Company number: 3475146

Annual Report & Accounts 2010

Contents

Key Financial Information

	2010 £000	2009 £000	Change
Revenue	16,415	20,539	(20%)
Gross Profit %	23.2%	26.9%	(3.7%)
Underlying* (loss)/profit before tax	(430)	1,279	(1,709)
Exceptional items and share-based payment charge	(379)	(227)	(152)
(Loss)/Profit before tax	(809)	1,052	(1,861)
(Loss)/Profit after tax	(663)	776	(1,439)
Basic (loss)/earnings per share	(2.7p)	3.2p	(5.9p)
Underlying* (loss)/earnings per share	(1.2p)	4.1p	(5.3p)
Total Dividend per share	Nil	2.0p	(2.0p)
Net borrowings at year end	(459)	(164)	(295)
Access to available funds**	1,653	3,662	(2,009)
Total Equity	6,309	7,140	(11.6%)

Key points

- **2010 represented a year of strategic investment in developing new territories and services to re-position the business for 2011 and beyond**

- **Results reflect significant downturn in UK market, downturn in Abu Dhabi construction market and reduced expert services work in Oman**

- **Strategic investment made in the year to broaden services and develop internationally:**
  - **Opened office and commenced trading in Africa on four significant projects with substantial international organisations**
  - **Opened office and commenced trading in Qatar on a number of smaller assignments**
  - **Acquired a consulting practice in Dubai in November 2009 and increased expert services work in Dubai**
  - **Recruited team to provide Strategic Project Management services and secured assignment on a major industrial development**
  - **Recruited a business managing director to develop power and process markets in UK securing two new major clients**

- **Continued focus on reducing staff and other operating costs to align with revenues**

**Underlying figures are stated before the share-based payment charge and exceptional items (note 5)*
*** Available funds include net undrawn bank facilities plus other cash balances*

Driver Group plc – about us

ABOUT US

We have excelled at providing construction and engineering focused services since 1978. Our expertise supports the delivery of major projects worldwide and bridges the gaps between the construction, legal and financial sectors.

Our continued success can be measured by that of our clients. It is the result of rigorously maintained standards and the commitment of our people to provide a quality service, to budget, within time and with the appropriate integration of the client's team.

The business is managed through the three regions in which we trade: Europe, Middle East and Africa.

OUR SERVICES

The quality and experience of our people is fundamental to our success. Their skills and experience enable us to offer support and expertise to clients in the following areas:

- **STRATEGIC PROJECT MANAGEMENT SERVICES**
- **PROJECT SERVICES**
- **COMMERCIAL & CONTRACT SERVICES**
- **EXPERT SERVICES**
- **CORPORATE SERVICES**

OUR APPROACH

All assignments are managed by a business director who remains directly responsible until its conclusion. The director will regularly evaluate the client's requirements to ensure the most appropriate members of the Group's multi-disciplinary team are engaged on the assignment and that where necessary they are successfully integrating into the client's team.

Our approach of channelling knowledge across services, disciplines and ultimately to our clients is designed to ensure they are aware of the latest industry developments.

STREAMLINED MANAGEMENT

Our approach and the single point of responsibility ensures there is no overlap between the services. It eliminates duplication, simplifies reporting and improves communication. The result is reduced administrative and management costs and a cost effective solution.

When working across a client's portfolio the cost and management efficiencies are multiplied. An ongoing relationship allows for significantly improved skills transference, trend analysis and management reporting. Ensuring lessons are learnt, reviewing processes and other pre-contract services are fundamental to ensuring our clients and our own continued success.

OUR CLIENTS

Driver has clients worldwide that include global and regional contractors, corporate, government and not-for-profit bodies, insurance, finance and legal entities, developers and consortiums. All demand and receive work of the highest quality.

Driver Group plc – Services

STRATEGIC PROJECT MANAGEMENT SERVICES

- PFI / PPP Representation
- Concessionaire Projects
- JV / Consortium Formation
- Support on Tender / Financial Close
- Bid Management
- Transaction Advisory Services
- Lenders Technical Advisor
- Project Monitoring

PROJECT SERVICES

- Commercial Management / QS's
- Planning & Programming
- Measurement / BQ Preparation
- Cost Plans / Cash Flow Forecasts
- Procurement
- Contract Administration
- Change Control
- Interim & Final Account Certification

COMMERCIAL & CONTRACT SERVICES

- Feasibility Studies
- Design Management
- Programme Audits / Analysis
- Commercial Strategies
- Risk / Value Management
- Dispute Avoidance
- Preparation / Defence & Negotiation of Claims
- Training & Workshops

EXPERT SERVICES

- Quantum Experts
- Planning Experts
- Forensic Analysis
- Dispute Resolution / ADR
- Arbitration & Litigation Support
- Arbitrators
- Adjudicators
- Mediators

CORPORATE SERVICES

- Insolvency
- Restructuring
- Non-Executive Appointments
- Due Diligence
- Project / Investment Monitoring
- Project Bank Accounts
- Distressed Property
- Audits

SECTORS

- Building
- Civil Engineering
- Energy
- Industrial
- Information Technology
- Insurance & Finance

Chairman's Statement

INTRODUCTION
This year has been the biggest challenge in the Group's history as we invested money and energy in developing new territories and services whilst managing the effects of declining construction markets in the UK and Middle East. The net effect is that, although the Group's trading is down 20% and it has made a loss in the year, it is now positioned with new initiatives aimed at providing growth to counter any further decline in our previous traditional construction markets.

FINANCIAL RESULTS
Revenue over the 12 months to 30 September 2010 reduced by 20% to £16.4m (2009: £20.5m) primarily as a result of a decline in the UK construction market. Underlying* profit before taxation fell by £1.7m to a loss of £0.4m (2009: £1.3m profit). Underlying* loss per share was 1.2 pence (2009: earnings per share 4.1 pence). Reported loss per share was 2.7 pence (2009: earnings per share 3.2 pence). The underlying* loss for the year includes the net effect of planned revenue investment in Africa (£0.13m), Qatar (£0.08m) and Power and Process (£0.15m). Excluding the impact of these investments the underlying* loss for the year would be £0.1m.

The Group's net borrowing position at the end of the year stood at £0.5m (2009: net borrowings of £0.2m) with the net cash outflow from operating activities of £0.5m (2009: inflow of £1.0m) being mitigated by the sale of the Group's Edinburgh office which realised proceeds of £0.6m. Net funds available to the Group (including unutilised borrowing facilities) at 30 September 2010 were £1.7m (2009: £3.7m).

DIVIDEND
In view of the trading loss and cash outflow in the year the Board does not propose a final dividend for 2010 (2009: 1.00p per share) and therefore there is no dividend for the year (2009: 2.00p).

TRADING OVERVIEW
The trading environment has been very challenging reflecting the adverse economic conditions affecting the UK construction market and to a lesser extent the Middle East market.

Trading in Europe which accounted for 66% of Group revenue in 2010 was down 28% on 2009 revenues. The international business operated out of the UK predominantly servicing large European clients continued at levels similar to 2009. Whilst new work was secured in the power and process sectors in the UK this was offset by reductions in the general construction sector. UK revenues reduced dramatically in the year from live construction projects and latterly a reduction in expert witness assignments.

In the Middle East trading accounted for 31% of Group revenue in 2010 and was down 9% on 2009. Oman continued to provide good returns albeit at lower levels than 2009 but Abu Dhabi reduced dramatically in the second half of the year into a loss making position as the construction market declined and clients opted to recruit in-house resource. Dubai benefited from expert witness assignments during the middle half of the year and generally had an acceptable underlying level of consultancy work. We opened an office in Qatar and commenced trading on a number of smaller assignments.

We also opened an office in Africa (Johannesburg) and secured four prestigious projects in the year.

BOARD CHANGES
During the course of the year there have been a number of changes to the Board. On 28 April 2010 Bob Parfitt left the Group following a period of ill health. On 1 August 2010, we were pleased to welcome Damien McDonald to the Board as Group Finance Director taking over the position from Colin White who resigned from the Board on 31 July 2010. On 1 October 2010, we were pleased to welcome Gary Turner to the Board as an additional Non-Executive Director.

The composition of the Board has been under review during the course of the year, and to date, with consideration being given to the current trading performance, the short to medium term strategy given the current market conditions, retirement planning of Non-Executive Directors and the aspirations of current and potential Executive Directors. Various possibilities were considered with the key aim of ensuring that the constitution of the Board reflects these considerations whilst reducing the cost burden on the Group.

Having been involved at executive level in the business for more than 20 years I have taken the decision that it is now time for me to move from the role of Executive Chairman to that of Non-Executive Director and consultant for the Group. Michael Davis is to retire from his role, as planned, and Keith Kirkwood will also step down from the Board. These moves will take effect as of the Annual General Meeting to be held on 1 March 2011 and I would like to thank Michael and Keith for their commitment and contributions to the Group during their time with us.

We are in the process of appointing a Non-Executive Chairman with a proven track record of strong and proactive business leadership which we consider is needed to assist in returning the Group to sustainable profitable growth. This appointment will be announced

**Underlying figures are stated before the share-based payment charge and exceptional items (note 5)* when terms are concluded which is expected to be 1 March 2011 and I will continue as Executive Chairman until that appointment.

Remuneration for the Non-Executive Chairman is likely to be on a performance basis so as to attract the appropriate level of expertise and so as not to commit the Group to further underlying costs until a return to sustainable profit levels is achieved. This together with the other changes significantly reduces the costs of the Group Board.

OUTLOOK

Last year was a year of strategic investment aimed at broadening the services, sectors and locations of the Group. We see the coming year as one of consolidation with no intentions to make similar investments. We can see opportunities for growth in Qatar and Africa and in the power and process sector in the UK but do not anticipate this will cover the continued downturn we envisage in the live construction markets of the UK and Middle East. We also see a growing level of enquiry for our expert and litigation support services on large scale international disputes serviced from the UK. We therefore expect this coming year to be one of consolidation with growth from the initiatives put in place last year and tight cost control in the challenging UK and UAE construction markets.

Steve Driver
Executive Chairman

Chief Executive's Report

INTRODUCTION

In my 2009 report I stated that whilst growth was expected in our expert witness and litigation support services both in the UK and Middle East this would not offset the continued decline in our services to the live construction and engineering sectors. We embarked on a longer term plan, investing £1m to position the Group as a global construction consultancy expanding into Africa, increasing our Middle East operations in Qatar and developing a broader consultancy offering through strategic project management and developing the power and process sector in the UK. Hence the year was to be one of strategic investment seeking growth through new territories whilst managing the effects of a challenging and declining construction market.

In line with the investment plan we have commenced trading in Africa and Qatar and recruited senior staff to establish a strategic project management offering and develop our services in the power and process sector. This action contributed to the Group reporting a loss in the financial year but we are now placed to generate growth in the coming years whereas we would otherwise be in a shrinking and tightening market place until the construction industry in the UK and Middle East comes out of recession.

Primarily as a result of the decline in the UK construction market and to a lesser extent the Middle East market, revenue was down £4.1m in the year or 20% to £16.4m. As a consequence during the course of the year salary reductions and general cost reduction measures were implemented across the businesses and unallocated / corporate expenses (excluding exceptional items and the share based payment charge) have been reduced in the year by £0.3m or 17%.

The business is managed through the three regions in which we trade: Europe, Middle East and Africa.

EUROPE

This region has seen revenues fall by £4.1m or 28% to £10.8m in the year as a result of a significant decline in the UK construction market that has not been offset by the anticipated increase in expert witness and litigation support services. Profits were down at 7.7% of revenue (2009: 12.6%). Whilst the charge out rates did not come under any undue pressure the mix of staff required by our clients changed as they required greater integration of their staff in lieu of our junior staff. As a consequence of this general downturn, measures were implemented during the course of the year to reduce remuneration and staff numbers to a level appropriate to the volume of work being undertaken and the margins achievable. The investment in a new managing director for our Project Services business did generate new clients and revenues in the power and process sector which partially off-set a reduction in the general construction sector of the business. The International business operating out of the UK primarily providing services to large mainland European clients traded at levels similar to those of 2009.

MIDDLE EAST

This region has also seen revenues fall by £0.5m or 9% in the year to £5.1m (2009: £5.6m) as a result of a declining construction market in the UAE not being sufficiently offset by increases in expert witness and litigation support services in the region and no material expert witness work in Oman. Profits were also down £0.7m to 5.1% of revenue (2009: 17.4%). Oman is the largest office in the region and its trading was significantly down on 2009 due to the level of expert witness work undertaken in the office being less than in 2009. However the office returned a respectable profit of 17.2% (2009: 34%) on its underlying business. Dubai was also profitable with an acceptable level of trading on consultancy work that was enhanced by expert witness work in the middle half of the year and the acquisition of DGA Associates in November 2009. Abu Dhabi experienced a significant reduction in workload in the second half of the year resulting in a loss overall as the construction market reduced and competition increased due to clients employing more staff in-house and taking advantage of an overload of staff coming to the market from Abu Dhabi and Dubai. The UAE operations will therefore be restructured in the current year. As planned, we invested in the year on opening an office in Qatar which allowed us to secure work on some smaller projects but with a net loss to the business of £0.08m. Trading in Qatar was restricted due to the extended time taken in securing the necessary trading licence until after the year end.

