to expand our Design offer across the whole of northern England from our offices in Leeds, Manchester and Liverpool.

We have an enviable reputation for all our Design work, which not only incorporates large masterplan and individual detailed layout plans, but also now architecture in respect of designing all manner of buildings. This part of the company also continues to win awards for the quality of its work.

Looking forward, it is considered we still have further opportunities to expand this sector still further, particularly around London and the South East.
Managing Director’s Statement

Environment

This sector has had a more difficult year due to the Government’s decision to significantly reduce its support for wind and solar renewables. As a company we reacted quickly to reduce our costs in this area to limit our exposure and this has stood us in good stead since that time. Whilst in England we have seen a significant shortfall in renewables work, elsewhere, for example Scotland this work stream has remained strong. We are now gradually rebuilding our lost renewables turnover into other areas. In particular, our landscape planning work is continuing to expand further whilst we are also seeing steady growth in landscape design both for commercial developers and housebuilders.

The Environment sector is still a challenging part of our overall company but the steady growth we have more recently experienced is bringing the sector back towards full profitability again.

In particular, we are seeking to expand this work through the north of England as part of the Northern Powerhouse government initiative.

Economics

The group have increased the personnel working in Economics over the last year and we are seeking to grow the sector still further. Our retail economic impact work is well regarded and we act for one of the country’s largest food retailers.

We have a growing reputation for our demographic work both relating to the calculation of objectively assessed needs for housing and the expert witness work.

The requirement for detailed Economic Impact Assessments arising from development is continuing to grow and we perceive requirements to do even more detailed economic assessment work and indeed financial viability work into the future. The Group is commented to invest further into this sector to take advantage of the opportunities that exist across the country.
Our Objectives

The objectives of the Group remain as they were when the company was founded. We aim to deliver a first class service for our clients and create lasting and mutually beneficial commercial relationships. We look to achieve strong financial results by building our turnover both in existing and new areas and seeking to increase profitability in all areas. We also seek to maintain our loyal workforce and continue to offer the potential for equity in the company.

Health and Safety

Health and Safety remains a central part of the way the business operates, we seek to ensure that all our employees act in accordance with best practice and the requirements of legislation.

We have appointed a group Health and Safety Manager to ensure that we properly deal with this area and to promote the importance of a safe working environment.
Outlook

In considering the outlook for the future of the company it is important to reflect on what Brexit may mean for the company. Following the unexpected vote to leave the EU, a report on the potential implications was prepared for the board in order to allow the company to positively plan for the future.

Inevitably the initial uncertainty has reduced and business has reflected on the fact that there will still be over two years where we will remain part of the EU and possibly longer, therefore the general business trading conditions will not change in the short term.

What will potentially have an adverse impact into the future are the terms under which we leave the EU. Having an open trade market is important to the economic future of the country. In addition, in the development industry there is a significant reliance on workers who migrate to this country from the rest of the EU. Significant restrictions in the ability of development companies to obtain necessary workforce will inevitably impact on the ability for construction schemes to be built on time. It could also adversely impact on the economic fortunes of the country. The recent election result in America is unlikely to aid the situation given the new administrations views on the need to protect American companies. We have recently had some thought on this from the Government, but we are still to see what deal is negotiated with the EU.

The board concluded that there could be a resultant slow reduction in economic growth over the next two years which could have a potential effect on our turnover at some time in the future. The board therefore adopted a strategy of diversification to increase turnover in areas that we are not currently trading to reduce our reliance on our traditional work sectors and help compensate for any reduction in the lack of turnover elsewhere.

This diversification is already starting to bear fruit with, for example, increased work in Heritage – a new but growing quickly area for the company and a new office in Liverpool to respond to the potential growth from the Northern Powerhouse. Our results so far this year from 30 June 2016 show a significant improvement over both last year and also our budget for this financial year. Currently we see no reason for this improvement not to continue for the rest of the year to 30 June 2017.

Beyond the risks of Brexit, our main risks remain competition from other consultancies, employee retention and changes to the building and construction industry. Our diversification strategy will allow us to remain competitive without losing profitability. We also seek to ensure our employees enjoy a competitive pay and benefits package.

Over the next year with our strategy in place, we will consider opportunities for the company to grow across new sectors and work streams. Because of this approach, the outlook for 2016/17 remains positive.

Finally, I would like to thank our very loyal and hardworking employees who underpin the success of Pegasus which I am sure will help us towards another successful year.

Tony Bateman

Managing Director’s Statement
In a year of political shock headlines and unexpected results, I am pleased to report that our Company news was largely as we predicted. We can remain proud of the role Pegasus plays in delivering planning permissions which are vital to the delivery of new homes, workplaces, facilities and infrastructure the country needs. We continue to play a significant role with our Clients by helping to generate economic growth on a national scale.

The strengths of Pegasus Group have been carefully assembled throughout the life of the Company. Our teams continue to apply a thorough assessment of each relevant legislative framework and focus this with a keen understanding of the commercial need to deliver positive results. The planning process involves a wide range of stakeholders and is subject to varying degrees of political engagement. Finding a way through the maze is a key part of our skill set.

