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TRIAD GROUP PLC

Annual Report and Accounts

triad

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Strategic Report

Financial highlights

- Revenue for the year ended 31 March 2015: £23.5m (2014: £19.7m)
- Profit from operations: £0.46m (2014: £0.13m)
- Earnings before interest, tax, depreciation and amortisation (EBITDA): £0.54m (2014: £0.20m)
- Profit after tax: £0.35m (2014: £0.01m)
- Gross profit as a percentage of revenue: 14.1% (2014: 14.5%)

Chairman's statement

Dr John Rigg, Executive Chairman

The Group's results for the financial year ended 31 March 2015 demonstrate the significant progress made in all areas of the business, and represent our strongest performance for over 10 years. These years have been a particularly difficult period for small and medium sized enterprises (SME's), and it is a testament to the resilience of the Group and its staff that Triad has survived and is now looking forward to better times ahead. The improvement in results has been achieved by the effort and determination of Triad's management and staff to build a more focused and robust business, with Triad teams winning and retaining projects across a wide range of Government departments, as well as in a number of major private sector accounts.

The unified business model introduced last year has created real traction during the period, particularly in the public sector. Triad's presence on the G-Cloud and Digital Services frameworks has enabled it to engage directly with new and existing clients to provide a broad spectrum of services including consultancy, business analysis, software development and coaching.

Significant successes have been around the provision of staff to support projects aligned to the Government's Digital agenda, with central government clients including Ministry of Justice, Home Office and Cabinet Office. New clients included Welsh Government, Companies House and Central & North West London NHS Trust.

We were also very proud to have been able to support the Roll of Honour at the Tower of London in our role as IT Solutions Partner, playing a small part in the remembrance celebrations in 2014. Elsewhere, we supported the National Trust in its own commemoration activities, with our geospatial platform Zubed being used to display locations of the Trust's war memorials.

In the private sector, Triad continued to provide consultancy, development and resourcing services to a wide range of clients. We supplied a team of consultants to help a leading energy management provider redevelop its energy management portal which is used by major players in the energy sector. We also developed a platform to improve collaboration and work-winning for one of the world's foremost automotive consultancy firms. We continued to excel as a Tier 1 supplier of IT resources to one of the world's largest banks.

Revenue and operating profit have increased across the Group. Whilst we have been determined in our efforts to drive margin upwards, a significant source of revenue growth was with one particular account that has been operating at a fixed, lower margin. This had the effect of diluting margin improvements elsewhere, although progress was made on this front in the last quarter of the period.

Improvement in a number of areas has driven the positive performance in the Group. A concerted attempt to raise the profile of the Group by promoting the facilities of G-Cloud and Digital Services frameworks has helped to win more business in the public sector. A more joined-up business has facilitated the introduction of new areas of expertise to our clients, using our resourcing capability to develop centres of excellence around skillsets such as DevOps and User Experience. Our focus on value and productivity has given clients the confidence to extend and renew contracts, helping to improve consultant utilisation rates in the process. Our agility as an SME, combined with our heritage and experience of 27 years, has allowed the Group to operate very responsively, setting a standard that our clients have used as the benchmark for other suppliers to achieve. The Group has worked very successfully in multi-supplier environments, with numerous examples of effective collaboration with suppliers both large and small.

Board Appointment

The Board was strengthened in March 2015 with the appointment of Adrian Leer as Executive Commercial Director. Adrian has been with the Group for a number of years, and his appointment reflects Triad's commitment to organic growth.

Segmental Reporting

In practice, the group no longer operates on a segmental basis. There is one management team. Opportunities are developed centrally, and resourced according to client needs. Efforts to create a single, seamless business have been successful to the point where the separation of the business into two segments for reporting purposes no longer makes sense. Reporting for the next and subsequent periods will be non-segmental.

Strategic Report

Outlook

A key focus going forward will be on efficiency and driving profit. Recruitment of talented staff is essential to this objective, particularly around the consultancy practice where a number of positions in the previous reporting period have been occupied by temporary staff.

The Group expects to improve its work-winning rate in Government, exploiting further the major frameworks, and utilising opportunities with key partners. The Group's track record of building solutions that generate efficiencies places Triad in a strong position to help deliver the new Government's agenda.

Following a small number of successes in the NHS and Health sector generally, the Group plans to increase its presence in this area and capitalise on opportunities afforded by a more localised approach to investment.

The Group expects to see more investment in the private sector too, with increasing economic confidence and an emphasis on productivity and innovation.

Employees

On behalf of the Board I would like to thank all our staff for their efforts during the past year.

John Rigg

Chairman
10 June 2015

Organisation overview

Triad Group Plc is engaged in the provision of IT resourcing, consultancy and solutions services to the public and private sectors. For the year to 31 March 2015 the Group consisted of two operating segments, Triad Resourcing and Triad Consulting & Solutions. From 1 April 2015 the Group will consist of one operating segment as explained in the Chairman's Statement above.

Principal objectives

The principal objectives of the Company are to;

- Provide clients with industry leading service in our core skills.
- Achieve sustainable profitable growth across the business and increase long term shareholder value.

The key elements of our strategy to achieve our objectives are;

To provide a range of specialist services relevant to our clients business

- Our services include consultancy, change leadership, project delivery, software development, mobility services and business insights. Further capacity and expertise is provided via our resourcing services.
- We continue to adopt a "business first, technology second" approach to solving our clients' problems. A cornerstone of our service offer is our consultancy model, offering advice and guidance to clients in terms of technology investments.

To develop long term client relationships across a broad client base

- Enduring client relationships fuel profitability. A hallmark of our recent improvements has been the frequency of repeat business, which itself has been a function of outstanding delivery and proactive business development within existing accounts.
- Our consistent track record in this regard is our major asset when developing propositions for new clients, along with the use of case studies and references.
- We have structured our service offering to enable clients to engage early, thus enabling the building of trust and confidence from the outset.

To work with partners

- Our strategy includes working with carefully chosen partners operating under their client frameworks in addition to the frameworks on which Triad is listed. This will expose more opportunities whilst reducing the cost of sale.

Strategic Report

To leverage group capability and efficiency to increase profitability

- We continue to develop synergies across the Group's activities both externally and internally, driving better outcomes for clients whilst improving efficiency and effectiveness. The management team sets objectives to ensure that these synergies are exploited.
- We enable our clients to benefit from access to a full range of ICT services, delivered through a single, easy to access, point of sale. Our resourcing team provides rapid, scalable capacity and skills to our consultancy and development projects as demand dictates. Our consultants offer expertise and experience to our resourcing team as increasingly complex technical requirements emerge from our clients.
- We will continue to strive to provide the highest quality of service through the provision of niche resources using market experts, and the supply of IT services though our team of skilled consultants.
- We will strengthen our pipeline of work through the development of fulfilling and productive client relationships.

Business model

The Group provides services to the public and private sectors in the areas of IT resourcing (both contract and permanent), and the provision of IT consultancy and solutions services, including location intelligence services. For the year ended 31 March 2015 the Group consists of two operating segments, Triad Resourcing and Triad Consulting & Solutions, both operating in the United Kingdom from offices in Milton Keynes and Godalming.

The resourcing business:

- Earns fees from the provision of independent contractors on a time hire basis to clients. Contractors are paid on the same basis at a lower rate. The difference in client and contractor fee rates generates gross profit.
- Sources and selects candidates for permanent positions with clients. A fee is earned from our client when they successfully recruit a candidate.

The consultancy and solutions business earns fees from charging the time of its employees to clients or delivering projects to clients. In addition some income is earned from licensing software that we have developed.

From 1 April 2015 the Group will no longer be reporting segmental results. This is to reflect the Group's operating model and management's reporting and decision making processes as explained in the Chairman's Statement above.

Principal risks and uncertainties

As with any business in the UK IT services market the Group faces a number of principal risks and uncertainties.

These are summarised as follows:

IT services market

The demand for IT services is affected by UK market conditions. The continual development of the Group's business into new niches and sectors is important in protecting the Group from fluctuations in market conditions.

Revenue visibility

The pipeline of contracted orders for time and materials consultancy work is relatively short. The Board carefully reviews forecasts to assess the level of risk arising from business that is forecast to be won.

Availability of staff

The ability to recruit and retain staff, and access to a large, appropriately skilled contractor resource are key to ensuring the ability to win and deliver IT services to our clients. The Group continues actively to recruit quality individuals, and ensures the contractor database is constantly updated and expanded.

Offshore competition

Offshore IT service companies, particularly those located in Asia and Eastern Europe, continue to exert downward pressure on fee rates. The Group continues to develop niche markets and focus on delivering effective solutions where close collaboration with the client is required.

Performance assessment, financial review and outlook

Financial and non-financial key performance indicators (KPIs) used by the Board to monitor progress are revenue, profit from operations, gross margin, net borrowings and headcount. Financial KPIs are discussed in more detail in the Financial Review below.

Strategic Report

The KPIs are as follows;

	2015	2014
Revenue	**£23,482,000**	£19,702,000
Profit from operations	**£462,000**	£125,000
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**£543,000**	£200,000
Gross margin	**14.1%**	14.5%
Average headcount	**52**	57

Corporate social responsibility

Our employees

The Group is committed to equal opportunities and operates employment policies which are designed to attract, retain and motivate high quality staff, regardless of sex, age, race, religion or disability. The Group has a policy of supporting staff in long term career development.

The Group recognises the importance of having effective communication and consultation with, and of providing leadership to, all its employees, who are critical to its future success. The Group promotes the involvement of its employees in understanding the aims and performance of the business.

The following table shows the number of persons, by gender, who at 31 March 2015 were directors, senior managers or employees of the Company.

	Male	Female	Total
Directors	5	-	5
Senior managers	1	1	2
Employees	36	14	50
	42	**15**	**57**

Environment and greenhouse gas reporting

The Group is committed to ensuring that the actual and potential environmental impact of its activities is understood and managed effectively.

The annual quantity of Greenhouse Gas (GHG) Emissions for the period 1 April 2014 to 31 March 2015 in tonnes of carbon dioxide equivalents (tCO2e) is shown in the table below.