AFRICA

As part of our strategy to broaden our services and territories we commenced trading in Africa with revenues of £0.5m in the year through assignments on three prestigious projects providing three different services (expert, consultancy and strategic project management). A fourth assignment on an expert services commission was also secured in the year and trading commenced following the year end. Losses in the region of £0.13m materialised as a result of the costs of set up.

OUTLOOK

Last year was a period of strategic investment; this coming year is one of consolidation. The additional services we seek to offer have senior management in place to provide them and we have new offices and licences in place for operations in Africa and Qatar. There is no intention to make further investments of this nature in the coming year. Last year and first quarter trading for this year provide optimism that these new initiatives will generate growth in these areas this coming year. In Africa we continue to generate a high level of enquiries for work on major infrastructure projects. In Qatar we are now ideally placed, with a secured trading licence, for the high level of construction spend anticipated over the medium term as a result of the World Cup award for 2022. We also see growth coming from the level of enquiry we are experiencing for expert and litigation support services on large international disputes administered out of the UK. These areas of growth are to be set against an expected continued decline in the UK and UAE construction markets.

At the end of the first quarter we have an encouraging level of budgeted revenue allocated on secured assignments and a strong pipeline of outstanding proposals and target projects/clients. Regions with particularly strong secured assignments and pipelines are International (operated out of the UK) and Oman.

We currently have visibility for the first quarter trading and this is in line with management expectations. However, these expectations show the business will incur losses in the first quarter and the interim results will show a loss for the half year.

The coming year therefore continues to be challenging and one in which we shall strive to maximise growth through the new initiatives put in place last year and the high level of expert witness and litigation support enquiries balanced by tight control of the costs associated with the businesses affected by the live construction markets of the UK and UAE.

Dave Webster
Chief Executive Officer

Finance Director's Review

RESULTS

Reflecting the much more difficult trading environment, especially prevailing in the UK, total revenue reduced by 20% to £16.4m (2009: £20.5m). The Chief Executive's report describes the business segmental performance in more detail.

The underlying* operating loss for the year ended 30 September 2010 was £0.41m compared with an underlying* operating profit for the year ended 30 September 2009 of £1.30m. Reported operating loss was £0.79m compared with a reported operating profit in 2009 of £1.07m.

After a net interest charge of £0.02m (2009: £0.02m) the underlying* loss before tax was £0.43m (2009: profit £1.28m) and reported loss before tax was £0.81m (2009: profit £1.05m). The underlying* loss before tax for the year includes the net effect of planned revenue investment in Africa (£0.13m), Qatar (£0.08m) and Power and Process in the UK (£0.15m). Excluding the impact of these investments the underlying* operating loss for the year would be £0.05m.

The Group's results include an exceptional item (note 5) relating to severance costs of £0.17m (2009: £0.17m) and an exceptional impairment loss of £0.12m (2009: nil) in relation to the value of the Edinburgh office, which was subsequently sold in May 2010 without any profit or loss on disposal. In addition the Group recorded a share based payment charge of £0.09m (2009: £0.06m) in relation to the Group's share option scheme.

To address the reduced revenue of the business the Group has rationalised its reporting structure into three key business segments: Europe, Middle East and Africa, where we have made investment to create a new business opportunity.

As a result of the continued downturn in the domestic construction market the European business segment revenue fell by £4.13m to £10.81m and profits also fell by £1.05m to £0.83m. The Middle East segment revenue fell by £0.51m to £5.08m and profits reduced by £0.72m to £0.26m. The reduction was partly due to Oman, which benefited in 2009 from work on a major dispute, and the contraction of our live project services work in Abu Dhabi. Costs in the Middle East also increased from our investment in creating a new office in Qatar. The new Africa segment generated revenue of £0.52m but, as expected, reported a loss of £0.13m due to the revenue investment needed to establish a new regional base. From an increased focus on cost management underlying* unallocated corporate costs reduced by £0.29m to £1.43m. After a share option charge of £0.09m (2009:£0.06m) and exceptional costs of £0.23m (2009: nil) the reported unallocated costs were £1.75m (2009: £1.78m).

TAXATION

The Group had a tax credit of £0.15m (2009: charge of £0.28m) as a result of the reported losses.
The effective tax rate was 18% (2009: 26%). The current year tax credit includes the benefit of a lower tax rate in Oman, the UAE and Qatar. In addition the Group had unrecognised tax losses amounting to £0.22m (2009: nil) carried forward. These losses have not been recognised due to the expected origin of the Group's profitability over the medium term.

EARNINGS PER SHARE

Underlying* loss per share was 1.2 pence (2009: earnings per share 4.1 pence). The basic and diluted loss per share was 2.7 pence (2009: earnings per share 3.2 pence).

CASH FLOW

As a result of the trading losses, net cash outflow from operating activities was £0.49m (2009: net cash inflow £1.04m). This included an adverse impact from a reduction in creditors of £0.53m (2009: increase of £0.01m) offset by a net inflow from a reduction in debtors of £0.51m (2009: £0.26m). Other major cash items are net proceeds of £0.6m from the disposal of our Edinburgh property, capital spend of £0.13m (2009: £0.33m), dividends paid of £0.25m (2009: £0.74m) and increased borrowings of £0.41m (2009: £0.37 reduction).

The Company's net borrowings position at the end of the year increased to £0.46m from £0.16m at September 2009.

PRINCIPAL RISKS AND UNCERTAINTIES

There are a variety of specific business risks which can affect international consultancy businesses like Driver and these are considered in the sections outlined below.

The impact of the downturn in the UK and global economy on the business is considered in the Chairman's and the Chief Executive's reports.

CREDIT RISK

The Group's credit risk is primarily attributable to its trade receivables. The risk increases as our business expands into new territories where payment of outstanding receivables can be slower. Credit risk is managed by running credit checks on new customers

** Underlying figures are stated before the share based payment charge and exceptional items (note 5).*

and by monitoring payments against contractual terms. There is a clear internal process for elevating potential problems in recovering debts such that prompt action is taken to recover debts at the earliest possible point and legal action taken where necessary.

LIQUIDITY

The Group monitors cash flow as part of its day to day control procedures. The Board reviews cash flow projections and ensures that appropriate facilities are available to be drawn upon as necessary. At the year end, the Group's borrowing facilities consisted of a term loan of £1.225m and an effective overdraft facility renewable annually of £0.85m (note 15). With cash of £0.8m the Group had access to £1.65m of available funds at 30 September 2010. The Group's borrowings with the bank are secured by means of debentures over the Group's assets and a legal charge over the land and building at Haslingden.

TREASURY POLICIES AND FOREIGN EXCHANGE MANAGEMENT

Treasury operations are managed centrally and operate so as to reduce financial risk, ensure sufficient liquidity is available for the Group's operations and to invest surplus cash. Corporate Treasury does not operate as a profit centre and does not take speculative positions. The Company regularly invoices in Euros for work performed in Europe as well as receiving foreign currency income in UAE Dirhams ("AED"), Omani Rials ("OMR") and Qatari Riyals (QAR) from its Middle East businesses. The Group is therefore exposed to movements in these currencies relative to Sterling. AED and OMR are currently linked to the US Dollar. Foreign currency balances in excess of forecast amounts required to fund projected outgoings have been converted to Sterling balances during the year at spot rate. Euro exposure is managed through the use of a foreign currency overdraft facility, which is used to match up to 90% of the value of the Euro debtor balance against Euro borrowings. The net value of AED, OMR and QAR exposure is managed using foreign currency hedge contracts to provide a targeted level of cover of between 50% and 75% of the net exposure. This policy is regularly reviewed by the Board. Details of the foreign currency financial instruments in place at 30 September 2010 are shown in note 20 to the accounts.

As a consequence of the earnings generated in the Middle East as well as Euro earnings generated in the UK, the Group's net income and its equity is exposed to movements in the value of Sterling relative to the Euro and to the US Dollar. The estimated impact of movements in the Sterling exchange rate on profits and equity are summarised in note 20 to the Financial Statements. Based on this table, a 20% strengthening in Sterling against the US Dollar will reduce Group profits by c£0.4m and a 20% strengthening in Sterling against the Euro will reduce profits by c£0.5m. Correspondingly a weakening in Sterling will improve profits on translation. As non-Sterling earnings increase, the exposure of the Group's Income Statement and Equity to movements in Sterling will increase as well.

CONTINGENCIES AND LEGAL PROCEEDINGS RISK MANAGEMENT

The Group monitors all material contingent liabilities, through a process of consultation and evaluation which includes senior management, internal and external advisors. This process results in an evaluation of potential exposure and provisions are made or adjusted accordingly by reference to accounting principles. No contingent liabilities have been recognised at the year end.

HEALTH AND SAFETY

Driver is committed to ensuring the health and safety of its employees in the work place and where possible implementing health and safety policy improvements. Driver continues to invest in the training and development of safe working practices. The Group measures its health and safety policies through three metrics: lost time due to accidents, lost time days, and reportable accidents. No time was lost as a result of a reported incident during the year.

Damien McDonald
Finance Director

Directors

Stephen Driver (aged 46)
Executive Chairman

Stephen has over 28 years' experience in the construction industry working both for contractors and in private practice.

After training as a quantity surveyor, initially with a national civil engineering contractor, Stephen subsequently worked for a number of national building contractors. He subsequently moved into private practice at BWS International and became Managing Director of BWS International in 1998 and of the Group in 2001. Since becoming Managing Director, Stephen has overseen a number of major developments including the incorporation of the partnership through to the formation of Driver Group, the demerger of BWS International, the reorganisation of the business to focus on regional and local office performance and the opening of offices in the UAE, Scotland and Bristol. Stephen also led the successful Admission of the Driver Group shares on AIM in October 2005 at which time he was appointed CEO.

In 2008 Stephen concluded the acquisition of CMC and integrated them successfully into the Group.

On 1 October 2009 Stephen was appointed as Executive Chairman focussing primarily on strategic initiatives, including acquisitions and alliances whilst continuing to play a key role in the development of strategic client relationships.

Stephen has a Masters degree in construction law and arbitration from Kings College, London. He is a Fellow of the Royal Institution of Chartered Surveyors, the Chartered Institute of Arbitrators and the Chartered Institution of Civil Engineering Surveyors and a Member of the Cost Engineers and Academy of Experts.

David Webster (aged 43)
Chief Executive Officer

David has over 27 years' experience in the construction industry, initially training as a quantity surveyor with a pipeline, tunnelling and civil engineering contractor. He worked with various contractors before moving into private practice in 2000. David was appointed to the board of Driver Consult in 2002 and progressed to become CEO of the Group in 2009. He is one of the team that successfully led the Company to Admission on AIM in October 2005. Since then he has been heavily involved in the ongoing development of the Group.
David is responsible for the operations of all Group companies. David is responsible for delivering the Board's strategy and establishes and delivers the Business Plans for each business through the management and co-ordination of their boards and directors.

David continues to undertake technical work for key clients where he specialises in dispute resolution, contractual and commercial advice on all aspects of civil engineering projects, highways, water and sewage treatment plants, tunnel and pipeline projects, industrial process plants, building and development.

David has a Masters degree in construction law and arbitration. He is a Fellow of the Royal Institution of Chartered Surveyors and the Chartered Institution of Civil Engineering Surveyors.

Damien McDonald (aged 37)
Finance Director

A Chartered Accountant with over 15 years' experience. Damien joined Driver in April 2008 as Group Financial Controller and successfully implemented financial procedures to the business' UK and overseas operations. Damien previously worked for 9 years with United Utilities PLC, the UK's largest listed water company, where he held finance management positions in the Group head office before becoming Financial Controller of the £330m turnover Contract Solutions Division. Latterly at United Utilities, Damien successfully managed the financial disposal of their industrial waste management business. Between 1995 and 1999 Damien qualified as a Chartered Accountant as an auditor with KPMG.

Michael Davis (aged 65)
Non-Executive Director

Michael is a chartered accountant and spent 32 years in the profession principally with Arthur Young/Ernst & Young.

During his 15 years as a partner he specialised in corporate finance, including PFI, and latterly was managing partner of the firm's Liverpool office. On leaving the firm he has spent the last 13 years as a Non-Executive Chairman/Director of companies in sectors including financial/professional services and media.

He is also deputy Chairman of the North West's film and tv agency. He is one of the team that successfully led the Company to Admission on AIM in October 2005.

Keith Kirkwood (aged 55)
Non-Executive Director

Keith joined the Board of the Company on 1 October 2006. He is a chartered quantity surveyor with over 30 years' experience in both the general construction industry and in the specialist area of dispute resolution.

Until 2006 Keith was Group Chief Executive of Schofield Lothian Group, the construction, engineering and infrastructure management consultancy which he founded in 1986. Under his leadership, the business was successfully developed into an international operation and sold to Accord plc in 2002. Keith is a qualified mediator, arbitrator and negotiator and a Fellow of the Royal Institution of Chartered Surveyors, the Chartered Institute of Arbitrators, the Chartered Institution of Civil Engineering Surveyors and the Institute of Directors as well as a Member of Council and Vice Chairman for the Society of Construction Law.