We recognised that the Government’s retreat from renewable energy investment would have an impact on our business in 2015/2016 and took steps to reduce our costs in the Environment Sector where the greatest impact would be felt. As a consequence, we managed to broadly maintain turnover at the level of 2014/2015 at £21.5m. Whilst our operating profit was affected, as is explained in the Managing Director’s Statement, when account is taken of the annual amortisation of goodwill, the profit would have been £4.95m. Accordingly the Group’s results remain strong.

I am therefore pleased once again to congratulate the Management Board and Financial Team in managing our income and results. I am also delighted to be able to thank all of our staff who I know work so hard to deliver the results for our Clients who underwrite our own success.

The shock headlines mean that the future political path is not as clear as we would wish. However, the fundamental needs remain for more housing and work places to meet existing demographic needs, and for increased facilities, improved infrastructure and leisure opportunities to meet changing expectations. Pegasus Group is continuing its diversification to help meet these core requirements.

It remains my privilege to recognise and thank all our Clients for their continuing instructions throughout the year. Pegasus Group will continue to provide the best service to deliver the optimum results for each and every one of our Clients.
Our Group is segmented by four key disciplines:

- **Planning**
  Our Planning teams specialise in different fields of the planning system, ranging from the strategic promotion of sites, through the Development Plan process, to the project management of large, medium and small development schemes.

- **Environment**
  Our Environment teams provide specialist planning services, working in conjunction with our Planning and Design teams, while effectively managing environmental issues in accordance with UK and EU Legislation.

- **Design**
  Our Design teams often work in support of the Planning teams, as well as working as standalone services for our clients, as such they have an excellent understanding of the development control process and planning policy requirements in relation to design.

- **Economics**
  Our Economics team specialises in economic impact assessment, appraisal demographic modelling and retail impact assessment.
The Company Ethos is all about developing passion, commitment and expertise in our staff.

Objectives
As a Group our objectives are:

• To provide excellent advice to all our clients in dealing with all types of development, economic and environmental issues
• To maintain our position as one of the leading consultancies in the country
• To seek to grow the business both organically and geographically
• To increase the services we provide to enable a holistic response to the issues our clients face
• To continue to grow the profitability of the company, manage balance sheet risk and increase the return to our shareholders

Core Competencies
The Group has a number of Core Competencies that have evolved since Pegasus was founded in 2003. In brief these are:

• The ability to manage and grow a successful consultancy
• Identifying new and existing markets where future growth can be expected
• Establishing an ethos for the company that enables the employment and retention of high quality staff
• Retaining existing clients and identifying new clients
• Excellent financial control of the overall company and its constituent elements
Pegasus Group has revisited its Business Plan to reflect external influences and insulate the company from any adverse impact. Strengths are in our workforce and diversification for growth.

Overview

Despite the problems created by the government in withdrawing subsidies in the renewable sector, the Group have at £21.5m been able to maintain turnover at approximately 2014/15 levels. This represents an excellent result in the difficult trading conditions that were subsequently created.

The Group Business Plan, revisited and updated after the Brexit vote, seeks to build on this foundation over the next ten years and aims to achieve a doubling of turnover through further growth of the Company.

Whilst acknowledging the core strengths of the company in planning, environment, design and economics, the need to continue diversification both of work streams and turnover is considered to be important not only in the growth of the company but also in seeking to insulate the company from any adverse impact brought about by Brexit.

As a Group, Pegasus projects forward the level of growth that it aims to achieve particularly over the next five years and also beyond giving a ten year horizon. The aim is to achieve at least a 5% growth per annum in profitability.
Setting Clear Priorities

Following the consideration of the Brexit report and taking account of the uncertainties that could potentially affect trading into the future, the Board revisited the Group’s priorities relating to the Business Plan and has restated them as follows:

- Seek to double the business over the next ten years
- Continue brand building based on the four disciplines of Planning, Design, Environment, Economics
- Improve, diversify and consolidate market penetration in all offices
- Seek additional growth in the smaller offices
- Add where appropriate new offices to the network to expand the disciplines and give greater geographic coverage
- Seek further diversification into new related areas
- Look towards international opportunities
- Improve overall cross selling across the Group
- Maintain and develop skilled professionalism within the business
- Continue to provide for succession at Board Level and Equity directorship
- Maintain and continually develop the professional competitive service for all clients
- Develop further marketing strategies for each area to increase overall client base

Following the vote to Leave the EU, the board considered a report on the potential impact of this decision on the company. It is acknowledged that it will take some time for any impact to be fully known and there may be, in the intervening period, some instability in the markets and potentially in economic growth. The main threat is considered to be a reduction in economic growth which could lead to an impact on the Group’s turnover.

The Board’s plan to deal with this position is to seek to grow turnover in a number of different areas which synthesise with the existing business. This decision remains broadly in line with the original Business Plan which was set out in the 2014/15 Annual Report.

The importance of brand awareness and digital marketing remains a central part of our overall strategy and this has been most recently seen in the launch of our new website which effectively promotes the Pegasus brand.
Key Growth and Resources

The company executive directors consist of an experienced team of people with a long track record of success. We look towards effective growth in our executive directors from internal and selective external sources in order to ensure succession and a continued strong financial performance.