	2015 tCO2e*	2014 tCO2e*
Emission source:		
Combustion of fuel	**25**	41
Electricity and heat purchased for own use	**109**	86
Total	**134**	127
tCO2e per £1m revenue	**5.7**	6.4

*The calculation of tCO2e for each source has been prepared in accordance with DEFRA guidelines for GHG reporting.

Financial review

Group performance

The Group reports significantly improved operating performance for the financial year ended 31 March 2015.

Group revenue has increased to £23.5m (2014: £19.7m) further to an increase in contractor numbers in the Resourcing business and improved utilisation the Consulting business.

The Group reports an increase in profit from operations to £0.46m (2014: £0.13m). Earnings before interest, tax, depreciation and amortisation (EBITDA) is £0.54m (2014: £0.20m). The Group reports a profit after tax of £0.35m (2014: £0.01m).

Gross margin has decreased slightly to 14.1% (2014: 14.5%). This is as a result of a higher proportion of Resourcing business being conducted at lower margins when compared to last year. Utilisation in the Consulting business has also improved further to securing longer term client engagements.

Cash and cash equivalents at the year-end have increased to £390,000 (2014: £4,000).

Operating segments

The Group presents its results across two segments, Resourcing and Consulting & Solutions.

Strategic Report

Revenue for the financial year to 31 March 2015 in the Resourcing business has increased to £19.8m (2014: £17.0m). This increase is as a result of growth in long standing, but lower margin, key accounts together with the development of significant new accounts, particularly in the public sector where Triad teams consisting of both contractors and consultants are able to support a wider range of projects, offering clients rapid access to specialist skills. The segment reports a profit from operations of £0.4m (2014: £0.3m). Whilst this represents a solid performance the average gross margin percentage has been impacted by the relative increase in lower margin business offsetting higher margins being achieved elsewhere.

Revenue in the Consulting & Solutions segment has increased to £3.6m (2014: £2.7m). Included in this figure is revenue attributable to subcontractors where partner organisations have been used to provide specialist services. During the year, the amount paid to such organisations has increased to £0.74m (2014: £0.13m).

The return of the Consulting business to profit marks a significant achievement with the segment reporting a profit from operations of £0.1m (2014: £0.2m loss). Consultant utilisation has remained high throughout the year and day rates have held up well.

Overheads

Administrative expenses for the year are £2.8m (2014: £2.7m).

Staff costs are unchanged at £3.4m (2014: £3.4m). The average headcount for the year has reduced to 52 (2014: 57).

Cash flows

Cash and cash equivalents at 31 March 2015 stood at £390,000 (2014: £4,000). There was a net cash inflow from operating activities of £498,000 (2014: £320,000 outflow). The net cash outflow from investing activities was £107,000 (2014: £14,000).

Tangible assets

Tangible assets were purchased totalling £97,000 (2014: £20,000). This primarily relates to the fitting out of a replacement office in Milton Keynes and associated equipment.

Intangible assets

Amortisation relating to the internally developed software, Zubed was £0.03m (2014: £0.03m). There were no development costs capitalised during the year (2014: £nil).

Net assets

The net asset position of the Group at 31 March 2015 was £839,000 (2014: £479,000). The increase over the year was due to the profit for the year.

Share options

405,000 options were granted during the year. An expense of £8,000 has been recognised in the year relating to options granted in September 2011 and September 2014.

Outlook

Key to the advances made this year is that the Group's operations are being driven forward as one business, no longer being run as two separate operating segments. The business model now being adopted by the Group is able to support steady growth in headcount in both contract resource and permanent headcount. This is reflected in the reporting to senior management and operating decisions subsequently made. Consequently, from the start of the new financial year, Triad will no longer be reporting its results across the current operating segments. This will enable management to focus on driving efficiency and achieving improved profitability.

By order of the Board

NE Burrows

Finance Director
10 June 2015

Directors' Report

The Directors present their Annual Report on the activities of the Group, together with the financial statements for the year ended 31 March 2015. The Board confirms that these, taken as a whole, are fair, balanced and understandable, and that they provide the information necessary for shareholders to assess the company's position and performance, business model and strategy, and that the narrative sections of the report are consistent with the financial statements and accurately reflect the Group's performance and financial position.

The Strategic Report provides information relating to the Group's activities, its business and strategy and the principal risks and uncertainties faced by the business, including analysis using financial and other KPIs where necessary. These sections, together with the Directors' Remuneration and Corporate Governance Reports, provide an overview of the Group, including environmental and employee matters and give an indication of future developments in the Group's business, so providing a balanced assessment of the Group's position and prospects, in accordance with the latest narrative reporting requirements. The Group's principal subsidiary undertakings are disclosed in the notes to the financial statements.

Corporate Governance disclosures required with the Directors' Report have been included within our Corporate Governance Report beginning on page 10.

Share capital and substantial shareholdings

Share capital

As at 31 March 2015, the Company's issued share capital comprised a single class of shares referred to as ordinary shares. Details of the ordinary share capital can be found in note 19 to these financial statements.

Voting rights

The Group's articles provide that on a show of hands at a general meeting of the Company every member who (being an individual) is present in person and entitled to vote shall have one vote and on a poll, every member who is present in person or by proxy shall have one vote for every share held. The notice of the Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be passed at the Annual General Meeting.

Transfer of shares

There are no restrictions on the transfer of ordinary shares in the Company other than as contained in the Articles:

- The Board may, in its absolute discretion, and without giving any reason for its decision, refuse to register any transfer of a share which is not fully paid up (but not so as to prevent dealing in listed shares from taking place) and on which the Company has a lien. The Board may also refuse to register any transfer unless it is in respect of only one class of shares, in favour of no more than four transferees, lodged at the Registered office, or such other place as the Board may decide, for registration, accompanied by a certificate for the shares to be transferred (except where the shares are registered in the name of a market nominee and no certificate has been issued for them) and such other evidence as the Board may reasonably require to prove the title of the intending transferor or his right to transfer the shares.

Certain restrictions may from time to time be imposed by laws and regulations, for example:

- Insider trading laws; and
- The Listing Rules of the Financial Conduct Authority whereby certain employees of the Group require the approval of the Company to deal in the Company's ordinary shares.

Appointment and replacement of directors

The Board may appoint Directors. Any Directors so appointed shall retire from office at the next Annual General Meeting of the Company, but shall then be eligible for re-appointment.

The current Articles require that at the Annual General Meeting one third of the Directors shall retire from office but shall be eligible for re-appointment. The Directors to retire by rotation at each Annual General Meeting shall include any Director who wishes to retire and not offer himself for re-election and otherwise shall be the Directors who, at the date of the meeting, have been longest in office since their last appointment or re-appointment.

A Director may be removed from office by the service of a notice to that effect signed by at least three quarters of all the other Directors.

Directors' Report

Amendment of the Company's Articles of Association

The Company's Articles may only be amended by a special resolution passed at a general meeting of shareholders.

Substantial shareholdings

In addition to the disclosure on page 17 of the interests of Directors who held office at the end of the financial year, the Company is aware of the following holdings of 3% or more of the share capital of the Company at 31 March 2015 and no changes have been disclosed to the Company between this date and 1 June 2015:

	Percentage of issued share capital
M Makar	29.76%
Liontrust Investment Services Ltd	9.61%
The Chatham Trust	4.46%

Dividends

The Directors have neither declared an interim dividend nor do they recommend that a final dividend be paid in respect of the year ended 31 March 2015 (2014: nil per 1p ordinary share).

Financial instruments

The Board reviews and agrees policies for managing financial risk. These policies, together with an analysis of the Group's exposure to financial risks are summarised in note 3 of these financial statements.

Research and development activity

Research and development activities are undertaken with the prospect of gaining new technical knowledge and understanding, and developing new software.

Directors' interests in contracts

Directors' interests in contracts are shown in note 22 to the accounts.

Directors' insurance and indemnities

The Company maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors and officers. The directors also have the benefit of the indemnity provisions contained in the Company's Articles of Association. These provisions, which are qualifying third-party indemnity provisions as defined by Section 236 of the Companies Act 2006, were in force throughout the year and are currently in force.

Disclosure of information to auditors

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Forward-looking statements

The Strategic Report contains forward-looking statements. Due to the inherent uncertainties, including both economic and business risk factors, underlying such forward-looking information, the actual results of operations, financial position and liquidity may differ materially from those expressed or implied by these forward-looking statements.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Strategic Report, and in note 17 to the financial statements. In addition note 3 to the financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposure to credit risk and liquidity risk. As highlighted in note 17 to the financial statements, the Group meets its day to day working capital requirements through an invoice finance facility.

The Group's projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility. The facility may be terminated by either party with one month's written notice. The Board receives regular cash flow and working capital projections to enable it to monitor its available headroom under this facility. These projections indicate that the Group expects to have sufficient resources to meet its reasonably expected obligations. The bank has not drawn to the attention of the Group any matters to suggest that this facility will not be continued on acceptable terms.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Directors' Report

Auditors

BDO LLP have indicated their willingness to continue in office. Accordingly, a resolution to reappoint BDO LLP as auditors of the Company will be proposed at the next Annual General Meeting.

Environment and greenhouse gas reporting

Carbon dioxide emissions data, is contained in the Corporate Social Responsibility section of the Strategic Report, due to its strategic importance.

Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements and have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group and Company 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 they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare a Directors' Report, Strategic Report and Director's Remuneration Report which comply with the requirements of the Companies Act 2006.

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 enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The Directors confirm to the best of their knowledge:

- The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.
- The annual report includes a fair review of the development and performance of the business and the financial position of the Group and the Parent Company, together with the description of the principal risks and uncertainties that they face.

By order of the Board

NE Burrows

Company Secretary
10 June 2015

Corporate governance report

The Board has considered the principles and provisions of the UK Corporate Governance Code 2012 (“the Code”) as set out in the Listing Rules of the UK Listing Authority and applicable for this financial period. The following statement sets out the Group’s application of the principles of the Code and the extent of compliance with the Code’s provisions, made in accordance with the requirements of the Listing Rules.