Directors continued

Gary Turner (aged 51)
Non-Executive Director

Gary joined the Board of the Company on 1 October 2010. He has spent his entire executive career in the construction industry, joining Tarmac construction in 1975 and becoming Chief QS for Tarmac UK Civil Engineering in 1998. In 2003, he was appointed Commercial Director for Carillion Building, Health and Facilities Management during which period he oversaw the commercial integration of Mowlem and Alfred McAlpine following their acquisition in 2006 and 2008.

In 2008 Gary was appointed Head of Commercial for Carillion UK and was elected to the Council of Management for the Institution of Civil Engineering Surveyors. He retired from a full time role at Carillion in 2009 and is retained by Carillion to advise on dispute resolution.

Company Secretary and Advisers

COMPANY SECRETARY	**Thomas Ferns**
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REGISTERED NUMBER	3475146
AUDITORS	**BDO LLP** 3 Hardman Street, Spinningfields Manchester M3 3AT
BANKERS	**The Royal Bank of Scotland plc** Fifth Floor, 1 Spinningfields Square Manchester M3 3AP
SOLICITORS	**Rosenblatt Solicitors** 9-13 St Andrew Street London EC4A 3AF
NOMINATED ADVISERS	**W H Ireland Limited** 4 Colston Avenue Bristol BS1 4ST
BROKERS	**W H Ireland Limited** Zurich House, Canal Wharf, Leeds West Yorkshire LS11 5DB
REGISTRARS	**Neville Registrars Limited** Neville House, 18 Laurel Lane Halesowen B63 3DA

Report of the Directors

For the year ended 30 September 2010

The Directors present their Report and the Consolidated Financial Statements of Driver Group plc ("the Group") and its subsidiary companies for the year ended 30 September 2010.

PRINCIPAL ACTIVITY

The principal activity of the Group in the year under review and the previous year was the provision of specialist commercial and dispute resolution services to the construction industry.

REVIEW OF BUSINESS

The results for the year and financial position of the Company and the Group are as shown in the annexed Financial Statements. The information that fulfils the requirements of the Enhanced Business Review can be found in the Chairman's Statement, Chief Executive's Report and Finance Director's Review on pages 5 to 10 and includes reference to key performance indicators, being revenue and operating profit.

DIVIDENDS

In view of the trading loss and cash outflow the Directors do not propose a final dividend in respect of the current financial year (2009: 1.00p per share payable to all shareholders other than the Driver Group Employee Benefit Trust).

Dividends paid during the year comprise a final dividend of 1.00p per share (total cost of £247,000) in respect of the previous year ended 30 September 2009.

GOING CONCERN

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they have adopted the going concern basis in preparing the Financial Statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties affecting the business are outlined in the Finance Director's Review.

FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies of the Group including the policy for hedging foreign currency risk, are outlined in the Finance Director's Review.

DIRECTORS

The Directors during the year under review were:

S Driver
C M White (resigned 31 July 2010)
D J Webster
M I Davis
K Kirkwood
R J Parfitt (resigned 28 April 2010)
D P McDonald (appointed 1 August 2010)

The beneficial interests of the Directors holding office at the end of the financial year in the issued share capital of the Company were as follows:

	30 September 2010 Ordinary 0.4p Shares	30 September 2009 Ordinary 0.4p Shares
S Driver	3,778,720	3,778,720
C M White	n/a	10,000
D J Webster	1,502,088	1,502,088
M I Davis	7,000	7,000
R Parfitt	n/a	231,429

Throughout the year Mr Webster held share options to purchase 275,000 ordinary shares exercisable at 73.5p per share by 27 June 2016 and Mr White held share options, up to his resignation on 31 July 2010, to purchase 100,000 ordinary shares exercisable at 81.9p per share by 3 March 2018.

The Company has established an Employee Benefit Trust in which all the employees of the Group, including Executive Directors, are potential beneficiaries. At 30 September 2010, the Trust owned 1,700,645 shares which it acquired at an average of 73p per share.

CHARITABLE AND POLITICAL DONATIONS

During the year under review, the Group made charitable donations amounting to £3,725 (2009: £2,863). It is the Group's policy not to make political donations.

CREDITOR PAYMENT POLICY

The Group agrees terms and conditions with suppliers before business takes place. The Group's policy and practice is to pay agreed invoices in accordance with the terms of payment. At the year end the amounts owed to trade creditors were equivalent to 44 days (2009: 41 days) of purchases from suppliers.

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Report of the Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

DIRECTORS' INDEMNITY COVER

All Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

AUDITORS

BDO LLP are willing to continue in office and a resolution proposing their re-appointment as auditors of the Company and authorising the Directors to fix their remuneration will be put to the shareholders at the Annual General Meeting.

On behalf of the Board:

Damien McDonald
Finance Director
18 January 2011

Corporate Governance

For the year ended 30 September 2010

Although, as an AIM listed company, the Company is not required to comply with the provisions of the Combined Code ("the Code") and this is not a statement of compliance as required by the Code, the Board of Directors recognises the importance of, and is committed to, ensuring that effective corporate governance procedures relevant to smaller listed companies are in place.

THE BOARD AND COMMITTEES

From 1 October 2009 to 28 April 2010 the Board comprised four Executive Directors, Stephen Driver (Chairman), David Webster, Colin White and Robert Parfitt and two Non-Executive Directors, Keith Kirkwood and Michael Davis. Following Robert Parfitt's resignation on 28 April 2010 the Board consisted of three Executive Directors (with Damien McDonald replacing Colin White on 1 August 2010) and two Non-Executive Directors. Further changes to the Group Board after 30 September 2010 are discussed in the Chairman's Statement on pages 5 and 6.

The Board, which meets at least six times a year, is responsible for the overall strategy and financial performance of the Group. Each Board meeting is preceded by a clear agenda and any relevant information is provided to the Directors in advance of the meeting.

The Remuneration Committee consisted of Stephen Driver, Michael Davis and Keith Kirkwood. The Directors' Remuneration Report on page 16 contains a detailed description of remuneration and applicable policies.

Given the size of the Board, and as permitted by the Code, the Board has not appointed a Nominations Committee. The Board as a whole considers the appointment of all Directors and senior managers.

During the financial year to 30 September 2010, the Audit Committee consisted of Michael Davis (Chairman) and Keith Kirkwood. The Committee operates under written terms of reference and is scheduled to meet at least twice a year with the Company's auditors, and the Executive Directors are present by invitation only. The Committee is responsible for the independent monitoring of the effectiveness of the system of internal control, compliance, accounting policies and published financial statements on behalf of the Board.

The Committee is also responsible for keeping under review the independence and objectivity of the external auditors, including a review of non-audit services provided to the Group, consideration of any relationships with the Group that could affect independence, and seeking written confirmation from the auditors that, in their professional judgement, they are independent.

RELATIONS WITH SHAREHOLDERS

The Company encourages the participation of both institutional and private investors. Communication with private individuals is maintained through the Annual General Meeting (AGM), and Annual and Interim Reports. In addition, further details on the strategy and performance of the Company can be found at its website (www.driver-group.com) which includes copies of the Company's press releases.

INTERNAL CONTROL

The Board has overall responsibility for the Group's systems of internal control and for monitoring their effectiveness. Although no system of internal control can provide absolute assurance against material misstatements or loss, the Group's systems are designed to provide the Directors with reasonable assurance that issues are identified on a timely basis and dealt with appropriately.

The Group has an established organisational structure with clearly defined lines of authority, responsibility and accountability, which is reviewed regularly. Group management is responsible for the identification and evaluation of key risks applicable to their areas of business.

The Board has considered the need for an internal audit function, but has resolved that due to the current size and complexity of the Group, this cannot be justified on the grounds of cost effectiveness.

Director's Remuneration Report

For the year ended 30 September 2010

The members of the Remuneration Committee are Michael Davis and Keith Kirkwood who are both independent Non-Executive Directors, and Stephen Driver.

REMUNERATION POLICY

The Group's remuneration policy is to provide a remuneration package to attract, motivate and retain high calibre individuals, who will deliver significant value to the Group.

DIRECTORS' REMUNERATION

	Salary and fees	Bonus	Car allowance	Benefits	Total 2010	Pension[1] 2010	Total Remuneration 2010	Total 2009	Pension 2009	Total Remuneration 2009
	£	£	£	£	£	£	£	£	£	£
Stephen Driver [2] (note 3)	188,568	-	12,000	896	**201,464**	**487**	**201,951**	**264,755**	25,176	289,931
David Webster (note 3)	245,000	-	12,000	2,062	**259,062**	**12,370**	**271,432**	**232,854**	22,000	254,854
Colin White[1] [3] (note 3)	69,000	-	10,000	2,048	**81,048**	**41,048**	**122,096**	**116,166**	25,600	141,766
Robert Parfitt [4] (note 3)	158,375	30,000	7,000	804	**196,179**	**-**	**196,179**	**132,811**	-	132,811
Damien McDonald [1] (note 3)	12,000	-	2,000	403	**14,403**	**1,544**	**15,947**	**-**	-	-
Michael Davis	30,000	-	-	-	**30,000**	**-**	**30,000**	**30,000**	-	30,000
Keith Kirkwood [1]	41,000	-	-	-	**41,000**	**9,000**	**50,000**	**50,000**	-	50,000
Total	**743,943**	**30,000**	**43,000**	**6,213**	**823,156**	**64,449**	**887,605**	**826,586**	**72,776**	**899,362**

(1) Pension includes salary sacrifice with the director voluntarily reducing salary in exchange for a higher company pension contribution.

(2) Stephen Driver has changed role from Chief Executive Officer to Executive Chairman which entails him spending less time in the business and focusing primarily on strategic developments and initiatives. The Remuneration Committee and Stephen have therefore agreed a proportional reduction in Stephen's salary.

(3) In addition to the above Colin White received total payments of £23,448 following his resignation to provide consulting advice on a discretionary basis.

(4) Robert Parfitt was paid a £30,000 loyalty bonus in line with the terms of the acquisition of Commercial Management Consultants in February 2008. In addition Robert was paid an ex-gratia payment of £75,000 following his resignation on 28 April 2010 due to ill health.

For the year to 30 September 2010, the remuneration of Non-Executive Directors was set by the Board and consisted of an annual fee paid in equal monthly instalments.

Hurlstone Management Limited, a company controlled by Michael Davis, entered into a formal engagement with the Company dated 6 October 2005 under which it agreed to supply the services of Michael Davis as Non-Executive Chairman of the Company and ongoing consultancy and advice. The agreement can be terminated upon three months' notice by either party.

Alchemy BS, a company controlled by Keith Kirkwood, entered into a formal engagement with the Company on 25 January 2010 for Alchemy BS to provide the consultancy services of Keith Kirkwood which can be terminated by one month's notice. This is in addition to an employment contract with Keith for his services as a Non-Executive Director of the Group.

DIRECTORS' REMUNERATION REVIEW

Remuneration is reviewed in December each year with any revisions taking place from the beginning of January.

Bonuses may be awarded to the Executive Directors based on the performance of the Company.

On behalf of the Board

Michael Davis
Chairman of the Remuneration Committee
18 January 2011

Statement of Directors' Responsibilities

In respect of the Report of the Directors and the Financial Statements for the year ended 30 September 2010

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report of the Directors and the Financial Statements in accordance with applicable law and regulations.

Company law requires Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Group Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare Financial Statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Financial Statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WEBSITE PUBLICATION

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.

Report of the Independent Auditors

For the year ended 30 September 2010

TO THE MEMBERS OF DRIVER GROUP PLC

We have audited the Financial Statements of Driver Group plc for the year ended 30 September 2010 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Cashflow Statement, the Consolidated Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in the preparation of the Group Financial Statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the Parent Company Financial Statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND 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 the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the Financial Statements.

OPINION ON 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 30 September 2010 and of the Group's loss for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company's Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS OF WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' Remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Eric Solomons
Senior Statutory Auditor

For and on behalf of BDO LLP – *Statutory Auditor*
3 Hardman Street, Spinningfields, Manchester M3 3AT, United Kingdom

18 January 2011

BDO LLP is a Limited Liability Partnership registered in England and Wales (with registered number OC305127)

Consolidated Income Statement

For The Year Ended 30 September 2010

	Notes	2010 £000	2009[1] £000
REVENUE	2	16,415	20,539
Cost of Sales		(12,607)	(15,011)
GROSS PROFIT		3,808	5,528
Administrative expenses		(4,736)	(4,605)
Other operating income		135	146
Operating (loss) / profit before share-based payment charge and exceptional items		(414)	1,296
Exceptional items	5	(291)	(168)
Share-based payment charge	18	(88)	(59)
OPERATING (LOSS) / PROFIT	2,4	(793)	1,069
Finance income		-	13
Finance costs	6	(16)	(30)
(LOSS) / PROFIT BEFORE TAXATION	2	(809)	1,052
Tax credit / (expense)	7	146	(276)
(LOSS) / PROFIT FOR THE YEAR		(663)	776
Profit / (Loss) attributable to non-controlling interests		4	(5)
(Loss) / Profit attributable to equity shareholders of the parent		(667)	781
		(663)	776
Basic (loss) / earnings per share (pence)	10	(2.7)p	3.2
Diluted (loss) / earnings per share (pence)	10	(2.7)p	3.2

[1] 2009 has been restated to reclassify £399,000 of direct staff expense claims from administrative expenses to direct costs as they relate to direct costs associated with fee earners. This classification is consistent with the current year.