We have a large and varied client base that has enabled the company to grow to its current level. We are seeking to build on these client relationships and create new relationships with those who do not currently use our services. Our disciplines are designed to deliver a fully comprehensive service from initial outset of all development projects through to handover and occupation of the final project. The overall leadership of the company is committed, together with the support of our knowledgeable and experienced colleagues, to add value to projects by using the professionalism of the full Pegasus brand.

In order to ensure we retain our overall competitiveness we are committed to maintaining our existing relationships with clients, seek additional growth through these relationships, seek to provide sustainable solutions to problems and ensure the necessary resources are in place to achieve this.

Promoting the Pegasus brand beyond our existing work areas remains an important key growth priority and the Group have put new resources into this area to enable this key growth aim to be achieved.

Geographical Growth

In the 13 years since the original company was established, we have developed our office network so that we now have 10 offices across the country. The most recent office established being Liverpool in 2016. This will help us with the work growth we have already achieved and expect to increase through the Northern Powerhouse area. Pegasus also maintains a vision to open further offices in England, Scotland and Ireland within the next five years.

Meeting the needs of population and commercial growth is an important cornerstone for the work in all our offices. In addition, our activities seek to manage and enhance the built, natural and historic environment. These remain important across national boundaries and given the similarities between the planning system in England and Wales with that in Scotland and Ireland the company sees significant benefit in extending the Pegasus brand into these countries as well.

Where new offices are established the Company recognises the need to have two employees of Director level experience within the surrounding area, who can bring with them an established client base. We also look at the potential of establishing different disciplines within each new office. This optimises the best opportunity to enable the office to succeed. The company also offers the opportunity for our senior employees to promote their existing connections in the new area and to move to the area themselves.

In considering geographical and sectoral growth the Company are also open to the option of acquisition of a suitable practice.

Organic Growth

Within our existing office network there remains scope for further diversification and expansion of our services. In some offices the opportunities are greater and in these offices, the Company are seeking to promote greater exposure to the market and build a much larger level of team across all disciplines and in diverse work areas.

Over the time the Company has operated it has evolved a standard office framework, which whilst it operates as an initial blueprint there is always scope to alter and change the framework to respond to individual market areas the office serves. Planning is normally the cornerstone to each office utilising our extensive client base, but different disciplines are introduced dependant on the market requirement of the area the office serves.

As part of our overall Brexit strategy and business plan, we continue to review each office ensuring the right resources are available to provide an excellent quality service for clients.
Finance Director’s Report and Business Plan

Diversification Growth

One of the important responses to the potential difficulties which may arise from Brexit is the importance to diversify work areas and sectors. This will give us strength to be able to deal with any future downturn in the economy.

The Group was originally formed with a strong planning base originally with a residential emphasis. It is now evolved into four disciplines:

• Planning
• Design
• Environment
• Economics

In addition, there are a number of different work sectors within each of these disciplines which allow us to trade in a number of different but related areas. We have already significantly expanded our Heritage offer, which we will seek to do into the future still further and we will also be looking to significantly expand our existing Economic capabilities.

Urban Design continues to see significant growth and we continue to expand our teams across the country. In the north of England, we have taken our Urban Design into an area where we have not been known for this service and this has been well received within the market in this area. We will continue this expansion looking further to the North and also to the South East whilst still building our existing teams and providing the necessary resources to ensure in time delivery of our work requirements.

Our automotive sector work continues to grow as does our commercial work in general. Whilst we did see a decline in renewables last year, we are now seeing additional work in this area and in another power generating source. Our diversification policy has been very successful in limiting the adverse effects of government policy on the renewable sector and we are now continuing to expand the work again in our Environment teams.

The growth in diversification and also the growth of our office network has helped to build the strength of the overall Pegasus brand and we believe our continued ambitions in this area can only build the brand still further. The Board therefore are committed to further diversification and growth both in consultancy areas where we are not active and into different geographical areas. Where necessary and where it is in the best interest of the company, we will seek to do this through acquisition of suitable practices.
Achieving More and Better

This is the second of our Annual Reports. In our first annual report last year we set out our Business Plan. In this Report we set out an amended version of the Plan taking account of the current concerns flowing from Brexit.

We are pleased to be able to report this year that we are meeting the goals set out in the Business Plan last year. We have seen further growth in all our disciplines, we have had further geographical growth through the opening of the new office in Liverpool and our Heritage offer has expanded and become a good contributor to the profits of the Company.

Despite the problems of reduced profit in the year to 30th June 2016, we have already seen a dramatic change around in our profitability in the first half of this year.

The Pegasus brand remains therefore strong and robust. The strategic management of the Company is seeking to optimise growth whilst monitoring potential adverse external impacts.

Our Core Strengths, which include our excellent professional workforce and our diversification policy remains key to our success into the future.
This year we remain focussed on building our brand in the north of England also in London and the South East. We have already brought in additional Directors who add to the strength of the overall company and have enlarged our client base. We will seek to continue this for the rest of the year.