The Board

The Directors who held office during the financial year were:

Executive Directors

John Rigg, Chairman

Nick Burrows, Finance Director

Adrian Leer, Commercial Director (appointed 3 March 2015)

Independent non-executive Directors

Alistair Fulton, senior independent non-executive Director

Steven Sanderson

John Rigg is Chairman. He is a Chartered Accountant. He was a founder of Marcol Group Plc and was its Managing Director from 1983 until 1988. Marcol was floated on the Unlisted Securities Market in 1987. He was Chairman of Vega Group plc from 1989 until 1996, holding the post of Chief Executive for much of this period. Vega floated on the main market in 1992. He was a founder shareholder of Triad and served as the Chairman of the Company from 1988 up to just before its flotation in 1996, when he resigned to develop new business interests overseas. He was appointed as non-executive Chairman in June 1999: in May 2004 he became part-time executive Chairman. Between 4 February 2005 and 5 September 2007 John was acting Group Chief Executive.

Alistair Fulton is a non-executive Director. He is a Chartered Engineer and member of the British Computer Society. He was the founding Managing Director of Triad. He continued in this role until February 1997 when he became non-executive Chairman, a position he retained until June 1999, when he took up his present position.

Steven Sanderson is a non-executive Director. He is a Chartered Accountant. He was appointed non-executive Director in January 2007. He has extensive experience at executive director level in the IT services and telecommunications sectors. His background includes public flotations, plc directorship, fund raising, acquisition and disposal activities.

Nick Burrows is the Finance Director. He is a Chartered Accountant who joined Triad in 2001 as Financial Controller of the Consulting & Solutions business. He was appointed Company Secretary in 2008 and executive Finance Director in October 2009.

Adrian Leer was appointed to the Board as Commercial Director on 3 March 2015. He initially joined Triad in 2009 in a consultative capacity, providing advice to the business regarding its fledgling geospatial product, Zubed, and helping to secure significant wins with major clients. In 2010, Adrian became General Manager of Zubed Geospatial. In 2012 Adrian became Commercial Director of Triad Consulting & Solutions.

Before joining Triad, Adrian was Group IT Director for the Pettifer Group of Companies, and prior to that he held a number of leadership roles at the global FMCG business, Avon Products. This included being their IT Director for the Western Europe, Middle East & Africa regions and Head of the UK Distribution Centre.

The Board exercise full and effective control of the Group and has a formal schedule of matters specifically reserved to it for decision, including responsibility for formulating, reviewing and approving Group strategy, budgets and major items of capital expenditure.

Regularly the Board will consider and discuss matters which include, but are not limited to:

- Strategy;
- Financial performance and forecast;
- Human resources; and
- City and compliance matters.

The Executive Chairman, John Rigg, is responsible for the leadership and efficient operation of the Board. This entails ensuring that Board meetings are held in an open manner, and allow sufficient time for agenda points to be discussed. It also entails the regular appraisal of each director, providing feedback and reviewing any training or development needs.

The Board meets regularly with senior management to discuss operational matters. The Non-Executive Directors must satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust. Following presentations by senior management and a disciplined process of review and challenge by the Board, clear decisions on the policy or strategy are adopted. The responsibility for implementing Board decisions is delegated to management on a structured basis and monitored at subsequent meetings.

During the period under review, and to date, the Executive Chairman has not held any significant commitments outside the Group.

Alistair Fulton is the nominated senior independent non-executive Director. He has long standing industry experience. He is also free from any business or other relationship which could materially interfere with the exercise of his independent judgement. The Board benefits from this experience and independence, when he brings his individual judgement to Board decisions. He has been a non-executive Director for eighteen years but the Board consider that he continues to remain independent for the reasons stated above.

Corporate governance report

The Group has a procedure for Directors to take independent professional advice in connection with the affairs of the Group and the discharge of their duties as Directors.

The Board has an Audit Committee, comprised of the Executive Chairman John Rigg, and the independent non-executive Directors, Alistair Fulton and Steven Sanderson. The Committee is chaired by Alistair Fulton.

The Board has a Remuneration Committee, comprised of the Executive Chairman John Rigg, and the independent non-executive Directors, Alistair Fulton and Steven Sanderson. The Committee is chaired by Alistair Fulton.

The following table shows the attendance of Directors at scheduled meetings of the Board and Audit and Remuneration Committees during the year ended 31 March 2015 and shows that the Board are able to allocate sufficient time to the company to discharge their responsibilities effectively.

	Board	Audit Committee	Remuneration Committee
Number of meetings held	13	1	2
Number of meetings attended			
Executive Directors:			
John Rigg (Chairman)	13	1	2
Nick Burrows	12	n/a	n/a
Adrian Leer (appointed 3 March 2015)	-	n/a	n/a
Non-executive Directors:			
Alistair Fulton	12	1	2
Steven Sanderson	13	1	2

Audit Committee

The members of the Audit Committee are shown above.

The Board believe that John Rigg and Steven Sanderson, both Chartered Accountants with broad experience of the IT industry, and Alistair Fulton, who has been a Director of companies in the IT sector for over 20 years, have recent and relevant financial experience, as required by the Code.

The Audit Committee is responsible for reviewing the Group's annual and interim financial statements and other announcements. It is also responsible for reviewing the Group's internal financial controls and its internal control and risk management systems. It considers the appointment and fees of external auditors, and discusses the audit scope and findings arising from audits. The Committee is also responsible for assessing the Group's need for an internal audit function.

Consideration of significant Issues in relation to the financial statements

The Audit Committee have considered the following significant issues in relation to the preparation of these financial statements;

Revenue recognition: The Committee has considered revenue recognised in consultancy and development projects active at the end of the financial year, and software licence revenues earned during the year, to ensure revenue has been recognised correctly.

Onerous lease provision: The Committee has reviewed the cash flows and discount rate used in the calculation of the vacant property provision.

Going concern: The Committee has reviewed budgets and cash flow projections against borrowing facilities available to the Group to ensure the going concern basis of preparation of the results remains appropriate.

Meetings with auditors and senior finance team

The Audit Committee met with the auditors prior to commencement of the year end audit to discuss;

- Audit scope, strategy and objectives
- Key audit and accounting matters
- Independence and audit fee

Further meetings were held following completion of the audit with the senior finance team and the auditors to assess the effectiveness of the audit and discuss audit findings.

Effectiveness of external audit process

The Committee conducts an annual review of the effectiveness of the annual report process. Inputs into the review include feedback from the finance team, planning and scope of the audit process and identification of risk, the execution of the audit, communication by the auditor with the Committee, how the audit adds value and a review of auditor independence and objectivity. Feedback is provided to the external auditor and management by the Committee, with any actions reviewed by the Committee.

Auditor independence and objectivity

The Committee has procedures in place to ensure that independence and objectivity is not impaired. These include restrictions on the types of services which the external Auditor can provide, in line with the FRC Ethical Standards on Auditing. The external auditors themselves have safeguards in place to ensure that objectivity and independence is maintained and the Committee regularly reviews independence taking into consideration relevant UK professional and regulatory requirements. The external auditors are required to rotate audit partners responsible for the Group audit every five years.

Corporate governance report

Non-audit fees

The Committee reviews all non-audit work to ensure it is appropriate and the fees justified. In relation to the non-audit services provided by BDO LLP during the year, the Committee reviewed and approved management's reasons for selecting BDO LLP as the best placed adviser on a case-by-case basis. This decision was typically based on the merit of using BDO's existing knowledge of the Group.

Appointment of external auditor

BDO LLP was appointed external auditor in 2006 following a tendering process.

BDO LLP has confirmed to the Committee that they remain independent and have maintained internal safeguards to ensure that the objectivity of the engagement partner and audit staff is not impaired.

The Committee has considered the level of non-audit fees and the nature of non-audit services provided and is satisfied that auditor independence has been maintained.

Internal audit

The Audit Committee has considered the need for a separate internal audit function this year but does not consider it appropriate in view of the above controls, and in light of the size of the Group. The Group is certified to ISO 9001: 2008.

Internal controls and risk management

The Board has applied the internal control and risk management provisions of the Code by establishing a continuous process for identifying, evaluating and managing the significant risks faced by the Group. The Board regularly reviews the process, which has been in place from the start of the year to the date of approval of this report and which is in accordance with Internal Control: Revised Guidance for Directors on the Combined Code. The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against misstatement or loss.

In compliance with the Code, the Audit Committee regularly reviews the effectiveness of the Group's systems of internal financial control and risk management. The Board's monitoring covers all controls, including financial, operational and compliance controls and risk management. It is based principally on reviewing reports from management to consider whether significant weaknesses and risks are effectively managed and, if applicable, considering the need for more extensive monitoring.

The Board has also performed a specific assessment for the purpose of this annual report. This assessment considers all significant aspects of internal control and risk management arising during the period covered by the report.

The key elements of the internal control and risk management systems are described below:

- Clearly documented procedures contained in a series of manuals covering Group operations and management, which are subject to internal project audit and external audit as well as regular Board review.
- An appropriate budgeting process where the business prepares budgets for the coming year, which are approved by the Board.
- Close involvement in the day to day management of the business by the executive Directors.
- Regular meetings between the executive Chairman, executive Director and senior managers to discuss and monitor potential risks to the business, and to implement mitigation plans to address them.

Remuneration Committee

The Remuneration Committee is responsible for setting remuneration for executive directors and the Chairman in accordance with the remuneration policy below. In addition, the Committee is responsible for recommending and monitoring the level and structure of remuneration for senior management.

The Group's Remuneration Committee is authorised to take appropriate counsel to enable it to discharge its duty to make recommendations to the Board in respect of all aspects of the remuneration package of Directors.

The Directors Remuneration Report can be found on page 14.

Whistleblowing

Staff may contact the senior independent non-executive Director, in confidence, to raise genuine concerns of possible improprieties in financial reporting or other matters.

Directors' training

Any new Board members are made fully aware of their duties and responsibilities as Directors of listed companies, and are supported in understanding and applying these by established and more experienced Directors. Further training is available for any Director at the Group's expense should the Board consider it appropriate in the interests of the Group.