The result for the current and the prior year arises from the Group's continuing operations.

The notes on pages 24 to 53 form part of these Financial Statements.

Consolidated Statement of Comprehensive Income

For The Year Ended 30 September 2010

	2010 £000	2009 £000
(LOSS) / PROFIT FOR THE YEAR	(663)	776
Other comprehensive income:		
Exchange differences on translating foreign operations	(15)	(24)
Deferred tax credit on property revaluation	12	9
Other comprehensive income for the year net of tax	(3)	(15)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(666)	761
Total comprehensive income attributable to:		
Owners of the parent	(670)	766
Non-controlling interest	4	(5)
	(666)	761

The notes on pages 24 to 53 form part of these Financial Statements.

Consolidated Statement of Financial Position

At 30 September 2010

Company Number 3475146

	Notes	2010 £000	2010 £000	2009 £000	2009 £000
NON-CURRENT ASSETS					
Goodwill	12	2,356		2,356	
Property, plant and equipment	11	2,323		3,173	
Deferred tax asset	17	-		52	
			4,679		5,581
CURRENT ASSETS					
Trade and other receivables	13	4,014		4,539	
Cash and cash equivalents	16	804		687	
Current tax receivable		198		-	
			5,016		5,226
TOTAL ASSETS			9,695		10,807
CURRENT LIABLITIES					
Borrowings	15	(15)		(13)	
Trade and other payables	14	(1,866)		(2,391)	
Current tax payable		-		(133)	
			(1,881)		(2,537)
NON-CURRENT LIABILITIES					
Borrowings	15	(1,248)		(838)	
Deferred tax liabilities	17	(257)		(292)	
			(1,505)		(1,130)
TOTAL LIABILITIES			(3,386)		(3,667)
NET ASSETS			6,309		7,140
SHAREHOLDERS' EQUITY					
Share capital	18		106		106
Share premium	21		2,649		2,649
Merger reserve	21		1,493		1,493
Translation reserve	21		(39)		(24)
Capital redemption reserve	21		18		18
Retained earnings	21		3,320		4,134
Own shares	21		(1,242)		(1,242)
TOTAL SHAREHOLDERS' EQUITY			6,305		7,134
NON-CONTROLLING INTEREST	21		4		6
TOTAL EQUITY			6,309		7,140

The financial statements were approved by the Board of Directors, authorised for issue and signed on their behalf by:

Damien McDonald
Finance Director

18 January 2011

The notes on pages 24 to 53 form part of these Financial Statements.

Consolidated Cashflow Statement

For The Year Ended 30 September 2010

	2010 £000	2009 £000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation		
- Before share-based payment charge and exceptional items	(430)	1,279
- Exceptional items (note 5)	(291)	(168)
- Share-based payment charge (note 18)	(88)	(59)
	(809)	1,052
Adjustments for:		
Depreciation	254	216
Exchange adjustments	12	(45)
Impairment loss	122	-
Finance income	-	(13)
Finance costs	16	30
Equity settled share-based payment charge	88	59
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS	(317)	1,299
Decrease in trade and other receivables	510	260
(Decrease) / increase in trade and other payables	(525)	11
CASH GENERATED FROM OPERATIONS	(332)	1,570
Tax paid	(156)	(527)
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES	(488)	1,043
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	-	13
Acquisition of property, plant and equipment	(126)	(330)
Proceeds from disposal of property	600	-
NET CASH INFLOW / (OUTFLOW) FROM INVESTING ACTIVITIES	474	(317)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(16)	(30)
Borrowings	412	(368)
Payment of equity dividends	(253)	(740)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	143	(1,138)
Net increase / (decrease) in cash and cash equivalents	129	(412)
Effect of foreign exchange on cash and cash equivalents	(12)	45
Cash and cash equivalents at start of period	687	1,054
CASH AND CASH EQUIVALENTS AT END OF PERIOD	804	687

The notes on pages 24 to 53 form part of these Financial Statements.

Consolidated Statement of Changes in Equity

For The Year Ended 30 September 2010

	Share capital £'000	Share premium £'000	Merger reserve £'000	Other reserves[1] £'000	Retained earnings £'000	Own shares £'000	Total* £'000	Non-controlling interest £'000	Total Equity £'000
OPENING BALANCE AT 1 OCTOBER 2008	**106**	**2,649**	**1,493**	**205**	**3,838**	**(1,242)**	**7,049**	**11**	**7,060**
Dividends	-	-	-	-	(740)	-	(740)	-	(740)
Share-based payment	-	-	-	-	59	-	59	-	59
Transfer of reserves [2]	-	-	-	(187)	187	-	-	-	-
Profit / (loss) for the year	-	-	-	-	781	-	781	(5)	776
Other comprehensive income for the year	-	-	-	(24)	9	-	(15)	-	(15)
CLOSING BALANCE AT 30 SEPTEMBER 2009	**106**	**2,649**	**1,493**	**(6)**	**4,134**	**(1,242)**	**7,134**	**6**	**7,140**
Dividends	-	-	-	-	(247)	-	(247)	(6)	(253)
Share-based payment	-	-	-	-	88	-	88	-	88
(Loss) / profit for the year	-	-	-	-	(667)	-	(667)	4	(663)
Other comprehensive income for the year	-	-	-	(15)	12	-	(3)	-	(3)
CLOSING BALANCE AT 30 SEPTEMBER 2010	**106**	**2,649**	**1,493**	**(21)**	**3,320**	**(1,242)**	**6,305**	**4**	**6,309**

* Total equity attributable to the equity holders of the parent

(1) 'Other reserves' combines the translation reserve, capital redemption reserve and other reserves. Explanatory details for these reserves are disclosed in note 21.

(2) The opening balance on the share based payment reserve has been credited to retained earnings.

The notes on pages 24 to 53 form part of these Financial Statements.

1 ACCOUNTING POLICIES

Driver Group plc ("the Company") is a company incorporated and domiciled in the UK.

The Group Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS) as endorsed for use in the European Union ("EU endorsed IFRS") and International Accounting Standards.

The Company has elected to prepare its financial statements in accordance with UK GAAP. These are provided on pages 46 to 53.

BASIS OF CONSOLIDATION
Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The Consolidated Financial Statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity.

The Group Statement of Financial Position incorporates the shares held by the Driver Group Employee Benefit Trust which have not vested by the Statement of Financial Position date. These are shown as a deduction from shareholders' equity until such a time as they vest unconditionally with the employee.

Accounting policies are consistently applied throughout the Group. Intercompany balances and transactions have been eliminated. Material profits from intercompany sales, to the extent that they are not yet realised outside the Group, have also been eliminated.

BUSINESS COMBINATIONS
The Consolidated Financial Statements incorporate the results of business combinations using the purchase method. In the Consolidated Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Income Statement from the date on which control is obtained.

Determining the fair value of intangibles acquired in business combinations requires estimation of the value of the cash flows related to the identified intangibles and a suitable discount rate in order to calculate the present value.

In arriving at the cost of acquisition, the fair value of the shares issued by the Company is taken to be the mid-market price of those shares at the date of issue. Where this figure exceeds the nominal value of the shares, the excess amount is treated as an addition to reserves.

GOODWILL
Goodwill represents the excess of the cost of a business combination over the interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired. Cost comprises the fair values of assets given, liabilities assumed and equity instruments issued. Prior to the adoption of IFRS 3 (revised), which will apply for future business combinations, direct costs of acquisition were also treated as a cost of acquisition.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the Consolidated Income Statement. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the Consolidated Income Statement on the acquisition date.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

FOREIGN CURRENCY TRANSLATION
In preparing the financial statements of the individual entities, transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the Statement of Financial Position date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in sterling using exchange rates prevailing on the Statement of Financial Position date. Income and expense items (including comparatives) are translated at the actual exchange rates. Exchange differences arising, if any, are recognised in equity in the Group's translation reserve. Cumulative translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

REVENUE
Revenue in respect of the core services being: consultancy, contract administration and project consultancy services, represents the amount earned from the provision of services provided to customers outside of the Group and is recognised based on time incurred, when the services are delivered in line with the contractual arrangements.

Revenue in respect of corporate services work, which includes the valuation and recovery of debts due to insolvent businesses on behalf of insolvency practitioners, is recognised on the basis of the following:

REVENUE - continued

- Revenue for fixed fee work is recognised by reference to the stage of completion of the project;
- Revenue earned from collecting cash on behalf of an insolvency practitioner is recognised on the basis of the agreed percentage commission earned applied to the actual cash collected at the Statement of Financial Position date.

Fees which are contingent on the occurrence of one or more significant future events are recognised as revenue once the events on which they are contingent have occurred.

Unbilled revenue is included in prepayments and accrued income.

SEGMENT REPORTING

In accordance with IFRS 8, operating segments are identified based on the "management approach". This approach stipulates external segment reporting based on the Group's internal organisational and management structure and on internal financial reporting to the chief operating decision maker.

Details of the segments are provided in note 2.

FINANCING COSTS

Interest income and interest payable are recognised in the Consolidated Income Statement on an accruals basis, using the effective interest method.

LEASED ASSETS

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the Consolidated Income Statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Group (an "operating lease"), the total rentals payable under the lease are charged to the Consolidated Income Statement on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

DIVIDENDS

Interim dividends are recognised when they are paid. Final dividends are recorded in the Financial Statements in the period in which they are approved by the Group's shareholders.

EMPLOYEE BENEFITS

Defined contribution plan

The Group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the Consolidated Income Statement.

Share-based payment transactions

The cost of share options awarded to employees, measured by reference to their fair value at the date of grant, is recognised over the vesting period of the options based on the number of options which in the opinion of the Directors will ultimately vest. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The cost of the share options is recognised as an employee expense with a corresponding increase in equity.

TAXATION

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The temporary differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying value amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

IMPAIRMENT OF ASSETS

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other 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 (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e. the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows).

Goodwill is allocated on initial recognition to each of the Group's cash-generating units that are expected to

IMPAIRMENT OF ASSETS - continued
benefit from the synergies of the combination giving rise to the goodwill.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires an entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Any change in estimates could result in an adjustment to recorded amounts.

Impairment charges are included in the administrative expenses line item in the Consolidated Income Statement, except to the extent they reverse gains previously recognised in the Consolidated Statement of Changes in Equity. An impairment loss recognised for goodwill is not reversed.

The recoverable amount of the Group's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

FINANCIAL ASSETS

Fair value through profit or loss
This category comprises only in-the-money derivatives (see Financial Liabilities section for out-of-the-money derivatives). They are carried in the Consolidated Statement of Financial Position at fair value with changes in fair value recognised in the Consolidated Income Statement in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Loans and receivables
These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms of the receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Consolidated Income Statement. Confirmation that the trade receivable will not be collectable results in the gross carrying value of the asset being written off against the associated provision.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate.

The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts and other short term banking facilities. Bank overdrafts are shown within loans and borrowings in current liabilities in the Consolidated Statement of Financial Position.

Net borrowings comprises borrowings net of cash and cash equivalents.

FINANCIAL LIABLITIES

Loans and receivables
Bank borrowings are initially recognised at fair value. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Consolidated Statement of Financial Position.

Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Fair value through profit or loss
This category comprises only out-of-the-money derivatives (see Financial Assets for in-the-money derivatives). They are carried in the Consolidated Statement of Financial Position at fair value with changes in fair value recognised in the Consolidated Income Statement. The Group does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

PROPERTY, PLANT AND EQUIPMENT
Property, plant and equipment is stated at cost less accumulated depreciation and any provision for impairment.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Land is not depreciated. Depreciation is charged to the Consolidated Income Statement to write off the cost less the estimated residual value of each part of an item of property, plant and equipment on a straight-line basis over the estimated useful lives at the following annual rates:

Buildings	-	2%
Fixtures and fittings	-	10%
Technical library	-	10%
Computer equipment	-	25%

ACCOUNTING ESTIMATES AND JUDGEMENTS
Details of the Group's accounting estimates and judgements are included in note 23.

STANDARDS ADOPTED FOR THE FIRST TIME
The following new standards, interpretations and amendments, applied for the first time from 1 October 2009, have had an effect on the financial statements:

- *Improving Disclosures about Financial Instruments (Amendments to IFRS 7):* The application of this Amendment has resulted in changes to the disclosures provided in respect of financial instruments, primarily in note 20 to the financial statements including an analysis of financial assets and financial liabilities that are measured at fair value in the statement of financial position, into a three level fair value measurement hierarchy. The Amendment does not change the recognition or measurement of transactions and balances in the financial statements.

- *Amendments to IAS 1 Presentation of Financial Statements: A Revised Presentation:* As a result of the application of this Amendment the Group has elected to present two separate statements, an income statement and a statement of comprehensive income; previously it presented an income statement and the statement of recognised income and expense. The Amendment does not change the recognition or measurement of transactions and balances in the financial statements.

The following IFRS have been issued and are effective for the first time for the year ended 30 September 2010. However, the directors do not believe the adoption of these revisions has had a significant impact on the Financial Statements.