Our aim is to provide an unrivalled service to both our existing and new clients, support and reward all our excellent workforce and move towards our overall ten year goal. Our financial performance so far this year has been strong and beyond that forecast in our existing budgets. We see no reason for this not to continue for the rest of this year.
The Board of Directors of Pegasus Group are as follows:

01. Tony Bateman
   Managing Director
   Group

02. Stephen Bawtree
   Chairman
   Group

03. Robert Barber
   Executive Director
   Cambridge

04. Mike Carr
   Executive Director
   Cirencester

05. Andrew Cook
   Executive Director
   Cirencester

06. Samantha Kerby
   Executive
   Finance Director
   Group

07. Gary Lees
   Executive Director
   East Midlands

08. David Stentiford
   Executive Director
   Birmingham

09. Jim Tarzey
   Executive Director
   London
The Executive Directors of Pegasus Group are as follows:

01. **Paul Burrell**
    Executive Director
    Cirencester

02. **Chris Calvert**
    Executive Director
    Leeds

03. **Glenn Godwin**
    Executive Director
    Cirencester

04. **David Hutchison**
    Executive Director
    Cirencester

05. **Guy Longley**
    Executive Director
    East Midlands

06. **Chris May**
    Executive Director
    Birmingham

07. **Jeremy Peachey**
    Executive Director
    Birmingham

08. **Paul Smith**
    Executive Director
    East Midlands

09. **Colin Virtue**
    Executive Director
    Bristol

10. **Dan Weaver**
    Executive Director
    Bristol
Introduction

Pegasus Group combines the benefits of flexibility and rapid response available to a private Company with the discipline to which a fully listed Company would adhere.

This is intended to promote open management which is accessible, understandable, shared and enthusiastically adopted in all our offices.

It is also part of our ongoing development to support, engage and motivate our staff throughout the Company.

The Company views efficient and consistent Corporate Governance as a pre-requisite to providing the optimum professional service to our Clients.

The Company adopted its Approved Framework for Corporate Governance in 2016 and will review the Framework in order to develop still further its practices during 2017.

Board Responsibilities

The board has the following responsibilities:

- Determining overall strategy, business plan and direction of growth for the Group
- Approving annual targets and budgets
- Regularly reviewing the financial accounts of the company including approval of the annual results
- The recommendation and approval of dividends or other capital distributions
- Approval of any acquisitions or disposals
- Approval of polices relating to risk management
- Appointment of key advisors to the Group
- Approval of major items of capital expenditure
- Dealing with any litigation issues

Board Structure

Currently the board comprises one non-executive Director (the Chairman) and Executive Directors reflecting the sectors in which the Company operates. The Executive Directors are responsible for the day to day management of the Group's business activities.

The Non-Executive Chairman, Stephen Bawtree was, until June 2015 an Executive Director of the Company. On that date he retired from this role in the Company and took up the non-executive Director role on the board. He is independent of the management of the Company and the view of the board is that he contributes independent judgement as well as bringing extensive knowledge and experience.

The Chairman and the Managing Director have clear and distinct roles. The Chairman’s key functions are to conduct board meetings and ensure all Directors are properly briefed in order that they may play a full part in discussions at the Board. The Managing Director’s role is to develop and lead business strategies and processes to enable the Group to meet the requirements of its client group as well as the needs of the employees.

The work of the Management Board is supported by important Committees covering Audit & Remuneration, Marketing, IT, HR, Corporate Governance and New Initiatives. The Chair, Managing Director and Finance Director are also engaged in a regular series of meetings with all Directors in each office to monitor progress.
Board Operations

The Board seeks to meet eleven times on an annual basis. The agenda for each Board meeting focusses on business performance, future strategy, emerging risks and aspects of business control. Health and Safety issues and ISO compliance is also raised at each board meeting. Where necessary papers are prepared in advance and circulated to all board members.

At every meeting the previous months management accounts are considered. The Company Secretary assists the Chairman in ensuring Board procedures are followed.
Independent Auditor’s Report to the Members of Pegasus Planning Group Ltd

We have audited the financial statements of Pegasus Planning Group Limited for the year ended 30 June 2016. 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 auditor’s 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 auditor

As explained more fully in the Statement of Directors’ Responsibilities (in the full set of Financial Statements), 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 (APB’s) Ethical Standards for Auditors to the financial statements.

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 Directors’ Report and Strategic 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.

Opinion on the financial statements

In our opinion the financial statements:

• give a true and fair view of the state of the Company’s affairs as at 30 June 2016 and of its 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 Directors Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
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, 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; 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.

Ryan Hancock
(Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditors

Windsor House
Bayshill Road
Cheltenham
GL50 3AT
Profit and Loss Account for the year ended 30 June 2016

<table>
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<tr>
<th>Note</th>
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<td>21,672,064</td>
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<td>Cost of sales</td>
<td>(12,480,980)</td>
<td>(11,764,937)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>8,983,227</td>
<td>9,907,127</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(5,265,591)</td>
<td>(5,308,066)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>3,717,636</td>
<td>4,599,061</td>
</tr>
<tr>
<td>Interest receivable and similar income</td>
<td>1,249</td>
<td>1,799</td>
</tr>
<tr>
<td>Interest payable and similar charges</td>
<td>(9,023)</td>
<td>(18,541)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>3,709,862</td>
<td>4,582,319</td>
</tr>
<tr>
<td>Taxation</td>
<td>(757,595)</td>
<td>(970,847)</td>
</tr>
<tr>
<td>Profit for the financial year</td>
<td>2,952,267</td>
<td>3,611,472</td>
</tr>
</tbody>
</table>

The above results were derived from continuing operations.