Relations with shareholders

Substantial time and effort is spent by Board members on meetings with and presentations to existing and prospective investors. The views of shareholders derived from such meetings are disseminated by the Chairman to other Board members.

Private shareholders are invited to attend and participate at the Annual General Meeting.

Corporate governance report

Terms of reference

The terms of reference of the Audit and Remuneration Committees are available on request from the Company Secretary.

Statement of compliance

The Board considers that it has been compliant with the provisions of the Code for the whole of the period, except as detailed below:

A.2.1 *The roles of chairman and chief executive should not be exercised by the same individual.* John Rigg is the Executive Chairman. The Board currently has no plans to recruit a Chief Executive Officer, as it considers that the duties are being satisfactorily covered by members of the Executive Board and the Group's senior management.

B2.1/2.4 *There should be a nominations committee which should lead the process for board appointments and make recommendations to the board.* The Board considers that because of its size, the whole Board should be involved in Board appointments.

B.6 *The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.* There is a process of continuous informal evaluation, due to the small size of the Board.

B.2.3 *Non-executive directors should be appointed for specified terms subject to re-election.* Although not appointed for fixed terms, Non-executive Directors are subject to re-election in accordance with the Company's Articles of Association at the Annual General Meeting. Their contracts are subject to a notice period that does not exceed one month.

B.7.1 *Non-executive directors who have served longer than nine years should be subject to annual re-election.* The Board consider that because of its size, re-election by rotation in accordance with the Company's Articles of Association at the Annual General Meeting is sufficient.

By order of the Board

NE Burrows

Company Secretary
10 June 2015

Directors’ Remuneration report

On the following pages we set out the Remuneration Report for the year ended 31 March 2015. The members of the Remuneration Committee are shown in the Corporate Governance Report on page 10.

This report has been prepared in accordance with the Companies Act 2006 and the new requirements of the Large and Medium Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2014, and is split into two sections as follows;

1. The Directors’ remuneration policy. This will be subject to a binding shareholder vote at this years’ Annual General Meeting.

2. The Annual report on remuneration. This will be subject to an advisory shareholder vote at this years’ Annual General Meeting.

No major decisions or changes were made to Directors’ remuneration during the year.

Directors’ remuneration policy

The remuneration policy sets out the framework within which the Company remunerates its Directors. The Company’s remuneration policy was put to a shareholder vote at the 2014 Annual General Meeting of the Company and was approved by 100% of shareholders. There is no requirement to vote on the policy in 2015 unless any changes to the policy are proposed, and the Committee does not intend making any changes to the policy at this time.

Policy table – executive Directors

Element	Relevance to short and long term strategic objectives	Operation	Maximum payable	Performance metrics
Base salary	Reflects the individual’s skills, responsibilities and experience. Supports the recruitment and retention of Executive Directors.	Reviewed annually taking into consideration individual and companywide performance and the wider employee pay review.	Ordinarily, salary increases will be in line with average increases awarded to other employees in the Company.	None, although individual performance is considered when setting salary levels.
Benefits in kind	Protects the well-being of directors and provides fair and reasonable market competitive benefits.	Benefits in kind include company cars or allowances, private medical insurance, life cover and permanent health insurance. Benefits are reviewed periodically.	Benefits are set at a level considered to be appropriate taking into account individual circumstances	None.
Pension	Provides competitive post-retirement benefits to support the recruitment and retention of Executive Directors.	The Company pays contributions into a personal pension scheme or cash alternative.	The Company matches individual contributions up to a maximum of 5%.	None.
Share option scheme	Encourages share ownership amongst employees and aligns their interests with the shareholders.	The Company operates an EMI share option scheme. Discretionary awards are made in accordance with the scheme rules.	The potential value of options held rises as the Company’s share price increases.	Specific performance criteria are specified at the time of awarding the share options to ensure alignment with the interests of shareholders.

Directors’ Remuneration report

The award of share options is at the discretion of the Remuneration Committee: there is no scheme providing entitlement to share options, and there is no long-term incentive scheme. The Group does not believe that performance related bonuses are appropriate at the present time. The Executive Directors’ existing interests in shares and share options are expected to align their interests with those of shareholders.

Policy table – non-executive Directors

Element	Relevance to short and long term strategic objectives	Operation	Maximum payable	Performance metrics
Fees	Competitive fees to attract experienced directors	Reviewed annually	In general the level of fee increase for the non-executive directors will be set taking account of any change in responsibility.	Not applicable.

The remuneration of the non-executive Directors is agreed by the Board. However no Director is involved in deciding their own remuneration.

Approach to recruitment remuneration

The Group’s remuneration policy is to provide remuneration packages which secure and retain management of the highest quality. Therefore when determining the remuneration packages of new executive Directors, the Remuneration Committee will structure a package in accordance with the general policy for executive Directors as shown above. In doing so the Committee will consider a number of factors including:

- the salaries and benefits available to executive Directors of comparable companies;
- the need to ensure executive Directors’ commitment to the continued success of the Group;
- the experience of each executive Director; and
- the nature and complexity of the work of each executive Director.

Directors’ service contracts and policy

The details of the Directors’ contracts are summarised as follows:

	Date of contract	Notice period
J C Rigg	01/07/1999	1 month
A M Fulton	19/02/1997	1 month
S M Sanderson	01/01/2007	1 month
N E Burrows	03/03/2015	6 months
A Leer	03/03/2015	6 months

All contracts are for an indefinite period. No contract has any provision for the payment of compensation upon the termination of that contract.

Illustrations of application of remuneration policy

As there are currently no performance related or variable elements of executive director remuneration it is not appropriate to prepare illustrations required under the legislation.

Directors’ Remuneration report

Policy on payment for loss of office

It is the Group’s policy in relation to Directors’ contracts that:

- executive Directors should have contracts with an indefinite term providing for a maximum of six months’ notice by either party.
- non-executive Directors should have terms of engagement for an indefinite term providing for one month notice by either party.
- there is no provision for termination payments to Directors.

Consideration of employment conditions elsewhere in group

In setting the executive Directors’ remuneration the Committee takes into account the pay and employment conditions applicable across the Group in the reported period. In common with the fact that there were no general pay increases for employees elsewhere in the Group, no increases were made in the period to Directors’ remuneration terms since the prior year. No consultation has been held with employees in respect of executive Directors’ remuneration.

Consideration of shareholders views

The policy is unchanged from the previous year as endorsed by the unanimous vote in favour of the approval of the Directors’ Remuneration Report at the Annual General Meeting in August 2014.

Annual report on remuneration (audited)

Directors’ remuneration - single total figure of remuneration

The remuneration of each of the Directors for the period they served as a Director are set out below:

Director	Basic salary and fees	Benefits in kind	Pension	2015 Total	2014 Total
	£’000	£’000	£’000	**£’000**	£’000
Executive					
J C Rigg	25	-	-	**25**	25
N E Burrows	91	11	16	**118**	116
A Leer (appointed 3 March 2015)	8	1	1	**10**	-
Non-executive					
A M Fulton	25	-	-	**25**	25
S M Sanderson	20	-	-	**20**	20

Benefits in kind include the provision of company car and medical insurance.

No performance measures or targets were in place for either the year ended 31 March 2015, or any prior financial year, upon which any variable pay elements could become payable during the year.

Two Directors are members of a money purchase scheme into which the Group made contributions during the year. The contributions paid by the Group in respect of these Director are as follows:

	2015	2014
	£’000	£’000
N E Burrows	**16**	16
A Leer (from 3 March 2015)	**1**	-

The pension contributions for both directors is greater than the 5% of salary shown as it includes an additional amount relating to the Group’s salary exchange scheme. This reflects a sacrifice from salary plus the resulting National Insurance saving for the company (13.8% of the sum sacrificed).

Directors’ Remuneration report

Details of share options awarded to Directors in the year

During the year N E Burrows was awarded 25,000 share options, which are not exercisable at the year end.

Payments to past Directors

There were no payments to past Directors during the year.

Payment for loss of office

There were no payments for loss of office during the year.

Directors’ interests in shares

The Directors who held office at the end of the financial year had the following beneficial interests in the ordinary shares of the Company. No change has occurred between the year end and the date of this report.

	1 April 2014	**31 March 2015**
A M Fulton	354,100	**354,100**
J C Rigg	4,509,400	**4,509,400**
S M Sanderson	104,089	**104,089**
N E Burrows	7,893	**7,893**
A Leer	5,379*	**5,379**

*As at date of appointment, 3 March 2015

	At beginning of year	Granted during year	Lapsed during year	At end of year	Exercise price	Exercise period
N E Burrows:						
granted 07.03.06	20,000	-	-	20,000	51.5p	07.03.09 to 07.03.16
granted 07.08.08	25,000	-	-	25,000	14.0p	07.08.11 to 07.08.18
granted 23.09.11	100,000	-	-	100,000	13.5p	23.09.14 to 23.09.21
granted 18.09.14	-	25,000	-	25,000	11.0p	18.09.17 to 18.09.24
A Leer:						
granted 23.09.11	50,000	-	-	50,000	13.5p	23.09.14 to 23.09.21
granted 18.09.14	-	100,000	-	100,000	11.0p	18.09.17 to 18.09.24
	195,000	**125,000**	**-**	**320,000**		

195,000 share options were exercisable at the end of the year (2014: 45,000)

Share options are exercisable provided that the relevant performance requirement has been satisfied.

- that the Group shall have achieved positive earnings per share in any financial year commencing at least one year after the date of grant of the option. This performance requirement is the same as that applying to employee share options granted at the same time.

The total share based payment expense recognised in the year in respect of Directors’ share options is £1,005 (2014: £1,556).