- Amendment to IAS 23 'Borrowing costs', Amendment to IFRS 2 'Share based payment: vesting conditions and cancellations', Amendments to IAS 32 and IAS 1 'Puttable financial instruments and obligations arising on liquidation' and amendments to IFRS 1, IFRS 3 Revised 'Business Combinations' and IAS 27 'Cost of an investment in a jointly controlled entity or associate'.

IFRS NOT YET APPLIED
The following IFRS have been issued but have not been adopted by the Group in the Financial Statements as they are not effective for this financial period. The directors do not believe they will have a significant impact on the Consolidated Financial Statements once they become effective.

- IFRIC 15 'Agreements for the construction of real estate', amendments to IFRIC 9 and IAS 39 'Embedded derivatives', amendments to IAS 27 'consolidated and separate financial statements', and amendments to IAS 39 'Financial instruments: recognition and measurement: eligible hedged items'.

2 SEGMENTAL ANALYSIS

REPORTABLE SEGMENTS
For management purposes, the Group is organised into three operating divisions: Europe, Middle East and Africa. These divisions are the basis on which the Group is structured and managed, based on its geographic structure. In each of the divisions the key service provisions are: quantity surveying, planning / programming, quantum and planning experts, dispute avoidance / resolution, litigation support, contract administration, commercial advice / management and strategic project management.

Segment information about these reportable segments is presented below.

Year ended 30 September 2010

	Continuing Operations					
	Europe £000	Middle East £000	Africa £000	Eliminations £000	Unallocated[1] £000	Consolidated £000
Total external revenue	10,814	5,083	518	-	-	16,415
Total inter-segment revenue	219	97	-	(316)	-	-
Total revenue	11,033	5,180	518	(316)	-	16,415
Segmental profit/(loss)	889	257	(131)	-	-	1,015
Unallocated corporate expenses[1]	-	-	-	-	(1,429)	(1,429)
Share-based payment charge	-	-	-	-	(88)	(88)
Exceptional items (note 5)	(61)	-	-	-	(230)	(291)
Operating profit/(loss)	828	257	(131)	-	(1,747)	(793)
Finance expense	-	-	-	-	(16)	(16)
Profit/(loss) before taxation	828	257	(131)	-	(1,763)	(809)
Taxation	-	-	-	-	146	146
Profit/(loss) for the year	828	257	(131)	-	(1,617)	(663)
OTHER INFORMATION						
Reportable segment assets	5,924	1,868	47	-	1,856	9,695
Capital additions[2]	14	82	2	-	28	126
Impairment charge	-	-	-	-	122	122
Depreciation and amortisation	45	49	-	-	160	254

Inter-segment sales are charged at prevailing market rates.
(1) Unallocated costs represent Directors' remuneration, administration staff, corporate head office costs and expenses associated with AIM.
(2) Capital additions comprise additions to property, plant and equipment including additions resulting from acquisitions through business combinations.

No client had revenue exceeding 10% of the Group's revenue in the year to 30 September 2010.

2 SEGMENTAL ANALYSIS – continued

Year ended 30 September 2009

	Continuing Operations					
	Europe £000	Middle East £000	Africa £000	Eliminations £000	Unallocated £000	Consolidated £000
Total external revenue	14,943	5,596	-	-	-	20,539
Total inter-segment revenue	234	155	-	(389)	-	-
Total revenue	15,177	5,751	-	(389)	-	20,539
Segmental profit	2,044	974	-	-	-	3,018
Unallocated corporate expenses(1)	-	-	-	-	(1,722)	(1,722)
Share-based payment charge	-	-	-	-	(59)	(59)
Exceptional items (note 5)	(168)	-	-	-	-	(168)
Operating profit	1,876	974	-	-	(1,781)	1,069
Finance income	-	-	-	-	13	13
Finance expense	-	-	-	-	(30)	(30)
Profit before taxation	1,876	974	-	-	(1,798)	1,052
Taxation	-	-	-	-	(276)	(276)
Profit for the year	1,876	974	-	-	(2,074)	776
OTHER INFORMATION						
Reportable segment assets	6,192	1,529	-	-	3,086	10,807
Capital additions(2)	153	70	-	-	107	330
Depreciation and amortisation	30	16	-	-	170	216

The segmental information for 2009 has been restated to reflect a change in the basis in which information is presented to the chief operating decision maker. The chief operating decision maker is the Chief Executive Officer.

Inter-segment sales are charged at prevailing market rates.
(1) Unallocated costs represent Directors' remuneration, administration staff, corporate head office costs and expenses associated with AIM.
(2) Capital additions comprise additions to property, plant and equipment and intangible assets including additions resulting from acquisitions through business combinations.

Revenue from one of the customers of the Driver Consult Middle East segment exceeds 10% of the Group's total revenue with revenue of £2.1m.

Geographical information:

	External revenue by location of customers	
	2010 £000	**2009 £000**
UK	**8,872**	12,825
UAE	**2,572**	2,981
Oman	**2,359**	2,866
South Africa	**528**	57
Qatar	**307**	2
Germany	**291**	372
Nigeria	**250**	-
Spain	**227**	-
France	**127**	594
Canada	**118**	362
Other Countries	**764**	480
	16,415	20,539

3 EMPLOYEES

Staff costs including Directors' remuneration:

	2010 £000	2009 £000
Wages and salaries	**10,730**	11,733
Social security costs	**838**	925
Other pension costs	**306**	406
Share-based payment charge (note 18)	**88**	59
	11,962	13,123

The average number of persons employed by the Group, including Directors, during the year was as follows:

	2010	2009
By role:		
Directors	**6**	6
Fee-earners	**110**	128
Administration	**29**	30
	145	164

KEY MANAGEMENT AND DIRECTORS' REMUNERATION

The aggregate compensation of key management (including Executive Directors) is shown below:

	2010 £000	2009 £000
Emoluments	**1,504**	1,282
Money purchase pension contributions	**128**	113
	1,632	1,395
Share based compensation (note 18)	**44**	31
Total key management compensation	**1,676**	1,426

Key management consists of the statutory Executive Directors of the Company whose details are included in the remuneration report on page 16 plus the Executive Board which consists of the 5 key business unit managing directors. The emoluments contain redundancy, ex-gratia and other discretionary payments as noted in the Directors remuneration report.

Directors' remuneration disclosed above includes the following payments in respect of the highest paid Director:

	2010 £000	2009 £000
Emoluments	**259**	265
Money purchase pension contributions	**12**	25
Total remuneration	**271**	290

The number of Directors to whom retirement benefits are accruing:

	2010	2009
Money purchase pension schemes	**4**	3

4 (LOSS) / PROFIT FROM OPERATIONS

(Loss) / Profit from operations includes the following significant expenses:

	2010 £000	2009 £000
Depreciation and amounts written off property, plant and equipment – owned assets	**254**	216
Impairment loss	**122**	-
Audit services:		
- statutory audit of parent	**5**	6
- statutory audit of subsidiaries	**26**	29
- audit regulatory reporting	**5**	5
Tax services:		
- general	**5**	19
- compliance	**8**	9
Operating lease rentals – land and buildings	**642**	581
Exchange (loss) / gain	**(43)**	132

5 EXCEPTIONAL ITEMS

	2010 £000	2009 £000
Impairment loss (1)	**122**	-
Severance costs (2)	**169**	168
	291	168

(1) During the year the Directors carried out an impairment review in accordance with IAS 36 as a result of specific concerns in relation to the value of one of the Group's fixed assets. This review identified the need for an impairment charge of £122,000 relating to the Group's Edinburgh freehold property, which has been recognised in the Consolidated Statement of Comprehensive Income. Subsequent to this review the property was sold for net disposal proceeds of £600,000, with no further loss on disposal arising. The Directors have identified no further evidence of impairment in relation to other Group assets.

(2) Severance costs include redundancy, ex-gratia and other discretionary payments.

6 FINANCE EXPENSE

	2010 £000	2009 £000
Bank interest	**15**	29
Finance lease interest	**1**	1
	16	30

7 TAXATION

Analysis of the tax charge
The tax charge on the (loss) / profit for the year is as follows:

	2010 £000	2009 £000
Current tax:		
UK corporation tax on (loss)/profit for the year	**(164)**	187
Non-UK corporation tax	**46**	90
Adjustments to the prior period estimates	**(57)**	22
	(175)	299
Deferred tax		
Adjustments to prior period estimates	**23**	(16)
Deferred tax expense / (credit) for the year	**6**	(7)
Tax on (loss) / profit	**(146)**	276

7 TAXATION – continued

Factors affecting the tax charge
The tax assessed for the year varies from the standard rate of corporation tax in the UK. The difference is explained below:

	2010 £000	2009 £000
(Loss) / Profit before tax	**(809)**	1,052
Expected tax charge based on the standard average rate of corporation tax in the UK of 28%	**(227)**	295
Effects of:		
Expenses not deductible	**30**	54
Depreciation not deductible	**11**	14
Marginal relief	**-**	(3)
Deferred tax on share-based payment	**25**	16
Effect of tax rate change on loss carry back	**4**	-
Foreign tax rate difference	**(66)**	(106)
Adjustment to prior period estimates	**(34)**	6
Loss on disposal of non-qualifying asset	**31**	-
Unprovided deferred tax	**80**	-
Tax credit / expense for the year	**(146)**	276

In addition to the amount charged to the Income Statement, a deferred tax credit relating to the revaluation of the Group's properties amounting to £12,000 (2009: £9,000) has been credited directly to equity.

8 (LOSS) / PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent Company is not presented as part of these Financial Statements. The parent Company's loss for the financial period was £17,000 (2009 profit: £1,083,000). The Company has elected to prepare the parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

9 DIVIDENDS

	2010 £000	2009 £000
The aggregate amount of equity dividends comprises:		
Final dividend paid in respect of prior year	**247**	494
Interim dividend paid in respect of the current year	**-**	246
Aggregate amount of dividends paid in the financial year	**247**	740
Equity dividends proposed for approval at Annual General Meeting (not recognised at year end)		
Final dividend for 2010: nil (2009: 1:00p)	**-**	247

Equity dividends are payable to all the registered shareholders other than the Driver Group Employee Benefit Trust.

10 EARNINGS PER SHARE

	2010 £000	2009 £000
(Loss) / Profit for the financial year attributable to equity shareholders	**(667)**	781
Share-based payment charge	**88**	59
Exceptional items (note 5)	**291**	168
Adjusted (Loss) / Profit for the financial year before share-based payments and exceptional items	**(288)**	1,008
Weighted average number of shares:		
- Ordinary shares in issue	**26,379,416**	26,379,416
- Shares held by EBT	**(1,700,645)**	(1,700,645)
Basic weighted average number of share	**24,678,771**	24,678,771
Diluted weighted average number of shares	**24,678,771**	24,678,771
Basic (loss) / earnings per share	**(2.7)p**	3.2p
Diluted (loss) / earnings per share	**(2.7)p**	3.2p
Adjusted (loss) / earnings per share before share-based payments and exceptional items	**(1.2)p**	4.1p

Potential ordinary shares relating to 1,935,000 share options (2009: 1,935,000) have not been included in the calculation of diluted earnings per share as their value has no dilutive effect. Therefore dilutive and basic profit per ordinary share are identical.

11 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings					
	Freehold £000	Long leasehold £000	Fixtures and fittings £000	Technical library £000	Computer equipment £000	Total £000
COST						
At 1 October 2008	760	1,987	339	10	581	3,677
Additions	-	-	170	-	160	330
At 30 September 2009	760	1,987	509	10	741	4,007
DEPRECIATION						
At 1 October 2008	26	68	113	2	409	618
Charge for year	13	34	56	1	112	216
At 30 September 2009	39	102	169	3	521	834
NET BOOK VALUE						
At 30 September 2009	721	1,885	340	7	220	3,173
At 30 September 2008	734	1,919	226	8	172	3,059
COST						
At 1 October 2009	760	1,987	509	10	741	4,007
Additions	-	-	70	-	56	126
Disposals	(760)	-	(17)	-	-	(777)
At 30 September 2010	-	1,987	562	10	797	3,356
DEPRECIATION						
At 1 October 2009	39	102	169	3	521	834
Charge for year	6	36	92	1	119	254
Impairment loss	122	-	-	-	-	122
Disposals	(167)	-	(10)	-	-	(177)
At 30 September 2010	-	138	251	4	640	1,033
NET BOOK VALUE						
At 30 September 2010	-	1,849	311	6	157	2,323
At 30 September 2009	721	1,885	340	7	220	3,173

Included in computer equipment were assets held under finance leases with a net book value of £37,000 (2009: £49,000) and a depreciation charge of £12,000 (2009: £9,000).

12 GOODWILL

	£000
COST	
At 1 October 2009 and 30 September 2010	2,356

An impairment test was undertaken by the Directors to assess the carrying value of goodwill and it was concluded that no impairment was required.

Goodwill is allocated to cash-generating units (CGU) identified on the basis of business segments.

A segment level summary of the goodwill allocated is presented below;

	2010 £000	2009 £000
Europe	**2,356**	2,356
Middle East	**-**	-
Africa	**-**	-
Total goodwill	**2,356**	2,356

The recoverable amount of the CGU has been determined by value in use calculations. The calculations used pre-tax cash flow projections over the next 5 year period based on the budgets for the next financial year. Cash flows beyond the budgeted one year period are extrapolated using the estimated growth rates per the table below. In accordance with IAS 36, the growth rates for beyond the budgeted period do not exceed the long-term average growth rate for the industry.