The Company had no other comprehensive income in the current or preceeding year.

Transition to FRS 102
The financial statements for the year ended 30 June 2016 are the first set prepared under FRS 102. The Company’s date of transition was 1 July 2014. Adjustments reflect the changes in accounting treatment between FRS102 and previous UK GAAP.
## Financial Statements

### Balance Sheet as at 30 June 2016

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>8</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>9</td>
<td>182,278</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>5,182,278</strong></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>10</td>
<td>8,846,267</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>11</td>
<td>57,333</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8,903,600</td>
</tr>
<tr>
<td>Creditors: Amounts falling due within one year</td>
<td>12</td>
<td>(3,029,391)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td>5,874,209</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>11,056,487</td>
<td>11,774,171</td>
</tr>
<tr>
<td><strong>Provisions for liabilities</strong></td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>11,056,487</td>
</tr>
<tr>
<td><strong>Capital and reserves</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Called up share capital</td>
<td></td>
<td>12,400</td>
</tr>
<tr>
<td>Share premium reserve</td>
<td></td>
<td>674,026</td>
</tr>
<tr>
<td>Retained earnings</td>
<td></td>
<td>10,370,061</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td><strong>11,056,487</strong></td>
</tr>
</tbody>
</table>

Approved and authorised by the Board on 31st January 2017 and signed on its behalf by:

A Bateman
Managing Director
Financial Statements
Statement of Cash Flows for the year ended 30 June 2016

<table>
<thead>
<tr>
<th>Cash flows from operating activities</th>
<th>Note</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year</td>
<td></td>
<td>2,952,267</td>
<td>3,611,472</td>
</tr>
<tr>
<td>Adjustments to cash flows for non-cash items:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>3</td>
<td>1,388,638</td>
<td>1,402,648</td>
</tr>
<tr>
<td>Finance income</td>
<td></td>
<td>(1,249)</td>
<td>(1,799)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>6</td>
<td>9,023</td>
<td>18,541</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>7</td>
<td>757,595</td>
<td>970,847</td>
</tr>
<tr>
<td>Working capital adjustments:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in debtors</td>
<td>10</td>
<td>(215,932)</td>
<td>(907,924)</td>
</tr>
<tr>
<td>Increase in creditors</td>
<td>12</td>
<td>58,717</td>
<td>67,614</td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td></td>
<td>4,949,059</td>
<td>5,161,399</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td></td>
<td>(935,390)</td>
<td>(993,367)</td>
</tr>
<tr>
<td>Net cash flow from operating activities</td>
<td></td>
<td>4,013,669</td>
<td>4,168,032</td>
</tr>
</tbody>
</table>

| Cash flows from investing activities | | |
| Interest received                   | 9    | 1,249     | 1,799   |
| Acquisition of tangible fixed assets |       | (75,526)  | (253,886) |
| Net cash flows from investing activities |   | (74,277)  | (252,087) |

| Cash flows from financing activities | | |
| Interest paid                       | 6    | (9,023)   | (18,541) |
| Proceeds from issue of ordinary shares |     | 326,426   | 100,000  |
| Repayment of director loan accounts | (1,482,160) | (3,064,018) |
| Dividends paid                      | (3,993,559) | (819,479) |
| Net cash flows from financing activities | | (5,158,316) | (3,802,038) |

Net (decrease)/increase in cash and cash equivalents | 1,218,924 | 113,907 |

Cash and cash equivalents at 1 July | 718,982 | 605,075 |

Cash and cash equivalents at 30 June | 499,942 | 718,982 |
Notes to the Financial Statements for year ended 30 June 2016

1 GENERAL INFORMATION

The company is a incorporated and domiciled in England and Wales.

The address of its registered office is:
Pegasus House
Querns Business Centre
Whitworth Road
Cirencester
Gloucestershire
GL7 1RT

2 ACCOUNTING POLICIES

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation
These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

Group accounts not prepared
The Company has not prepared consolidated financial statements as parent Company of a medium-sized Group, on the basis that all subsidiary companies were dormant in the current and prior year.

Judgements and estimation uncertainty
The Directors are required to make judgements regarding: the recoverability of trade debtor balances; amounts recoverable on long-term contracts; the fair value of work in progress; and the estimated useful life of tangible and intangible fixed assets.

Revenue recognition
Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company’s activities. Turnover is shown net of value added tax.

The Company recognises revenue when: the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Company’s activities.

Tax
The tax expense for the period comprises corporation tax and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.
 Deferred tax
Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible fixed assets
Tangible fixed assets is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.
Financial Statements

**Depreciation**
Depreciation is charged so as to write off the cost of assets, as follows:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Depreciation method and rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixtures, fittings and equipment</td>
<td>25% straight line</td>
</tr>
</tbody>
</table>

**Goodwill**
Goodwill is amortised over its useful life, which shall not exceed five years if a reliable estimate of the useful life cannot be made.