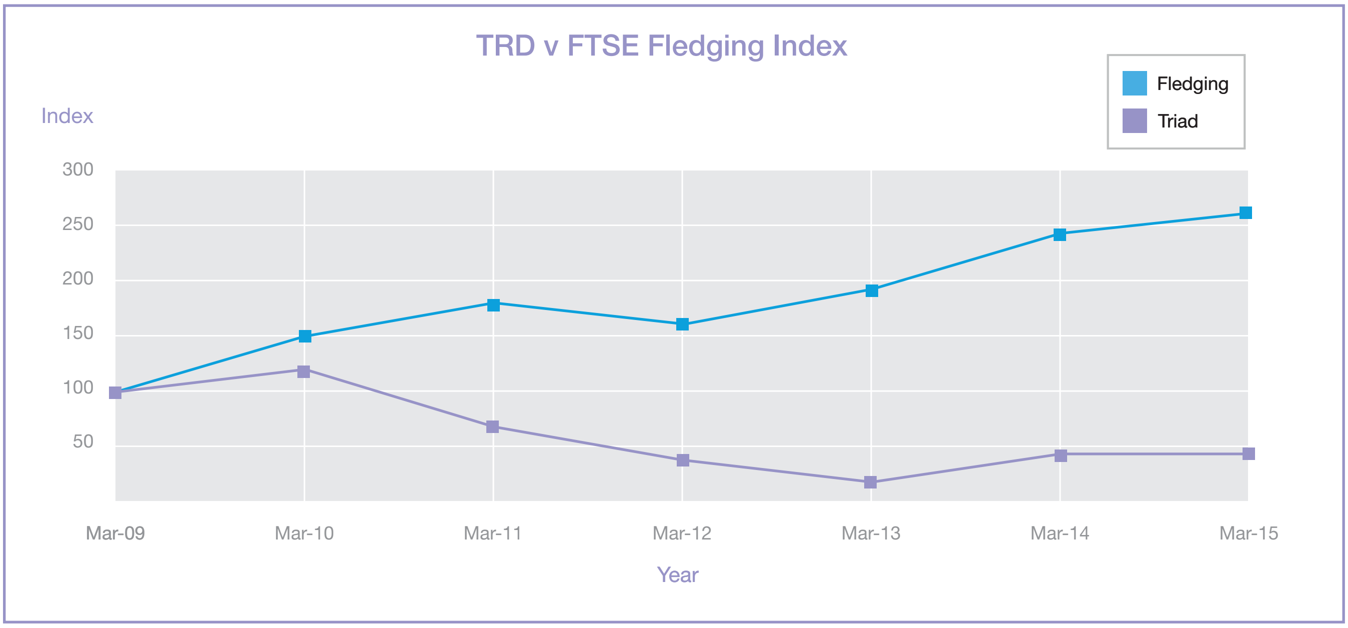
The market price of the Company’s shares was 10.5p at 31 March 2015 and the range during the year was between 7.75p and 19.0p.

Directors’ Remuneration report

Annual report on remuneration (Unaudited)

Performance graph

The following graph shows the Group’s performance, measured by total shareholder return, compared with the performance of the FTSE Fledgling Index (“FTSEFI”) also measured by total shareholder return (“TSR”). The FTSEFI has been selected for this comparison because it is an index of companies with similar current market capitalisation to Triad Group Plc.



Chief executive remuneration

There have been no changes to the remuneration of the Executive Chairman during the year.

Relative importance of spend on pay

During the year there were no dividends or other cash distributions to shareholders (2014: £nil). The total employee remuneration (including directors) during the year was £3.045m (2014: £3.039m).

Consideration of matters related to directors remuneration

During the year there were no meetings held relating to directors’ remuneration other than to review the remuneration policy for inclusion in the 2014 Annual Report and Accounts.

Statement of voting at last general meeting

At the last annual general meeting the Directors’ Remuneration Report was approved with 100% of votes cast in favour of the resolution. There were 2,550 votes withheld. The Directors’ Remuneration Policy was approved with 100% of votes cast in favour of the resolution. There were 3,000 votes withheld.

Alistair Fulton

Chairman, Remuneration Committee
10 June 2015

Independent auditors' report to the members of Triad Group Plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Parent Company's affairs as at 31 March 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The financial statements of Triad Group Plc for the year ended 31 March 2015 comprise:

- The Group and Parent Company statement of comprehensive income for the year then ended;
- The Group and Parent Company statements of financial position as at 31 March 2015;
- The Group and Parent Company statements of changes in equity for the year then ended;
- The Group and Parent Company statements of cash flows for the year then ended; and
- The accounting policies and critical accounting judgements and the notes to the financial statements.

The financial reporting framework that has been applied in the preparation of the Group and Parent Company financial statements is applicable law and IFRSs as adopted by the European Union and as regard the Parent Company, as applied in accordance with the provisions of the Companies Act 2006. 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Auditor commentary

Our application of materiality

The objective of our audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, thereby enabling us to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework. We apply the concept of materiality in assessing the risks of material misstatement and in determining the nature, timing and extent of our audit procedures to gather sufficient appropriate audit evidence. For the purposes of determining whether the financial statements are free from material misstatement we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements would be changed or influenced. Based on out professional judgement, we determined materiality for the Group financial statements as a whole to be £176,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £3,500 as well as misstatements below that amount that in our view warranted reporting for qualitative reasons.

Independent auditors' report to the members of Triad Group Plc

An overview of our audit approach

The Group financial statements are a consolidation of six companies made up of one trading company (the Parent Company) which provides consultancy and development services and five dormant companies. In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed on each company. The Group operates solely in the United Kingdom.

Based on our assessment we performed an audit of the complete financial information of the Parent Company as the only trading company.

In our audit, we tested and examined information, using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to draw conclusions. Our audit evidence was largely obtained through substantive procedures.

Our assessment of risk of material misstatement

In preparing the financial statements, the Directors made a number of subjective judgements around significant accounting estimates which involved making assumptions on future events which are inherently uncertain. Our assessed risks of material misstatements include those areas of particular subjective judgement and had the greatest impact on the audit strategy and the allocation of resources in the audit.

The following risks of material misstatement identified were discussed with the Audit Committee and are included within their report on those matters they considered to be significant issues in relation to the financial statements set out on page 11.

Risk of material misstatement	Our response to the risks identified
Revenue recognition We consider the timing of revenue recognition and the appropriateness of deferred and accrued revenue balances at the balance sheets date, which involves judgement.	Our procedures included understanding and testing the controls in respect of billing from approved timecards and testing the revenue recognised in the period.
The ISA's (UK & Ireland) presume there is a risk of fraud in revenue recognition because of the pressure management may feel to achieve expected results.	We tested the timing of revenue recognition by reviewing all ongoing consultancy contracts at the balance sheets date and the level of completion in terms of milestones achieved and time recorded. We tested a sample of approved timecards along with billings either side of the balance sheet date and compared these to recorded revenue, accrued revenue and deferred revenue.
Going concern This was considered to be an area of audit focus due to the current financial position of the Group and its trading performance in recent years.	We obtained the Group's forecast through to 30 September 2016. We evaluated the assumptions underlying the forecasts including challenging the forecast cashflows and the discount rate applied. We considered the adequacy of the Group's financing structure, considered compliance with covenants and assessed the sensitivity of the forecasts to changes in the key assumptions.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Triad Group Plc

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required 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 and the part of the directors' remuneration report to be audited 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.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 8, in relation to going concern; and
- the part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

We have no exceptions arising from this review.

Anna Draper (senior statutory auditor)

10 June 2015

For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Statements of comprehensive income and expense for the year ended 31 March 2015

Group and company	Note	2015 £'000	2014 £'000
Revenue		23,482	19,702
Cost of sales		(20,171)	(16,839)
Gross profit		3,311	2,863
Administrative expenses		(2,849)	(2,738)
Profit from operations	5	462	125
Finance expense	6	(110)	(114)
Profit before tax		352	11
Tax expense	8	-	-
Profit for the year and total comprehensive income attributable to equity holders of the parent		352	11
Basic earnings per share	10	2.32p	0.07p
Diluted earnings per share	10	2.32p	0.07p

All amounts relate to continuing activities.

Statements of changes in equity for the year ended 31 March 2015

Group

	Share Capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2013	151	562	104	(419)	398
Profit for the year and total comprehensive income	-	-	-	11	11
Share-based payments	-	-	-	12	12
Unclaimed dividends	-	-	-	58	58
At 1 April 2014	151	562	104	(338)	479
Profit for the year and total comprehensive income	-	-	-	352	352
Share-based payments	-	-	-	8	8
At 31 March 2015	**151**	**562**	**104**	**22**	**839**

Company

	Share Capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2013	151	562	104	(424)	393
Profit for the year and total comprehensive income	-	-	-	11	11
Share-based payments	-	-	-	12	12
Unclaimed dividends	-	-	-	58	58
At 1 April 2014	151	562	104	(343)	474
Profit for the year and total comprehensive income	-	-	-	352	352
Share-based payments	-	-	-	8	8
At 31 March 2015	**151**	**562**	**104**	**17**	**834**

Share capital represents the amount subscribed for share capital at nominal value.

The share premium account represents the amount subscribed for share capital in excess of the nominal value.

The capital redemption reserve represents the nominal value of the purchase and cancellation of its own shares by the Company in 2002.

Retained earnings represents the cumulative net gains and losses recognised in the statement of comprehensive income and expense.

Statements of financial position at 31 March 2015

Registered number: 2285049

	Note	Group 2015 £'000	Group 2014 £'000	Company 2015 £'000	Company 2014 £'000
Non-current assets					
Intangible assets	11	**112**	152	**112**	152
Property, plant and equipment	12	**124**	58	**124**	58
		236	210	**236**	210
Current assets					
Trade and other receivables	14	**4,011**	3,436	**4,011**	3,436
Cash and cash equivalents	15	**390**	108	**390**	108
		4,401	3,544	**4,401**	3,544
Total assets		**4,637**	3,754	**4,637**	3,754
Current liabilities					
Trade and other payables	16	**(3,133)**	(2,355)	**(3,138)**	(2,360)
Financial liabilities	17	**(6)**	(109)	**(6)**	(109)
Short term provisions	18	**(248)**	(241)	**(248)**	(241)
		(3,387)	(2,705)	**(3,392)**	(2,710)
Non-current liabilities					
Financial liabilities	17	**(18)**	(24)	**(18)**	(24)
Long term provisions	18	**(393)**	(546)	**(393)**	(546)
		(411)	(570)	**(411)**	(570)
Total liabilities		**(3,798)**	(3,275)	**(3,803)**	(3,280)
Net assets		**839**	479	**834**	474
Shareholders' equity					
Share capital	19	**151**	151	**151**	151
Share premium account		**562**	562	**562**	562
Capital redemption reserve		**104**	104	**104**	104
Retained earnings		**22**	(338)	**17**	(343)
Total shareholders' equity		**839**	479	**834**	474

The financial statements on pages 24 to 42 were approved by the Board of Directors and authorised for issue on 10 June 2015 and were signed on its behalf by:

NE Burrows
Director

SM Sanderson
Director

Triad Group Plc is registered in England and Wales with registered number 2285049.