The key assumptions applied in the calculation were:

Gross margin	-	20.3%
Growth rate	-	0% (over inflation)
Discount rate	-	9.5% (pre tax)

Management determined the gross margin rate based on past performance and future trading conditions. The growth rates are believed to be conservative growth rates for this business. The discount rate used is pre-tax to ensure consistency with the pre tax cash flows and reflects the risk of the business segment.

Details of subsidiaries included in the Consolidated Financial Statements are as follows:

Subsidiary undertakings	Country of registration or incorporation	Principal activity	Percentage* of ordinary shares held	
Driver Consult Ltd	England and Wales	Construction consultancy services	100%	
North Gate Executive Search Ltd	England and Wales	Recruitment consultancy services	75%	
Adjudication Toolkit Ltd	England and Wales	Construction adjudication software	100%	(1)
Driver Project Services Ltd	England and Wales	Construction consultancy services	100%	(2)
Driver Consult (Oman) LLC	Oman	Construction consultancy services	65%	(3)
Driver Consult (UAE) LLC	Abu Dhabi	Construction consultancy services	49%	(4)
Driver Group Africa (pty) Ltd	South Africa	Construction consultancy services	51%	
Driver Group Qatar LLC	Qatar	Construction consultancy services	49%	(4)
St Crispin Properties Ltd	England and Wales	Dormant	100%	(5)
BWS Consulting Ltd	England and Wales	Dormant	100%	(5)

* Unless stated below, voting rights are equivalent to percentage of ordinary shares held.

(1) On 24 August 2010 Driver Group acquired an additional 49% of shares in Adjudication Toolkit Limited
(2) On 7 July 2010 Commercial Management Consultants Limited changed its name to Driver Project Services Limited
(3) The Company is entitled to 99% of the profits
(4) The legal structure of the business provides the Company with effective 100% control and the business is therefore treated as a fully owned subsidiary
(5) The business was dissolved by the Company during the year

12 GOODWILL - continued

In addition to the above investments, the Company has loaned funds of £950,275 and made contributions to the Driver Group Employee Benefit Trust, which in turn has purchased shares in the Company. At 30 September 2010 the assets of the Trust comprised 1,700,645 of the Company's own shares with a nominal value of £6,803 (2009: £6,803) and a market value of £357,135 (2009: £1,105,419) which were acquired at a cost of £1,242,206. The cost of shares has been deducted from equity. The net assets of the Trust are available for the benefit of Driver Consult's and Driver Group's employees. Neither the loan from the Company nor the equivalent liability of the Trust is included in debtors or creditors.

13 TRADE AND OTHER RECEIVABLES

Amounts falling due within one year:

	2010 £000	2009 £000
Trade receivables	**2,949**	3,704
Other receivables	**35**	4
Prepayments and accrued income	**1,030**	831
	4,014	4,539

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

As at 30 September 2010 trade receivables of £747,000 (2009: £772,000) were past due but not impaired. They relate to customers against whom no provision is considered necessary. This included an increase of £247,000 in over 60 days overdue accounts which principally related to 3 large overseas debtors who paid shortly after the Statement of Financial Position date. The ageing analysis of these receivables is as follows:

30 September 2010	Current (not yet overdue)	Debt age – "days overdue" 0-30 days	31-60 days	Over 60 days	Total
Trade receivables					
Value (£'000)	2,202	192	213	342	2,949
%	75%	6%	7%	12%	100%

30 September 2009	Current (not yet overdue)	Debt age – "days overdue" 0-30 days	31-60 days	Over 60 days	Total
Trade receivables					
Value (£'000)	2,932	574	103	95	3,704
%	79%	15%	3%	3%	100%

As at 30 September 2010 trade receivables of £400,000 (2009: £310,000) were past due, impaired and provided against. There were no individually significant receivables included within the provision. The Group takes a prudent view in assessing the risk of non-payment and considers provision for all debts more than 3 months in arrears unless there are specific circumstances to indicate that there is little or no risk of non-payment of these older debts. Past due debts which are not provided against are in relation to non-disputed fees, a significant proportion of which relate to work performed in the Middle East. Historic experience has demonstrated that non-disputed fees are, in almost all instances, recovered in due course.

14 TRADE AND OTHER PAYABLES:

Amounts payable within one year:

	2010 £000	2009 £000
Trade payables	**702**	794
Social security and other taxes	**467**	493
Other payables	**12**	119
Accrued expenses	**685**	985
	1,866	2,391

The Directors consider that the carrying value of trade payables is a reasonable approximation of the fair value.

15 BORROWINGS

An analysis of the maturity of loans is given below:

	2010 £000	2009 £000
Current		
Finance lease	**15**	13
	15	13
Non-current falling due between one and two years:		
Bank loan	**1,225**	-
Finance lease	**23**	15
	1,248	15
Non-current falling due between two and five years		
Bank loan	**-**	800
Finance lease	**-**	23
	-	823

The carrying value of liabilities is a reasonable approximation of the fair value.

The bank facilities consisted of the following all of which are with The Royal Bank of Scotland (RBS):

	Facility	Interest rate (annual)
Overdraft[(1)]	£1,550,000	2.4% over RBS base rate
Four year loan repayable on 27 February 2012 (note 20)	£1,225,000	1.2% over RBS base rate

(1) The available overdraft is subject to a security calculation based on the leasehold property and trade receivables. As at 30 September 2010 this meant that the effective available overdraft was £849,000.

At 30 September 2010 the Group had access to a £849,000 overdraft facility (net of any cash balances) and had net cash balances (net of overdraft) of £804,000. The Group's borrowing is secured by debentures over the Group's assets and legal charges over the long leasehold land and building with a current varying value of £1,849,000.

16 CASH AND CASH EQUIVALENTS

	2010 £000	2009 £000
Cash at bank	**804**	687

Cash and cash equivalent balances are denominated in Sterling, Euros, US Dollars, Qatari Riyals, UAE Dirhams and Omani Rials.

17 DEFERRED TAXATION

Deferred tax liability

	2010 £000	2009 £000
At the beginning of the year	**292**	309
Credit for the year recognised in Income Statement	**(23)**	(8)
Temporary differences on valuation of property at end of year	**(12)**	(9)
At end of year	**257**	292

Deferred tax asset

	2010 £000	2009 £000
At beginning of year	**52**	37
Deferred tax movement	**(52)**	15
At end of year	**-**	52

The elements of the deferred tax balances are as follows:

		Assets		Liabilities
	2010 £000	2009 £000	2010 £000	2009 £000
Property revaluation gain	**-**	-	**(250)**	(262)
Capital allowances in excess of depreciation	**-**	-	**(7)**	(30)
Other short term temporary differences	**-**	52	**-**	-
	-	52	**(257)**	(292)

Of the total net movement in deferred tax during the year, £12,000 was credited to equity, and the balance was credited to the Income Statement.

At the year end the Group had tax losses to carry forward amounting to £217,000. The directors have not recognised a deferred tax asset (2009: £52,000) at the Statement of Financial Position date as in their opinion the expected origin of Group profitability in the medium term does not support the utilisation of this asset.

18 CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal Value:	2010 £000	2009 £000
50,000,000	Ordinary	0.4p	**200**	200

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	2010 £000	2009 £000
26,379,416	Ordinary	0.4p	**106**	106

SHARE BASED PAYMENT TRANSACTIONS

Equity-settled share option plan
The Group plan provides for an exercise price which is normally equal to the average quoted market price of the Group shares on the date of grant. The vesting period is normally 3 years with the exercise period generally between 3 and 10 years. Options issued on 3 March 2008 were issued at a 10% discount to the average quoted market price and the exercise period was from 1 December 2010 to 3 March 2018. If options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the Group before the options vest.

No share options were exercised in the year. Options in respect of 500,000 shares (2009: 775,000) granted to 4 employees were forfeited in the year.

On 8 October 2009 500,000 share options were granted at an option price of 62.0p. These are exercisable between 8 October 2012 and 7 October 2019.

18 CALLED UP SHARE CAPITAL – continued

At 30 September 2010 the following unexercised share options to acquire ordinary shares granted under The Driver Group plc Enterprise Management Incentive Scheme were outstanding in respect of 15 employees:

Year of grant	Exercise period	Exercise price per 0.4p share (pence)	2010 Number	2009 number
2006	28-06-2009 to 27-06-2016	73.5p	**315,000**	315,000
	13-09-2009 to 12-09-2016	118.5p	**50,000**	50,000
2008	01-12-2010 to 03-03-2018	81.9p	**870,000**	1,170,000
	21-10-2011 to 20-10-2018	68.5p	**-**	200,000
2009	03-03-2012 to 02-03-2019	79.0p	**100,000**	100,000
	30-06-2012 to 29-06-2019	67.5p	**100,000**	100,000
2010	08-10-2012 to 07-10-2019	62.0p	**500,000**	-

	2010		2009	
	Options	Weighted average exercise price per share (p)	Options	Weighted average exercise price per share (p)
Outstanding at 1 October	**1,935,000**	**79p**	2,310,000	80p
Granted during the year	**500,000**	**62p**	400,000	71p
Forfeited during the year	**(500,000)**	**77p**	(775,000)	76p
Exercised during the year	**-**	**-**	-	-
Expired during the year	**-**	**-**	-	-
Outstanding at 30 September	**1,935,000**	**75p**	1,935,000	79p
Exercisable at 30 September	**365,000**	**80p**	365,000	80p

The options outstanding at 30 September 2010 had an exercise price between 62.0p and 118.5p, and a weighted average remaining contractual life of 7.49 years.

The principal inputs into the trinomial model for options issued during the year are as follows:

	2010
Weighted average share price per share on date of grant	62p
Weighted average exercise price per share	62p
Expected volatility	35%
Expected life of options	between 3 and 10 years
Risk free rate (average)	3.49%
Expected dividend yield	4%
Weighted average fair value of options issued in the year	18.6p

Expected volatility was determined by calculating the historical volatility of the Group's share price and selected quoted comparable businesses over the previous 260 days. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The Group recognised a charge of £88,000 (2009: £59,000) relating to equity-settled share-based payment transactions.

19 LEASES

Finance leases

During the year ended 30 September 2009 the Group entered into a lease for printing equipment which is classified as a finance lease as the rental period amounts to the estimated useful economic life of the assets concerned. The net carrying value of these assets at 30 September 2010 was £37,000 (2009: £49,000).

Future lease payments are due as follows:

	Minimum lease payments 2010 £000	Interest 2010 £000
Not later than one year	**15**	**6**
Later than one year and not later than five years	**23**	**2**
	38	**8**

The present values of future lease payments are analysed as:

	2010 £000	2009 £000
Current liabilities	**15**	13
Non-current liabilities	**23**	38
	38	51

Operating lease – lessee

The total future value of minimum lease payments under non-cancellable land and buildings operating lease rentals is due as follows:

	2010 £000	2009 £000
Expiring:		
Not later than one year	**158**	135
Between one and five years	**718**	985
	876	1,120

Operating lease rentals represent payables by the Group for rented offices. Leases are negotiated for an average term of 1 to 5 years and rentals are fixed for an average of 1 to 5 years.

Operating lease – lessor

The minimum rent receivable under non-cancellable land and building operating leases are as follows:

	2010 £000	2009 £000
Not later than one year	**130**	130
Later than one year but not less than five years	**521**	521
Later than five years	**33**	163
	684	814

20 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments held by the Group, as detailed in this note, are classified as 'Loans and Receivables' (cash and cash equivalents, trade and other receivables), fair value through income statement (derivatives) and 'Financial Liabilities Measured at Amortised Cost' (trade and other payables, bank overdrafts, bank loans and loan notes).

A summary of the financial instruments held by category is provided below:

	Financial assets at fair value through income statement		Loans and receivables	
	2010 £000	2009 £000	2010 £000	2009 £000
FINANCIAL ASSETS				
Cash and cash equivalents	-	-	**804**	687
Trade and other receivables	-	-	**3,365**	4,007
Derivative financial assets	**29**	-	-	-
TOTAL FINANCIAL ASSETS	**29**	-	**4,169**	4,694

	Financial liabilities at fair value through income statement		Financial liabilities at amortised costs	
	2010 £000	2009 £000	2010 £000	2009 £000
FINANCIAL LIABILITIES				
Trade and other payables	-	-	**1,857**	2,391
Loans and borrowings	-	-	**1,263**	851
Derivative financial liabilities	**9**	-	-	-
TOTAL FINANCIAL LIABILITIES	**9**	-	**3,120**	3,242

Financial assets and liabilities measured at fair value through income statement are all valued using level 1 external valuations.

The Group's operations expose it to a variety of financial risks comprising liquidity risk, foreign exchange risk, interest rate risk and credit risk. The Group has in place risk management policies that seek to limit the adverse effects on the financial performance of the Group by using various instruments and techniques.

Risk management policies have been set by the Board and applied by the Group.

(a) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it has sufficient liquidity to meet its liabilities as they fall due with surplus facilities to cope with any unexpected variances in timing of cash flows.