**Amortisation**
Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Amortisation method and rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>10% straight line</td>
</tr>
</tbody>
</table>

**Trade debtors**
Trade debtors are amounts due from customers for services performed in the ordinary course of business, and are recognised initially at the transaction price. They are subsequently measured at amortised cost, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due.

**Amounts recoverable on contracts**
Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

**Cash and cash equivalents**
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**Trade creditors**
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost.

**Loans and borrowings**
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
Leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends
Dividend distribution to the Company’s shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation
A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments
Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet, The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non-financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.
3 OPERATING PROFIT

Arrived at after charging/(crediting):

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation expense</td>
<td>138,638</td>
<td>152,648</td>
</tr>
<tr>
<td>Amortisation expense</td>
<td>1,250,000</td>
<td>1,250,000</td>
</tr>
<tr>
<td>Operating lease expense - property</td>
<td>660,721</td>
<td>572,939</td>
</tr>
<tr>
<td>Operating lease expense - other</td>
<td>94,056</td>
<td>117,572</td>
</tr>
<tr>
<td>Auditor’s remuneration - audit of the annual accounts</td>
<td>13,500</td>
<td>13,300</td>
</tr>
<tr>
<td>Auditor’s remuneration - non audit work</td>
<td>1,475</td>
<td>4,009</td>
</tr>
</tbody>
</table>

4 STAFF COSTS

The aggregate payroll costs (including Directors’ remuneration) were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>9,518,215</td>
<td>9,110,634</td>
</tr>
<tr>
<td>Social security costs</td>
<td>1,048,696</td>
<td>939,700</td>
</tr>
<tr>
<td>Pension costs</td>
<td>1,134,828</td>
<td>1,126,841</td>
</tr>
<tr>
<td></td>
<td>11,701,739</td>
<td>11,177,175</td>
</tr>
</tbody>
</table>

The average number of persons employed by the Company (including Directors) during the year, analysed by category was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of sales</td>
<td>171</td>
<td>165</td>
</tr>
<tr>
<td>Administration and support</td>
<td>31</td>
<td>46</td>
</tr>
<tr>
<td>Directors</td>
<td>19</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>221</td>
<td>226</td>
</tr>
</tbody>
</table>

5 DIRECTORS’ REMUNERATION

The Directors’ remuneration for the year was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration (including benefits in kind)</td>
<td>1,843,293</td>
<td>1,174,190</td>
</tr>
<tr>
<td>Contributions paid to money purchase schemes</td>
<td>433,265</td>
<td>396,994</td>
</tr>
<tr>
<td></td>
<td>2,276,558</td>
<td>1,571,184</td>
</tr>
</tbody>
</table>

During the year the number of Directors who were receiving benefits was as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accruing benefits under money purchase pension scheme</td>
<td>19</td>
<td>15</td>
</tr>
</tbody>
</table>

In respect of the highest paid Director:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration (including benefits in kind)</td>
<td>124,614</td>
<td>123,263</td>
</tr>
<tr>
<td>Company contributions to money purchase pension schemes</td>
<td>19,200</td>
<td>19,800</td>
</tr>
</tbody>
</table>
Financial Statements

6 INTEREST PAYABLE AND SIMILAR CHARGES

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other interest payable</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td></td>
<td>9,023</td>
<td>18,541</td>
</tr>
</tbody>
</table>

7 TAX

Tax charged/(credited) in the profit and loss account:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

Current taxation

UK Corporation tax | 769,359 | 957,491 |

Deferred taxation

Arising from origination and reversal of timing differences | 757,595 | 970,847 |

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2015 - lower than the standard rate of corporation tax in the UK) of 20% (2015 - 20.75%).

The differences are reconciled below:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

Profit before tax | 3,709,862 | 4,582,319 |

Corporation tax at standard rate | 741,972 | 950,831 |
Non deductible expenses | 7,690 | 16,093 |
Other differences | 7,933 | 3,923 |

Deferred tax assets and liabilities:

2016

<table>
<thead>
<tr>
<th></th>
<th>Asset</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accelerated capital allowances</td>
<td>(10,362)</td>
<td></td>
</tr>
<tr>
<td>Other timing differences</td>
<td>19,308</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>8,946</td>
<td></td>
</tr>
</tbody>
</table>

2015

<table>
<thead>
<tr>
<th></th>
<th>Liability</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accelerated capital allowances</td>
<td>(21,043)</td>
<td></td>
</tr>
<tr>
<td>Other timing differences</td>
<td>18,225</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>(2,818)</td>
<td></td>
</tr>
</tbody>
</table>
### 8 INTANGIBLE FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Goodwill (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 July 2015 and 30 June 2016</td>
<td>12,500,000</td>
</tr>
<tr>
<td><strong>Amortisation</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 July 2015</td>
<td>6,250,000</td>
</tr>
<tr>
<td>Amortisation charge</td>
<td>1,250,000</td>
</tr>
<tr>
<td>At 30 June 2016</td>
<td>7,500,000</td>
</tr>
<tr>
<td><strong>Carrying Amount</strong></td>
<td></td>
</tr>
<tr>
<td>At 30 June 2016</td>
<td>5,000,000</td>
</tr>
<tr>
<td>At 30 June 2015</td>
<td>6,250,000</td>
</tr>
</tbody>
</table>