Statements of cash flows for the year ended 31 March 2015

Group and company	Note	2015 £'000	2014 £'000
Cash flows from operating activities			
Profit for the year before taxation		**352**	11
Adjustments for:			
Depreciation of property, plant and equipment		**31**	20
Profit on disposal of property, plant and equipment		**-**	(6)
Amortisation of intangible assets		**50**	55
Interest expense		**11**	21
Share-based payment expense		**8**	12
Changes in working capital			
Increase in trade and other receivables		**(575)**	(376)
Increase/(decrease) in trade and other payables		**778**	(44)
(Decrease)/increase in provisions		**(146)**	8
Cash generated/(consumed) by operations		**509**	(299)
Interest paid		**(11)**	(21)
Net cash flows from operating activities		**498**	(320)
Investing activities			
Purchase of intangible assets		**(10)**	-
Purchase of property, plant and equipment		**(97)**	(20)
Proceeds from sale of property, plant and equipment		**-**	6
Net cash used in investing activities		**(107)**	(14)
Financing activities			
Finance lease principal payments		**(5)**	(3)
Proceeds from dividend write off		**-**	58
Net cash flows from financing activities		**(5)**	55
Net increase/(decrease) in cash and cash equivalents		**386**	(279)
Cash and cash equivalents at beginning of the period		**4**	283
Cash and cash equivalents at end of the period	15	**390**	4

Notes to the financial statements for the year ended 31 March 2015

1. Principal accounting policies

Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC interpretations), as adopted by the European Union (EU), issued by the International Accounting Standards Board (IASB) and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRS.

These financial statements have been prepared on a historical cost basis and are presented in sterling, the functional currency of the Company.

Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee and the ability of the investor to use its power to affect those variable returns. The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and any impairment in value.

Depreciation is calculated so as to write off the cost of assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Computer hardware	25-33
Fixtures and fittings	10-33
Motor vehicles	25-33

Intangible assets

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product so that it will be available for use or sale;
- adequate resources are available to complete the development;
- there is an intention to complete the product and use or sell it;
- it is able to be used or sold;
- the product will generate future economic benefits, internally and/or externally; and
- expenditure attributable to the development of the product can be measured reliably.

Intangible assets are stated at cost, net of accumulated amortisation and any impairment in value. The cost of internally developed software is the attributable salary costs and directly attributable overheads.

Amortisation is calculated so as to write off the cost of assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. Amortisation is charged to administration expenses in the statement of comprehensive income and expense. The principal annual rates used for this purpose are:

	%
Purchased computer software	25-33
Internally developed software	10-25

Impairment of non-financial assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount the asset is written down accordingly. Impairment is charged to administration expenses in the statements of comprehensive income and expense.

Trade and other receivables

Trade and other receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Amounts are charged to an impairment account when there is objective evidence that an impairment loss has occurred. Amounts are written off against the carrying amount of trade receivables when it is certain that the receivable will not be realised.

Cash

Cash in the balance sheet comprises cash held on demand with banks. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash, as defined above, net of bank borrowings due on demand.

Trade and other payables

Trade and other payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, and subsequently measured at amortised cost using the effective

Leases

Costs in respect of operating leases are charged to the statement of comprehensive income and expense on a straight line basis over the lease term.

Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Foreign currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at the exchange rate ruling on the balance sheet date. Transactions in foreign currencies are recorded at the exchange rate ruling as at the date of the transaction. All differences on exchange are taken to the statement of comprehensive income and expense in the year in which they arise.

Revenue

Revenue, which excludes value added tax, represents the invoiced value of goods and services supplied: where a service has been provided, but not yet invoiced, the amount is included in the financial statements as accrued income.

Income from consultancy contracts, which are on a time hire basis, is recognised as the services are provided.

Income from maintenance and fixed price consultancy and development contracts, is recognised over the life of the contract, using the percentage of completion method, and is deferred to the extent that it has not been earned.

Income from the sale of Zubed licences, or the Zubed licence component of any contract, is fully recognised at the point of sale, less any amounts attributable to maintenance and support, which are recognised over the life of the licence.

Exceptional items

Items which are both material and non-recurring are presented as exceptional items within their relevant category in the statement of comprehensive income and expense. The separate reporting of exceptional items helps to provide a better indication of the Group's underlying business performance. Events which may give rise to the classification of items as exceptional, if of a significantly material value, include non-routine movements in provisions, litigation and similar settlements, and asset impairments.

Taxation

The charge for taxation is based on the profit or loss for the year as adjusted for disallowable items. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Full provision is made for deferred tax on all relevant temporary differences resulting from the difference between the carrying value of an asset or liability and its tax base. Deferred tax assets are recognised to the extent that it is probable that the deferred tax asset will be recovered in the foreseeable future. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled.

Pension costs

Contributions to defined contribution plans are charged to the statements of comprehensive income and expense as the contributions accrue.

Share-based payments

Share-based incentive arrangements are provided to employees under the Group's share option scheme. Share options granted to employees are valued at the date of grant using an appropriate option pricing model and are charged to operating profit over the performance or vesting period of the scheme. The annual charge is modified to take account of shares forfeited by employees who leave during the performance or vesting period and, in the case of non-market related performance conditions, where it becomes unlikely the option will vest.

Provisions

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects the risks specific to the liability. Calculations of these provisions require judgements to be made.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Review. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the Strategic Review, and in note 17 to the financial statements. In addition note 3 to the financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposure to credit risk and liquidity risk. As highlighted in note 17 to the financial statements, the Group meets its day to day working capital requirements through an invoice finance facility.

Notes to the financial statements for the year ended 31 March 2015

The Group's projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility. The facility may be terminated by either party with one month's written notice. The board receives regular cash flow and working capital projections to enable it to monitor its available headroom under this facility. These projections indicate that the Group expects to have sufficient resources to meet its reasonably expected obligations. The bank has not drawn to the attention of the Group any matters to suggest that this facility will not be continued on acceptable terms.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

New standards and interpretations

The Group has adopted with effect from 1 April 2014 certain mandatory new standards, amendments and interpretations. Adoption of these standards, amendments and interpretations did not have any impact on the results, cash flows or financial position of the Group or their presentation.

There are also certain standards, amendments and interpretations which have been issued but which are not yet mandatory (and in some cases had not yet been adopted by the EU). The Group has not applied these standards and interpretations in the preparation of these financial statements. However the Directors do not anticipate that the adoption of the standards and amendments will have a material impact on the Group's financial statements in the period of initial application.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Surplus property

Provision has been made to meet the estimated liabilities of any property surplus to the requirements of the business. All ongoing costs net of estimated future rental income are charged to the provision. The provision is discounted, unless the effect of the time value of money is not material (see note 18).

Management exercises judgement in estimating costs, rental incomes and the discount rate used in the calculation of the provision.

Were the discount rate to increase or decrease by 1% this would increase or decrease net income and equity by £10,000

Were 50% of the vacant property to be let through to the end of the lease at a rent that was the same as the rent paid, this would increase net income and equity by £113,000.

Deferred tax asset

A deferred tax asset of £1,646,000 (2014: £1,826,000) has not been recognised because of the uncertainty of the timing of future profits. The unrecognised deferred tax asset may result in any future profits being charged to tax below the standard rate.

Impairment of intangible assets

Intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates.

Critical judgements in applying the entity's accounting policies

In applying its accounting policies the Group has not been required to make any judgements, apart from those involving estimates, that have had a significant effect on the amounts recognised in these financial statements.

3. Financial risk management

The Group uses financial instruments that are necessary to facilitate its ordinary purchase and sale activities, namely cash, bank borrowings in the form of a receivables finance facility and trade payables and receivables: the resultant risks are foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Group does not use financial derivatives in its management of these risks.

The Board reviews and agrees policies for managing these risks and they are summarised below. These policies are consistent with last year.

3.1 Financial risk factors

Foreign exchange risk

There are a small number of routine trading contracts with both suppliers and clients in euros. In all such circumstances the "back to back" contracts with supplier and client will be in the same currency thereby mitigating the Group's exposure to movements in exchange rates. Payments and receipts are made through a bank account in the currency of the contract: therefore balances held in any foreign currency are to facilitate day to day transactions. With a functional currency of sterling there are the following foreign currency net assets:

Group and company	Note	2015 £'000	2014 £'000
Currency: Euros			
Net cash	15	**66**	10
Trade and other receivables	14	**19**	130
Trade and other payables	16	**(28)**	(98)
		57	42

Any change in currency rates would have no significant effect on results.

Interest rate risk

The Group's interest rate risk arises from its borrowings, which are at a rate that fluctuates in relation to movements in bank base rate. This facility, as detailed in note 17, is secured by way of a debenture over all assets. At the year end borrowing under this facility totalled £ nil (2014: £104,000).

Cash balances are held in short term interest bearing accounts, repayable on demand: these attract interest rates which fluctuate in relation to movements in bank base rate. This maintains liquidity and does not commit the Group to long term deposits at fixed rates of interest.

A 1% change in interest rates would have changed net income and equity by £4,000 (2014: £5,000).

Credit risk

The Group is mainly exposed to credit risk from credit sales. It is Group policy to assess the credit risk of new customers before entering into contracts. Each new customer is assessed, using external ratings and relevant information in the public domain, before any credit limit is granted. In addition, trade receivables balances are monitored on a regular basis to minimise exposure to bad debts. The amount charged to the income statement during the year in respect of bad debts was £28,000, being 0.12% of revenue (2014: £nil).

The Group is also exposed to credit risk from accrued income, being revenue earned but not yet invoiced (note 14).