The Group believes it has sufficient cash and borrowing facilities to meet its operational commitments. At the year end the Group had the following un-drawn committed facilities in respect of which all conditions precedent had been met:

	2010 £000	2009 £000
Un-drawn borrowing facilities at 30 September	**849**	2,975
Cash and cash equivalents	**804**	687
Available funds	**1,653**	3,662

Maturity analysis

The table below analyses the Group's non-derivative financial liabilities into maturity groupings based on the period outstanding at the Statement of Financial Position date up to the contractual maturity date. All figures are contracted gross cash flows that have not been discounted.

20 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – continued

(a) Liquidity risk (continued)

30 September 2010

	Due within 1 year £000	Due between 1 and 5 years £000	Total £000
Non-derivative financial liabilities			
Bank loans	-	1,225	1,225
Finance lease creditor	15	23	38
Trade and other payables	1,857	-	1,857
Total	1,872	1,248	3,120

30 September 2009

	Due within 1 year £000	Due between 1 and 5 years £000	Total £000
Non-derivative financial liabilities			
Bank loans	-	800	800
Finance lease creditor	13	38	51
Trade and other payables	2,391	-	2,391
Total	2,404	838	3,242

The Directors have considered the repayment of the bank loan and believe they will be able to renegotiate a new facility or repay the loan through asset realisation before the repayment date of 27 February 2012.

(b) Foreign exchange risk

The Group operates in a number of markets across the world and is exposed to foreign exchange risk arising from various currency exposures in particular, with respect to the UAE Dirham, Omani Rial and Qatari Riyal, all of which are linked to the US dollar, and to the Euro. The Group is exposed to foreign currency risk arising from recognised assets and liabilities as well as commitments arising from future trading transactions. The Group selectively uses financial products to insure against the effect of adverse movements in foreign exchange rates. This includes foreign exchange contracts and foreign currency borrowing. Reviews are carried out on a monthly basis to assess the level of foreign exchange exposure and to take any necessary action. The Group does not operate hedge accounting.

The following balances are contained within other receivables (note 13) and other payables (note 14) in respect of derivative financial instruments:

	2010 £000	2009 £000
Asset	**29**	-
Liability	**(9)**	-
	20	-

The balances are all current with assets of £29,000 and liabilities of £5,000 maturing within 3 months and a liability maturing in 6 to 12 months of £4,000.

All gains and losses are recognised in the Consolidated Income Statement.

20 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – continued

(b) Foreign exchange risk (continued)

The Group's exposure to foreign currency net assets / (liabilities) is summarised as follows:

	GBP 2010 £000	EUR 2010 £000	AED 2010 £000	OMR 2010 £000	USD 2010 £000	QAR 2010 £000	Total 2010 £000
FINANCIAL ASSETS							
Cash and cash equivalents	537	(151)	254	168	(28)	24	804
Trade and other receivables	1,837	275	513	577	-	163	3,365
Derivative financial assets	374	-	(345)	-	-	-	29
TOTAL FINANCIAL ASSETS	2,748	124	422	745	(28)	187	4,198
FINANCIAL LIABILITIES							
Trade and other payables	1,392	50	221	186	-	8	1,857
Loans and borrowings	1,263	-	-	-	-	-	1,263
Derivative financial liabilities	(298)	-	241	66	-	-	9
TOTAL FINANCIAL LIABILIITIES	2,357	50	462	252	-	8	3,129

	GBP 2009 £000	EUR 2009 £000	AED 2009 £000	OMR 2009 £000	USD 2009 £000	QAR 2009 £000	Total 2009 £000
FINANCIAL ASSETS							
Cash and cash equivalents	369	(74)	222	170	-	-	687
Trade and other receivables	2,856	318	490	343	-	-	4,007
TOTAL FINANCIAL ASSETS	3,225	244	712	513	-	-	4,694
FINANCIAL LIABILITIES							
Trade and other payables	1,872	-	808	(289)	-	-	2,391
Loans and borrowings	851	-	-	-	-	-	851
TOTAL FINANCIAL LIABILIITIES	2,723	-	808	(289)	-	-	3,242

The Group earns Euro revenues in the UK and also generates local currency revenues and costs in Oman, the UAE and Qatar. As a consequence the Group's pre-tax income and equity is exposed to movements in Sterling relative to the Euro and to the UAE Dirham, Omani Rial and Qatari Riyal (the latter three currencies are linked to the US Dollar). The following table represents the estimated impact on the Group's pre-tax income and equity from a weakening or strengthening of Sterling relative to these currencies based on the 2009/10 performance.

Sensitivity analysis – Impact on Income Statement and on Equity

% change in Sterling relative to Euro/ US Dollar	10% Income statement £000	20% Income statement £000	10% Equity £000	20% Equity £000
Sterling strengthens relative to Euro	(251)	(461)	(251)	(461)
Sterling weakens relative to Euro	307	691	307	691
Sterling strengthens relative to US Dollar	(203)	(371)	(189)	(347)
Sterling weakens relative to US Dollar	248	557	232	521

As overseas profits and non-Sterling income grow, the exposure of the Group's profit and equity to movements in Sterling relative to the Euro/US Dollar will increase too.

20 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – continued

(c) Interest rate risk

The Group is subject to fluctuations in interest rates on its borrowings and cash and cash equivalents. The Group is aware of the financial products available to insure against adverse movements in interest rates. Formal reviews are undertaken to determine whether such instruments are appropriate for the Group.

The table below shows the Group's financial assets and liabilities split by those bearing fixed and floating rates and those that are non-interest bearing.

30 September 2010

	Fixed rate £000	Floating rate £000	Non-interest bearing £000	Total £000
Cash and cash equivalents	-	804	-	804
Trade and other receivables	-	-	3,394	3,394
Trade and other payables	-	-	(1,866)	(1,866)
Bank loans	-	(1,225)	-	(1,225)
Finance lease creditor	(38)	-	-	(38)
	(38)	(421)	1,528	1,069

30 September 2009

	Fixed rate £000	Floating rate £000	Non-interest bearing £000	Total £000
Cash and cash equivalents	-	687	-	687
Trade and other receivables	-	-	4,007	4,007
Trade and other payables	-	-	(2,391)	(2,391)
Bank loans	-	(800)	-	(800)
Finance lease creditor	(51)	-	-	(51)
	(51)	(113)	1,616	1,452

Interest rates on bank loans are disclosed in note 15.

Sensitivity analysis

The Group has calculated the following sensitivities based on available data from forward markets for fixed and floating interest rates and based on forecast average borrowings. Management believe that these reflect the most probable rate movements.

	2010 £000
Impact on Income Statement and Equity	
1% increase in base rate of interest	**(15)**
2% increase in base rate of interest	**(30)**

(d) Credit risk

The Group's financial assets are bank balances and trade and other receivables which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade receivables. Management has a credit policy in place and exposure to credit risk is monitored on an on-going basis. Management believe the Group has a wide trade receivable profile and therefore does not have any significant concentration of risk. The credit quality of trade receivables that are neither past due nor impaired is considered to be good. The ageing profile of the Group's debtors is disclosed in note 13.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The Group mitigates risk by using surplus cash deposits to pay down borrowings and by spreading deposits among a range of banks.

20 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – continued

(e) Capital management

The Group's main objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders. The Group aims to maintain a strong credit rating and headroom whilst optimising return to shareholders through an appropriate balance of debt and equity funding. The Group manages its capital structure and makes adjustments to it with regard to the risks inherent in the business and in light of changes to economic conditions.

Capital is managed by maximising retained profits after dividend distributions. Working capital is managed in order to generate maximum conversion of these profits into cash and cash equivalents.

The policy for managing debt is to create a smooth debt maturity profile with the objective of ensuring continuity of funding to meet the Group's future liquidity requirements.

Capital includes share capital, share premium, merger reserve, translation reserve, capital redemption reserve, other reserve, own shares and retained earnings reserve (page 21). Net borrowings includes short and long term borrowings (including overdrafts and lease obligations) net of cash and cash equivalents.

(f) Market risk

Market risk arises from the Group's use of interest bearing, tradeable and foreign currency financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

21 RESERVES

Share capital
The share capital account includes the nominal value for all shares issued and outstanding.

Share premium
The share premium account comprises the premium over nominal value on issued shares. The use of this reserve is restricted by the Companies Act 2006.

Merger reserve
The excess of the fair value over nominal value of shares issued by the Company for the acquisition of businesses is credited to the merger reserve. This is in accordance with S610 of the Companies Act 2006.

Translation reserve
The translation reserve records any exchange differences arising as a result of the translation of foreign currency equity balances and foreign currency non-monetary items.

Capital redemption reserve
The capital redemption reserve records shares purchased and then cancelled by the Company.

Non-controlling interest
The non-controlling interest relates to minority shareholdings in Northgate Executive Search Limited, Driver Group Africa (pty) Ltd and Driver Consult (Oman) LLC (note 12).

Retained earnings
The retained earnings reserve includes the accumulated profits and losses arising from the Consolidated Income Statement and certain items from the Statement of Changes in Equity attributable to equity shareholders net of distributions to shareholders.

Own shares
Own shares consist of shares held by Driver Group Employee Benefit Trust which have not vested at the Statement of Financial Position date shown as a deduction from shareholders' equity. Total number of own shares as at 30 September 2010 was 1,700,645 (2009: 1,700,645).

22 RELATED PARTY TRANSACTIONS

During the financial year, the Group had no transactions with related parties as defined by IAS 24 'Related Party Disclosures'. There were no related party transactions in 2009.

23 ACCOUNTING ESTIMATES AND JUDGEMENTS

Some asset and liability amounts reported in the Consolidated Financial Statements contain a degree of management estimation and assumptions. There is therefore a risk of significant changes to the carrying amounts for these assets and liabilities within the next financial year. The estimates and assumptions are made on the basis of information and conditions that exist at the time of the valuation.

Impairment provisions
Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires an entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. An impairment review test has been performed at the reporting date and no impairment has been identified. Further details can be found in note 12.

Receivables impairment provisions
The amounts presented in the Consolidated Statement of Financial Position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the present value of estimated future cash flows. At the Statement of Financial Position date a £400,000 (2009: £310,000) provision was required. Any future increase to the provision would lead to a corresponding increase in reported losses and a reduction in reported total assets.

Driver Group plc (Company) Balance Sheet

At 30 September 2010

Company number: 3475146

	Notes	2010 £000	2010 £000	2009 £000	2009 £000
FIXED ASSETS					
Tangible assets	25		**2,239**		2,990
Investments	26		**3,423**		3,335
			5,662		6,325
CURRENT ASSETS					
Debtors	27	**2,228**		1,307	
Deferred tax asset	31	**-**		36	
		2,228		1,343	
CREDITORS					
Amounts falling due within one year	28	**(653)**		(765)	
NET CURRENT ASSETS			**1,575**		578
TOTAL ASSETS LESS CURRENT LIABILITIES			**7,237**		6,903
CREDITORS					
Amounts falling due after more than one year	29		**(1,248)**		(838)
PROVISIONS FOR LIABILITIES	31		**-**		(17)
NET ASSETS			**5,989**		6,048
CAPITAL RESERVES					
Called up share capital	32		**106**		106
Share premium	33		**2,649**		2,649
Merger reserve	33		**1,493**		1,493
Revaluation reserve	33		**1,149**		1,068
Capital redemption reserve	33		**18**		18
Profit and loss account	33		**1,816**		1,956
Own shares	34		**(1,242)**		(1,242)
SHAREHOLDERS' FUNDS	35		**5,989**		6,048

The Financial Statements were approved by the Board of Directors authorised for issue and signed on their behalf by:

Damien McDonald
Finance Director
18 January 2011

The notes on pages 47 to 53 form part of the Financial Statements.

24 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements.

Basis of preparation
The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets, and in accordance with Applicable Accounting Standards.

Cash flow statement
The company has taken advantage of the exemption permitted by UK GAAP not to present a cash flow statement.

Tangible fixed assets
Long leasehold land and buildings are included at valuation. The directors perform periodic valuations and annual impairment reviews in accordance with FRS 15 and FRS 11.

Depreciation is provided on other assets at the following annual rates in order to write off each asset over its estimated useful life.

Buildings	- 2% on reduction
Fixtures and fittings	- 10% on cost
Technical library	- 10% on cost
Computer equipment	- 25% on cost

Investments
Investments are included at cost, less amounts written off.

Deferred tax
Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax balances are not discounted.

Foreign currencies
Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leases
Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Company (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased property and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the Profit and Loss Account over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Company (an "operating lease"), the total rentals payable under the lease are charged to the Profit and Loss Account on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

Pensions
The Company operates a defined contribution pension scheme. Contributions payable for the year are charged in the Profit and Loss Account as incurred.

Employee Benefit Trust
In accordance with UITF abstract 38, any payments made to the Trust established for the benefit of the Group's employees are treated as the exchange of one asset for another. Accordingly, the assets of the Trust, and any liabilities it has, are recognised on the Company's Balance Sheet and are deducted from equity. Assets which vest unconditionally in beneficiaries of the Trust cease to be recognised as assets of the Company. Any income or expenditure incurred by the Trust is recognised in the Company's Financial Statements.