### 9 TANGIBLE FIXED ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Fixtures and fittings (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 July 2015</td>
<td>725,472</td>
</tr>
<tr>
<td>Additions</td>
<td>75,526</td>
</tr>
<tr>
<td>At 30 June 2016</td>
<td>800,998</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
</tr>
<tr>
<td>At 1 July 2015</td>
<td>480,082</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>138,638</td>
</tr>
<tr>
<td>At 30 June 2016</td>
<td>618,720</td>
</tr>
<tr>
<td><strong>Carrying Amount</strong></td>
<td></td>
</tr>
<tr>
<td>At 30 June 2016</td>
<td>182,278</td>
</tr>
<tr>
<td>At 30 June 2015</td>
<td>245,390</td>
</tr>
</tbody>
</table>

### 10 DEBTORS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>7,607,071</td>
<td>7,875,440</td>
</tr>
<tr>
<td>Amounts recoverable on contracts</td>
<td>931,565</td>
<td>627,501</td>
</tr>
<tr>
<td>Other debtors</td>
<td>132,516</td>
<td>15,749</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>175,115</td>
<td>102,699</td>
</tr>
<tr>
<td></td>
<td><strong>8,846,267</strong></td>
<td><strong>8,621,389</strong></td>
</tr>
</tbody>
</table>
Financial Statements

11 CASH AND CASH EQUIVALENTS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>1,054</td>
<td>1,569</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>56,279</td>
<td>786,831</td>
</tr>
<tr>
<td></td>
<td>57,333</td>
<td>788,400</td>
</tr>
<tr>
<td>Bank overdrafts</td>
<td>(557,275)</td>
<td>(69,418)</td>
</tr>
<tr>
<td></td>
<td>(499,942)</td>
<td>718,982</td>
</tr>
</tbody>
</table>

12 CREDITORS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due within one year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and borrowings</td>
<td>1,148,537</td>
<td>2,142,840</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>450,760</td>
<td>333,956</td>
</tr>
<tr>
<td>Social security and other taxes</td>
<td>810,579</td>
<td>873,682</td>
</tr>
<tr>
<td>Tax liability</td>
<td>390,460</td>
<td>556,491</td>
</tr>
<tr>
<td>Outstanding defined contribution pension costs</td>
<td>96,542</td>
<td>91,123</td>
</tr>
<tr>
<td>Other creditors</td>
<td>14,692</td>
<td>16,493</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>117,821</td>
<td>116,423</td>
</tr>
<tr>
<td></td>
<td>3,029,391</td>
<td>4,131,008</td>
</tr>
</tbody>
</table>

13 LOANS AND BORROWINGS

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current loans and borrowings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank overdraft</td>
<td>557,275</td>
<td>69,418</td>
</tr>
<tr>
<td>Director loan accounts</td>
<td>591,262</td>
<td>2,073,422</td>
</tr>
<tr>
<td></td>
<td>1,148,537</td>
<td>2,142,840</td>
</tr>
</tbody>
</table>

The bank overdraft is secured by a debenture dated 26 August 2010.

14 PENSION AND OTHER SCHEMES

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £1,134,828 (2015 - £1,126,841). Contributions totalling £96,542 (2015 - £91,123) were payable to the scheme at the end of the year and are included in creditors.

15 OBLIGATIONS UNDER LEASES

The total of future minimum lease payments is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not later than one year</td>
<td>677,131</td>
<td>618,009</td>
</tr>
<tr>
<td>Later than one year and not later than five years</td>
<td>1,135,579</td>
<td>1,388,291</td>
</tr>
<tr>
<td>Later than five years</td>
<td>336,558</td>
<td>565,283</td>
</tr>
<tr>
<td></td>
<td>2,149,268</td>
<td>2,571,583</td>
</tr>
</tbody>
</table>
09 Corporate Social Responsibility

Business Dealings

It is important to us as a group that all our business activities are conducted with honesty and fairness. All employees are required to act with high standards of behaviour and where applicable in accordance with their professional institute requirements.

Each employee is required to ensure they conduct themselves with full respect for the human rights of other people and property. All employees are required to be clear about any financial or professional activity outside of the company they are engaged in which could conflict with their responsibilities to the Group. No employee is allowed to abuse their position for personal gain. Lastly the Group seeks to conduct all matters in accordance with the Bribery Act.

Health and Safety

The Health and Safety of all our employees is of paramount importance. All employees are required to undertake training in respect of health and safety and this is fully monitored by the Group’s Health and Safety Manager.

Regular reports are provided to all board meetings regarding health and safety issues, in order that we ensure we provide safe working environments to protect staff, clients and visitors who may be affected by the company’s activities. This includes any incidents or accidents that may have taken place since the previous report. In all situations health and safety risks of activities are assessed and appropriate control measures put in place.