Financial assets that are past due but not impaired are analysed in note 14. Each balance has been reviewed by management to assess its recoverability.

The Group also has credit risk from cash deposits with banks (note 15). The Group only banks with financial institutions with a good credit rating.

The Group's maximum exposure to credit risk is:

	Note	2015 £'000	2014 £'000
Trade and other receivables	14	**3,420**	2,944
Accrued income	14	**411**	258
Cash and cash equivalents	15	**390**	108
		4,221	3,310

Liquidity risk

The Group's liquidity risk arises from its management of working capital. The Group has a facility to borrow an amount up to 90% of approved trade debtors subject to a maximum limit of £2m. The facility may be terminated by either party with one month's written notice. The Board receives regular cash flow and working capital projections to enable it to monitor its available headroom under this facility. At the balance sheet date these projections indicated that the Group expected to have sufficient liquid resources to meet its reasonably expected obligations. Maturity of financial liabilities is set out in notes 16 and 17.

Capital risk management

The Group's capital comprises both borrowings and shareholders' equity. Its objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to maximise shareholder value. To maintain or adjust the capital structure the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or alter the level of borrowings.

3.2 Fair value estimation

The carrying value of financial assets and liabilities approximate their fair values.

4. Segmental reporting

The Group derives its revenue from two operating segments, which offer different services, being Resourcing and Consulting & Solutions.

The Resourcing segment provides services to the public and private sectors in the areas of both contract and permanent IT resourcing. The Consulting & Solutions segment provides IT consultancy and solutions services, including location intelligence services to both the public and private sectors.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

	Resourcing 2015 £'000	**Consulting & Solutions 2015 £'000**	**Total 2015 £'000**
Revenue	**19,845**	**3,637**	**23,482**
Profit from operations	**392**	**70**	**462**

	Resourcing 2014 £'000	Consulting & Solutions 2014 £'000	Total 2014 £'000
Revenue	16,991	2,711	19,702
Profit/(loss) from operations	327	(202)	125

Assets and liabilities are not reported internally by segment as management do not require such information to manage the business, so no such segmental information is presented.

The Group operates solely in the UK. All material revenues are generated in the UK.

26% (2014: 20%) of revenue was generated in the public sector. The largest single customer contributed 35% (2014: 28%) of Group revenue, was in the private sector, and is reported within the Resourcing segment.

From 1 April 2015 the Group will not be reporting its results in accordance with the operating segments above. This is to more accurately reflect the Group's operating model and management's reporting and decision making processes as explained in the Chairman's Statement above.

5. Profit from operations

	2015 £'000	2014 £'000
Profit from operations is stated after charging/(crediting):		
Profit on disposal of property, plant and equipment	**-**	(6)
Depreciation of owned assets	**31**	20
Amortisation of intangible assets	**50**	55
Operating leases for land and buildings	**453**	380
Other operating leases	**31**	-
Impairment of receivables	**28**	-
Auditors' remuneration:		
Audit of financial statements: Group and company	**50**	53
Taxation services	**4**	3

6. Finance expense

	2015 £'000	2014 £'000
Bank interest payable	**8**	19
Other interest payable	**3**	2
Total interest expense	**11**	21
Unwinding of discount on provisions	**87**	92
Net foreign exchange loss	**12**	1
Total finance expense	**110**	114

7. Employees and directors

Group and company

	2015 Number	2014 Number
Average number of persons (including executive Directors) employed		
Senior management	**4**	4
Fee earners	**24**	28
Sales	**16**	16
Administration and finance	**8**	9
	52	57

Staff costs for the above persons (including executive Directors)

	2015 £'000	2014 £'000
Wages and salaries	**2,793**	2,792
Social security costs	**356**	317
Defined contribution pension costs	**244**	235
Equity settled share-based payments	**8**	12
	3,401	3,356

Directors

	2015 £'000	2014 £'000
Emoluments	**181**	170
Money purchase pension contributions	**17**	16
	198	186

One Director (2014: one) had retirement benefits accruing under money purchase pension schemes.

8. Tax expense

	2015 £'000	2014 £'000
Tax expense in income statement	**-**	-

The tax expense for the year differs from the standard rate of corporation tax in the UK (21%; 2014: 23%). The differences are explained below:

	2015 £'000	2014 £'000
Profit before tax	**352**	11
Profit before tax multiplied by standard rate of corporation tax in the UK of 21% (2014: 23%)	**74**	3
Effects of:		
Expenses not deductible for tax purposes	**12**	9
Movement in unrecognised deferred tax asset in respect of operating losses	**(75)**	(6)
Movement in unrecognised deferred tax asset in respect of temporary differences	**(11)**	(6)
Total tax charge for the year	**-**	-

A deferred tax asset of £1,646,000 (2014: £1,826,000) on trading losses of £8,119,000 (2014: £8,475,000) has not been recognised because of the uncertainty of the timing of future profits. The unrecognised deferred tax asset may result in any future profits being charged to tax below the standard rate.

Group and company	2015 £'000	2014 £'000
Accelerated depreciation	**22**	46
Losses carried forward indefinitely	**1,624**	1,780
Unrecognised deferred tax asset	**1,646**	1,826

9. Dividends

No dividends have been paid or proposed for year ended 31 March 2015 (2014: nil).

10. Earnings per ordinary share

Earnings per share have been calculated on the profit for the year divided by the weighted average number of shares in issue during the period based on the following:

	2015	2014
Profit for the year	**£352,000**	£11,000
Average number of shares in issue	**15,149,579**	15,149,579
Effect of dilutive options *	**-**	-
Average number of shares in issue plus dilutive options	**15,149,579**	15,149,579
Basic earnings per share	**2.32p**	0.07p
Diluted earnings per share	**2.32p**	0.07p

* The share options have no dilutive effect in either the current or previous years. Potentially dilutive share options are disclosed in note 20.

11. Intangible assets

Group and company

	Purchased software £'000	Internally developed software £'000	Total £'000
Cost			
At 31 March 2013	635	1,576	2,211
Disposals	(10)	(466)	(476)
At 31 March 2014	625	1,110	1,735
Additions	10	-	10
Disposals	(371)	-	(371)
At 31 March 2015	**264**	**1,110**	**1,374**
Accumulated amortisation/impairment			
At 31 March 2013	599	1,405	2,004
Charge for the year	21	34	55
Disposals	(10)	(466)	(476)
At 31 March 2014	610	973	1,583
Charge for the year	16	34	50
Disposals	(371)	-	(371)
At 31 March 2015	**255**	**1,007**	**1,262**
Net book value			
At 31 March 2015	**9**	**103**	**112**
At 31 March 2014	15	137	152

12. Property, plant and equipment

Group and company	Computer hardware £'000	Fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Cost				
At 31 March 2013	550	964	25	1,539
Additions	14	-	38	52
Disposals	(262)	-	(21)	(283)
At 31 March 2014	302	964	42	1,308
Additions	37	60	-	97
Disposals	(37)	(318)	-	(355)
At 31 March 2015	**302**	**706**	**42**	**1,050**
Accumulated depreciation				
At 31 March 2013	531	957	25	1,513
Charge for the year	11	2	7	20
Disposals	(262)	-	(21)	(283)
At 31 March 2014	280	959	11	1,250
Charge for the year	13	9	9	31
Disposals	(37)	(318)	-	(355)
At 31 March 2015	**256**	**650**	**20**	**926**
Net book value				
At 31 March 2015	**46**	**56**	**22**	**124**
At 31 March 2014	22	5	31	58

The net carrying amount of property, plant and equipment includes £22,000 (2014: £31,000) in respect of assets held under finance leases.

13. Investments

Company

Investments are:

(a) Generic Software Consultants Limited ("Generic"), a 100% subsidiary undertaking, in respect of both voting rights and issued shares, which is registered in England and Wales and has an issued share capital of 5,610 US$1 ordinary shares. The investment is stated in the Company's books at £440.

Up to 31 March 2009 Generic acted as an agent for the business, but did not enter into any transactions in its own right: its business was included within the figures reported by the Company. On 1 April 2009 the agency agreement was terminated and all business is now conducted directly by the parent company through its Generic business.

(b) Triad Special Systems Limited, Generic Online Limited, Zubed Geospatial Limited, Zubed Sales Limited, are all 100% subsidiaries which are registered in England and Wales. They are dormant companies, which have never traded. Each has a share capital of £1.

14. Trade and other receivables

Group and company

	2015 £'000	2014 £'000
Trade receivables	**3,448**	2,944
Less: provision for impairment of trade receivables	**(28)**	-
Trade receivables-net	**3,420**	2,944
Accrued income	**411**	258
Prepayments	**180**	234
	4,011	3,436

The fair value of trade and other receivables approximates closely to their book value.

Trade receivables are normally on 30 days payment terms. As at 31 March 2015 trade receivables of £850,000 (2014: £727,000) were past due but not impaired. They relate to customers with no default history. The total number of customer ledger balances at 31 March 2015 was 73 (2014: 90). The ageing analysis of these receivables is as follows:

Group and company

	2015 £'000	2014 £'000
Up to 30 days past due	**617**	572
30 to 60 days past due	**204**	120
Over 60 days past due	**29**	35
	850	727

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

Group and company	2015 £'000	2014 £'000
At beginning of the year	-	12
Charged to income statement	28	-
Credited to income statement	-	(12)
At end of the year	28	-

The carrying amount of the Group's trade and other receivables are denominated in the following currencies:

Group and company	2015 £'000	2014 £'000
Sterling	3,812	3,072
Euros	19	130
	3,831	3,202

Debtor days are calculated by matching year end debtor balances to most recent sales on a day by day basis.

15. Cash and cash equivalents

Group and company	2015 £'000	2014 £'000
Cash available on demand	390	108

The fair value of cash and cash equivalents approximates closely to their book value.

The carrying amount of the Group's cash and cash equivalents is denominated in the following currencies:

Group and company	2015 £'000	2014 £'000
Sterling	324	98
Euros	66	10
	390	108

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash, as detailed above, net of bank borrowings repayable on demand.