During the last year the company has not been prosecuted for any breach of health and safety regulations and has not been subject to any regulatory authority.

No RIDDOR reports have been made by the company.

Social Activities

Our diverse and talented employees take part in a number of extra-curricular activities and support a number of charitable events. We are very proud of the achievements of our employees and can boast having in our midst:

- Dressage competitor
- Clay pigeon shooter
- CrossFit enthusiast
- Managers/coaches of local children’s football and cricket teams
- Marathon runners
- Football scout
- Olympic wheelchair basketball competitor
- Member of Team GB ‘four cross’ cycling team
- Welsh table tennis champion
- Top 10 British BBQ Team

The list goes on!

Our employees carry out a whole host of activities in order to raise money for a number of charities which are dear to our employees hearts. The company sponsors events such as the Great North Run for Save the Children, The Clarion Run, Bubble Rush and Pretty Muddy, Cricket Match for Marie Curie, Down Syndrome, Breast Cancer Campaign, Children in Need, Alzheimer’s Society, Birmingham Christmas Shelter, MacMillan Cancer Support, CLIC Sargent and St Christopher’s Hospice.

We employ a very talented group of people who give something back to the communities in which they live. The diverse hobbies include singing in local women’s choir, playing both electric and acoustic guitar, an illustrator who recently had a book published, a leader of a Guide group, painting scenery for local school plays and recently an employee who has received an Award of Merit by the Chief Scout for scouting services and a DoE Gold expedition assessor.

Total Number of Employees Including Directors: 221
- Male Employees: 50.9%
- Female Employees: 49.1%

Employees under the Age of 25: 6%
- Employees Aged between 25 and 29: 18%
- Employees Aged between 30 and 49: 60%

Employees Over the Age of 50: 16%
- Part Time Employees: 17%
- Average Length of service in Years: 4.8

We will provide comparable statistics in future Annual Reports.
Community Activities

The Group support a number of community activities around the country and has made a number of charitable donations in the past year. In the last financial year the group or its staff have raised or given over £20,000.

Environmental Management

As a consultancy our direct impact on the Environment is minimal. As a Group though we acknowledge the need to ensure that we keep our impact as low as possible.

In order to achieve this we endeavour to comply with all relevant legislation, we seek to utilise suppliers who provide appropriate products that are recyclable, or otherwise sustainable, and we seek in our buildings to move towards more sustainable energy use.

The Group in particular operates a recognised environmental management system and in this respect has achieved ISO14001. Each office is required to recycle as many materials as possible and restrict overall waste.

Employee Responsibility

Our employees are one of our major assets. We have a well-qualified, motivated and loyal workforce. One of the main objectives of the company is to seek to retain this workforce. In this respect we have established appropriate remuneration levels for each grade within the company. These levels are benchmarked against the position outside of the company to ensure that all pay grades are fully representative and competitive. We provide excellent healthcare, medical, life assurance and pension provisions.

In order to deal with our people management issues and ensure that we remain an attractive consultancy to work for we have established a Human Resources division within the overall Group Services structure.

We operate an equal opportunities policy within the company regardless of sex, sexual orientation, religion, ethnicity, age, disability or pregnancy.

In accordance with the Corporate Governance report of the board and senior management of the company (Regional Directors and above) 24 are male and 4 female.

We operate a full induction programme to all new employees which includes a full day with other new starters and also involves senior management. Engagement in the company is of paramount importance and to that end we provide a weekly news service, regular employee appraisals, staff days out and continuing professional development through seminars and other training opportunities.
10 Projects

**NEW HOTEL**
ROYAL VICTORIA DOCKS, NEWHAM, GREATER LONDON

**BIBURY COURT**
COTSWOLDS

**M5 MOTORWAY**
GLOUCESTERSHIRE

**GARDEN CITY**
PLASDWR, NORTH WEST CARDIFF

CLIENT
The Good Hotel

CLIENT
Private Client

CLIENT
Westmorland Limited

CLIENT
Redrow Homes (South West)
**Projects**

**BUCKTON FIELDS**
NORTHAMPTON

CLIENT
Ensign Group

---

**BRASSERIE BLANC**
CABOT CIRCUS, BRISTOL

CLIENT
Brasserie Bar Co

---

**45MW SOLAR PARK**
DEESIDE, WEIGHBRIDGE ROAD

CLIENT
Atem Solar Ltd

---

**GLOUCESTER ACADEMY**
GLOUCESTER

CLIENT
Kier Education
The Regional Directors of Pegasus Group are as follows:

01. Barry Cansfield
    Regional Director
    London

02. Brian Denney
    Regional Director
    Leeds

03. Sarah Hamilton-Foy
    Regional Director
    Cirencester

04. Sue Manns
    Regional Director
    Birmingham

05. Andy Meader
    Regional Director
    Bracknell

06. Nicky Parsons
    Regional Director
    Cambridge

07. Jonathan Rainey
    Regional Director
    Bristol

08. Seb Tibenham
    Regional Director
    Manchester

09. Edward Turner
    Regional Director
    Cirencester
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Pegasus Group

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