Group and company	2015 £'000	2014 £'000
Cash available on demand	390	108
Bank borrowings repayable on demand	-	(104)
	390	4

16. Trade and other payables

	Group		Company	
	2015	2014	**2015**	2014
	£'000	£'000	**£'000**	£'000
Trade payables	**1,889**	1,586	**1,889**	1,586
Accruals	**692**	307	**692**	307
Owed to subsidiary	**-**	-	**5**	5
	2,581	1,893	**2,586**	1,898
Deferred income	**142**	145	**142**	145
Other taxation and social security	**410**	317	**410**	317
	3,133	2,355	**3,138**	2,360

The maturity date of trade and other payables is as follows:

	Group		Company	
	2015	2014	**2015**	2014
	£'000	£'000	**£'000**	£'000
Up to 3 months	**2,452**	1,802	**2,457**	1,807
3 to 6 months	**33**	33	**33**	33
6 to 12 months	**96**	58	**96**	58
	2,581	1,893	**2,586**	1,898

The fair value of trade and other payables approximates closely to their book value.

The carrying amount of trade and other payables is denominated in the following currencies:

	Group		Company	
	2015	2014	**2015**	2014
	£'000	£'000	**£'000**	£'000
Sterling	**2,553**	1,795	**2,558**	1,800
Euros	**28**	98	**28**	98
	2,581	1,893	**2,586**	1,898

17. Financial liabilities

Group and company	2015 £'000	2014 £'000
Current		
Bank borrowings	**-**	104
Finance lease obligations	**6**	5
	6	109
Non-current		
Finance lease obligations	**18**	24

The fair value of bank borrowings approximates closely to their book value.

The carrying amount of the Group's financial liabilities is all denominated in sterling.

Bank borrowings are in the form of a receivables finance facility to borrow an amount up to 90% of approved trade debtors subject to a maximum limit of £2m. This facility is secured by way of a debenture over all assets, being £4.6m at 31 March 2015. Bank borrowings are repayable upon demand.

The receivables finance facility is included as part of cash and cash equivalents for the purpose of the cash flow statement as it forms an integral part of the Group's cash management.

18. Provisions

Group and company	Provision for vacant properties £'000	Provision for property dilapidation £'000	Total £'000
At 1 April 2014	728	59	**787**
Charged to income statement	-	24	**24**
Utilised in year	(206)	(6)	**(212)**
Unused amounts reversed	-	(45)	**(45)**
Unwinding of discount: passage of time (note 6)	87	-	**87**
At 31 March 2015	609	32	**641**

The discount rate applied in the calculation of the provision for vacant properties is 6.44% (2014: 12%).

Group and company	Provision for vacant properties	Provision for property dilapidation	Total
	£'000	£'000	**£'000**
The maturity profile of the present value of provisions is as follows:			
Current	225	23	**248**
Non-current	384	9	**393**
	609	32	**641**

The provision for vacant properties covers the anticipated future costs of rent, rates and other outgoings in respect of unoccupied property, less anticipated future rental income. It has been calculated on the basis of when the property is anticipated to be sub-let. These liabilities have been discounted therefore there is no material difference between the value of the provision recorded in the accounts and the fair value. The maturity profile of the carrying amount of this provision as at 31 March 2015 is as follows:

Group and company	2015	2014
	£'000	£'000
In one year or less	**225**	184
In more than one year, but not more than 2 years	**202**	201
In more than 2 years, but not more than 5 years	**182**	343
	609	728

The provision for property dilapidation covers the estimated future costs required to meet obligations under property leases to redecorate and repair property.

19. Share capital

	2015	2014
Ordinary shares of 1p each		
Issued, called up and fully paid:		
Number	**15,149,579**	15,149,579
Nominal value	**£151,496**	£151,496
Authorised:		
Number	**33,500,000**	33,500,000
Nominal value	**£335,000**	£335,000

20. Share-based payments

At 31 March 2015 1,476,000 options granted under employee share option schemes remain outstanding:

Number	Exercise price	Performance criteria	Period options exercisable
178,000	51.5p	1	8 March 2009 to 8 March 2016
138,000	14.0p	1	7 August 2012 to 7 August 2018
755,000	13.5p	1	23 September 2014 to 23 September 2021
405,000	11.0p	1	18 September 2017 to 18 September 2024

1 Performance criteria: that, the Company shall have achieved a positive basic earnings per share (subject to adjustment to exclude identified exceptional items), as reported in its audited annual accounts, in any financial year commencing at least one year after the date of grant.

The options outstanding at 31 March 2015 had a weighted average remaining contractual life of 6.4 years (2014: 6.2 years).

Options have been valued using the Black-Scholes option-pricing model. No performance conditions were included in the fair value calculations.

There were 405,000 options granted during the year (2014: nil).

In respect of the options granted during the year the fair value per option granted and the assumptions used in the calculation were as follows;

Date of grant:	18 September 2014
Number of options granted:	405,000
Weighted average share price:	11p
Weighted average exercise price:	11p
Expected volatility:	40%
Expected life:	4 years
Risk free rate:	2.5%
Expected dividends:	0
Fair value:	3.80p

The expected volatility is based on historic volatility over the last three years. The expected life is the expected period to exercise. The risk free rate of return is the yield on zero-coupon UK government bonds of a term consistent with the assumed option life.

The total expense recognised in the year is £8,000 (2014: £12,000).

A reconciliation of option movements over the year to 31 March 2015 is shown below:

	2015		2014	
	Number of options	**Weighted average exercise price Pence**	Number of options	Weighted average exercise price Pence
Outstanding at start of year	**1,183,000**	**19.7**	1,384,000	19.0
Granted	**405,000**	**11.0**	-	-
Forfeited	**(112,000)**	**17.7**	(201,000)	14.7
Outstanding at end of year	**1,476,000**	**17.4**	1,183,000	19.7
Exercisable at end of year	**1,071,000**	**19.9**	348,000	34.5

There were no options exercised during the year. The above figures include options held by Directors which are set out in the Directors' Remuneration Report on page 17.

21. Commitments

The Group had capital commitments totalling £nil at 31 March 2015 (31 March 2014: £nil).

The future aggregate minimum lease payments under non-cancellable operating leases are:

	2015 £'000	2014 £'000
Not later than 1 year	**512**	443
Later than 1 year and no later than 5 years	**1,237**	1,185
	1,749	1,628

22. Related party transactions

The Group rents two of its offices under contracts expiring in 2018. The current annual rents of £395,000 were fixed, by independent valuation, for a five year period at the last rent review in 2008. A rent holiday was agreed with the landlords for one of the offices for a period of one year commencing from 25 June 2013. The rent payable during the period was £350,000. JC Rigg, a Director, has notified the Board that he has a 50% beneficial interest in these contracts. The balance owed at the year end was £nil (2014: £nil).

Key management comprises the Board of Directors and their remuneration is set out in the Directors' Remuneration Report on page 16.

Five year record

Consolidated income statement

Years ended 31 March	**2015** **£'000**	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Revenue	**23,482**	19,702	18,880	19,447	23,298
Gross profit	**3,325**	2,863	2,704	3,239	3,644
Profit/(loss) on ordinary activities before taxation	**352**	11	28	(76)	(920)
Taxation on loss on ordinary activities	**-**	-	-	277	-
Profit/(loss) on ordinary activities after taxation	**352**	11	28	201	(920)
Dividends	**-**	-	-	-	-
Retained profit/(sustained loss) for the financial year	**352**	11	28	201	(920)
Basic profit/(loss) per ordinary share of 1p each (pence)	**2.32**	0.07	0.18	1.33	(6.07)

Balance sheet

As at 31 March	**2015** **£'000**	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Non-current assets	**236**	210	233	291	484
Current assets	**4,401**	3,544	3,343	4,491	4,582
Current liabilities	**(3,387)**	(2,705)	(2,513)	(3,474)	(3,842)
Non-current liabilities	**(411)**	(570)	(665)	(948)	(1,071)
Net assets	**839**	479	398	360	153
Share capital	**151**	151	151	151	151
Share premium account	**562**	562	562	562	562
Capital redemption reserve	**104**	104	104	104	104
Retained earnings	**22**	(338)	(419)	(457)	(664)
Equity shareholders' funds	**839**	479	398	360	153

Shareholders’ information and financial calendar

Share register

Equiniti maintain the register of members of the Company. If you have any questions about your personal holding of the Company’s shares, please contact:

Equiniti
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Telephone: 0871 384 2486.

Calls to this number are charged at 8p per minute plus network extras. Lines are open 8:30 am to 5:30 pm, Monday to Friday, excluding UK public holidays.

Telephone: +44 (0)121 415 7047, if calling from outside the UK.

If you change your name or address or if the details on the envelope enclosing the report, including your postcode, are incorrect or incomplete, please notify the registrar in writing.

Shareholders’ enquiries

If you have an enquiry about the Group’s business, or about something affecting you as a shareholder (other than queries which are dealt with by the registrar) you should contact the Company Secretary, by letter or telephone at the Company’s registered office.

Company Secretary and registered office:

Nick Burrows
Triad Group Plc
Weyside Park
Catteshall Lane
Godalming
Surrey
GU7 1XE

Telephone: 01483 860222
Email: investors@triad.co.uk
Website: www.triad.co.uk

Financial calendar

Annual General Meeting	Summer 2015

Financial year ended 31 March 2016: expected announcement of results

Half year	November 2015
Full year preliminary announcement	June 2016

Corporate information

Executive Directors

John Rigg, Chairman
Nick Burrows
Adrian Leer (appointed 3 March 2015)

Non-executive Directors

Alistair Fulton
Steven Sanderson

Secretary and registered office

Nick Burrows
Triad Group Plc
Weyside Park
Catteshall Lane
Godalming
Surrey
GU7 1XE

Telephone: 01483 860222
Email: investors@triad.co.uk
Website: www.triad.co.uk

Country of incorporation and domicile of parent company

United Kingdom

Legal form

Public limited company

Company number

2285049

Registered Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Solicitors

Allen & Overy LLP
One Bishops Square
London
E1 6AO

Bankers

Lloyds Bank plc
City Office
11-15 Monument Street
London
EC3V 9JA

Registrars

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Aspect House
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