24 ACCOUNTING POLICIES - continued

Share-based payment transactions
The cost of share options awarded to employees measured by reference to their fair value at the date of grant is recognised over the vesting period of the options based on the number of options which in the opinion of the Directors will ultimately vest. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The cost of the share options is charged to the Profit and Loss Account and transferred to other reserves, except where the options relate to employees of subsidiary companies where the charge is recognised as an increase in the cost of investment in that subsidiary.

Dividends on shares presented within shareholders' funds
Dividends unpaid at the Balance Sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the Financial Statements.

Company Profit and Loss Account
As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these Financial Statements. The parent company's loss for the year was £17,000 (2009 profit: £1,083,000).

25 TANGIBLE FIXED ASSETS

	Land and buildings Freehold £000	Long leasehold £000	Fixtures and fittings £000	Technical library £000	Computer equipment £000	Total £000
COST OR VALUATION						
At 1 October 2009	760	1,987	289	10	671	3,717
Revaluation	-	13	-	-	-	13
Additions	-	-	13	-	16	29
Disposal	(760)	-	(12)	-	-	(772)
At 30 September 2010	-	2,000	290	10	687	2,987
DEPRECIATION						
At 1 October 2009	26	68	133	3	497	727
Revaluation	-	(104)	-	-	-	(104)
Charge for year	7	36	29	1	89	162
Impairment loss	122	-	-	-	-	122
Disposal	(155)	-	(4)	-	-	(159)
At 30 September 2010	-	-	158	4	586	748
NET BOOK VALUE						
At 30 September 2010	-	2,000	132	6	101	2,239
At 30 September 2009	734	1,919	156	7	174	2,990

Included in computer equipment were assets held under finance leases with a net book value of £37,000 (2009: £49,000) and a depreciation charge of £12,000 (2009: £9,000).

Cost or valuation at 30 September 2010 is represented by:

	Land and buildings Freehold £000	Long leasehold £000	Fixtures and fittings £000	Technical library £000	Computer equipment £000	Total £000
Valuation in 2010	-	2,000	-	-	-	2,000
Cost	-	-	290	10	687	987
	-	2,000	290	10	687	2,987

The long leasehold land and buildings were valued by Trevor Dawson, an independent firm of Chartered Surveyors, on 15 December 2010 at £2,000,000. The Directors believe that this fairly reflects the value of the land and buildings at 30 September 2010 and have revalued the net book value accordingly.

If the long leasehold land and building had not been revalued, it would have been included at the following historical gross cost:

	2010 £000	2009 £000
Gross cost	**919**	919

26 FIXED ASSET INVESTMENTS

	Shares in Group Undertakings £000
COST	
At 1 October 2009	3,335
Additional capital investment	88
Dissolution of subsidiary	-
At 30 September 2010	3,423
NET BOOK VALUE	
At 30 September 2010	3,423
At 30 September 2009	3,335

The Company has direct or indirect interests in the following subsidiaries which are included in the Consolidated Financial Statements:

Subsidiary undertakings	Country of registration or incorporation	Principal activity	Percentage* of ordinary shares held	
Driver Consult Ltd	England and Wales	Construction consultancy services	100%	
North Gate Executive Search Ltd	England and Wales	Recruitment consultancy services	75%	
Adjudication Toolkit Ltd	England and Wales	Construction adjudication software	100%	(1)
Driver Project Services Ltd	England and Wales	Construction consultancy services	100%	(2)
Driver Consult (Oman) LLC	Oman	Construction consultancy services	65%	(3)
Driver Consult (UAE) LLC	Abu Dhabi	Construction consultancy services	49%	(4)
Driver Group Africa (pty) Ltd	South Africa	Construction consultancy services	51%	
Driver Group Qatar LLC	Qatar	Construction consultancy services	49%	(4)
St Crispin Properties Ltd	England and Wales	Dormant	100%	(5)
BWS Consulting Ltd	England and Wales	Dormant	100%	(5)

* Unless stated below, voting rights are equivalent to percentage of ordinary shares held.

(1) On 24 August 2010 Driver Group acquired an additional 49% of shares in Adjudication Toolkit Limited
(2) On 7 July 2010 Commercial Management Consultants Limited changed its name to Driver Project Services Limited
(3) The Company is entitled to 99% of the profits
(4) The legal structure of the business provides the Company with effective 100% control and the business is therefore treated as a fully owned subsidiary
(5) The business was dissolved by the Company during the year

In addition to the above investments, the Company has loaned funds of £950,275 and made contributions to the Driver Group Employee Benefit Trust, which in turn has purchased shares in the Company. At 30 September 2010 the assets of the Trust comprised 1,700,645 of the Company's own shares with a nominal value of £6,803 (2009: £6,803) and a market value of £357,135 (2009: £1,105,419) which were acquired at a cost of £1,242,206. The cost of shares has been deducted from equity. The net assets of the Trust are available for the benefit of Driver Consult's and Driver Group's employees. Neither the loan from the Company nor the equivalent liability of the Trust is included in debtors or creditors.

27 DEBTORS

Amounts falling due within one year:

	2010 £000	2009 £000
Trade debtors	**13**	62
Amounts owed by Group undertakings	**1,966**	998
Prepayments and accrued income	**202**	247
Corporation Tax	**47**	-
	2,228	1,307

28 CREDITORS

Amounts falling due within one year:

	2010 £000	2009 £000
Bank loan and overdrafts (note 30)	**272**	201
Trade creditors	**211**	129
Corporation tax	**-**	36
Social security and other taxes	**30**	35
Accrued expenses	**125**	351
Finance lease creditor	**15**	13
	653	765

29 CREDITORS

Amounts falling due after more than one year:

	2010 £000	2009 £000
Bank loan (note 30)	**1,225**	800
Finance lease creditor	**23**	38
	1,248	838

30 BANK LOAN AND OVERDRAFTS

An analysis of the maturity of loans is given below:

	2010 £000	2009 £000
Amounts falling due within one year or on demand:		
Bank overdrafts	**272**	201
Finance lease	**15**	13
	287	214
Amounts falling due between one and two years:		
Bank loan	**1,225**	-
Finance lease	**23**	15
	1,248	15
Amounts falling due between two and five years:		
Bank loan	**-**	800
Finance lease	**-**	23
	-	823

The Company is party to a Group banking arrangement. Under this arrangement the facilities consisted of the following, all of which are with the Royal Bank of Scotland (RBS)

	Facility	Interest rate (annual)
Overdraft[1]	£1,550,000	2.4% over RBS base rate
Four year loan repayable on 27 February 2012	£1,225,000	1.2% over RBS base rate

[1] The available overdraft is subject to a security calculation based on the leasehold property and the Group's trade debtors. As at 30 September 2010 this meant that the effective available overdraft was £849,000.

The Directors have considered the repayment of the bank loan and believe they will be able to renegotiate a new facility or repay the loan through asset realisation before the repayment date of 27 February 2012.

At 30 September 2010 the Group had access to a £849,000 overdraft facility (net of any cash balances) and had net cash balances (net of overdraft) of £804,000. The Group's borrowing is secured by debentures over the Group's assets and legal charges over the long leasehold land and building and the freehold land and building.

31 PROVISION FOR LIABILITIES

The elements of deferred tax balances are as follows:

	Assets 2010 £000	Assets 2009 £000	Liabilities 2010 £000	Liabilities 2009 £000
Capital allowances in excess of depreciation	**-**	-	**-**	(17)
Other timing differences	**-**	36	**-**	-
	-	36	**-**	(17)

	Assets £000	Liabilities £000
At 1 October 2009	**36**	(17)
Decrease in provision	**-**	17
Decrease in asset	**(36)**	-
At 30 September 2010	**-**	-

If the Company's land and buildings were sold at their revalued amount an estimated tax liability of approximately £287,000 (2009: £262,000) would arise.

32 CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal Value:	2010 £000	2009 £000
50,000,000	Ordinary	0.4p	**200**	200

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	2010 £000	2009 £000
26,379,416	Ordinary	0.4p	**106**	106

Information relating to the Company's share option scheme is detailed in note 18 of the Consolidated Group Accounts.

33 RESERVES

	Share Premium £000	Merger reserve £000	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss account £000
At 1 October 2009	2,649	1,493	1,068	18	1,956
Loss for the year	-	-	-	-	(17)
Dividends	-	-	-	-	(247)
Share-based payments	-	-	-	-	88
Revaluation of land and building	-	-	117	-	-
Reserves transfer	-	-	(36)	-	36
At 30 September 2010	2,649	1,493	1,149	18	1,816

34 OWN SHARES

	£000
At 1 October 2009 and 30 September 2010 (note 26)	1,242

35 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £000	**2009 £000**
(Loss) / profit for the financial year	**(17)**	1,083
Dividends	**(247)**	(740)
Share-based payments	**88**	59
Revaluation in year	**117**	-
Net (deduction) / addition to shareholders' funds	**(59)**	402
Opening shareholders' funds – equity	**6,048**	5,646
Closing shareholders' funds - equity	**5,989**	6,048

36 COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

		Land and buildings
	2010 £000	**2009 £000**
Expiring:		
Between one and five years	**265**	263
	265	263

37 RELATED PARTY TRANSACTIONS

The Directors have reviewed transactions with Related Parties and determined the following disclosures are required by FRS 8.

Transactions with North Gate Executive Search Limited

	2010 £	**2009 £**
Expenses paid / incurred on behalf of subsidiary	4,747	91,767
Cash advances to subsidiary	237,864	135,000
Cash advances from subsidiary	(198,853)	(145,000)
Provision	(77,488)	-
Balance due from at the year end	27,260	60,990

Annual General Meeting Notes and Explanations

The Annual General Meeting will be held at Peter House, Oxford Street, Manchester, M1 5AN on Tuesday 1 March 2011 commencing at 3:00 p.m.

There are a number of items of ordinary and special business that will be dealt with at the Annual General Meeting. These are set out in resolutions 1 to 8 in the Notice of the Annual General Meeting at the end of this document.

A brief explanation of the resolutions that will be proposed is set out below.

ORDINARY BUSINESS

Resolution 1, which will be proposed as an ordinary resolution, will receive and adopt the accounts for the year ended 30 September 2010, together with the reports of the directors and auditors thereon.

Resolution 2, which will be proposed as an ordinary resolution, will elect Damien McDonald as a director of the Company. Damien was appointed as a director of the Company on 1 August 2010 and retires at the Annual General Meeting in accordance with article 19.2 of the Company's articles of association. He is eligible to stand for election and it is recommended that he is elected.

Resolution 3, which will be proposed as an ordinary resolution, will elect Gary Turner as a director of the Company. Gary was appointed as a director of the Company on 1 October 2010 and retires at the Annual General Meeting in accordance with article 19.2 of the Company's articles of association. He is eligible to stand for election and it is recommended that he is elected.

Resolution 4, which will be proposed as an ordinary resolution, and will note the retirement of Michael Davis as a director of the Company. As previously announced, Michael will be retiring as a director at the AGM. He will therefore retire by rotation at the AGM.

Resolution 5, which will be proposed as an ordinary resolution, will re-appoint BDO LLP as auditors of the Company and authorise the directors to determine their remuneration. In accordance with company law, the Company is required to appoint auditors at each general meeting at which accounts are laid before the shareholders.

Resolution 6, which will be proposed as an ordinary resolution, will grant authority to the directors of the Company:

- to allot equity securities in connection with pro-rata issue of equity securities to shareholders and other persons entitled to participate in such issues up to a maximum aggregate nominal value of £70,345.10, being equivalent to two-thirds of the issued share capital of the Company as at 26 January 2011; and

- in all other cases, to grant rights to subscribe for or to convert securities into shares in the Company up to an aggregate nominal amount of £35,172.55, being equivalent to one-third of the Company's current issued share capital as at 26 January 2011.

These authorities will expire on the date of the next Annual General Meeting of the Company or on 1 June 2012, whichever is earlier.

Resolution 7, which will be proposed as a special resolution, will grant authority to the Company to make market purchases of up to 2,637,942 ordinary shares (representing 10 per cent of its current issued share capital) at a minimum price of 0.4p per share and a maximum price of not more than 5 per cent above the average of the middle market values of those shares as derived from the London Stock Exchange Daily Official List for the 5 business days before the purchase is made, such authority to expire on the earlier of 1 June 2012 or the date of the next Annual General Meeting of the Company. This proposal should not be taken as an indication that the Company would purchase shares at any particular price or indeed at all, and the directors will only consider making purchases if they believe that to do so would be in the best interest of the shareholders generally.

SPECIAL BUSINESS

Resolution 8, which will be proposed as a special resolution, will disapply statutory pre-emption rights:

- in connection with any allotment of equity securities for cash in connection with pro-rata issues of equity securities to shareholders and other persons entitled to participate in such issues up to a maximum aggregate nominal value of £70,345.10 being equivalent to two-thirds of the issued share capital of the Company as at 26 January 2011; and

- in connection with the grant of rights to subscribe for or to convert securities into shares in the Company up to an aggregate nominal amount of £35,172.55, being equivalent to one-third of the Company's current issued share capital as at 26 January 2011.

These authorities will expire on the date of the next Annual General Meeting of the Company or on 1 June 2012.

Notice of Annual General Meeting

Driver Group Plc (the "Company")

Notice is given that the Annual General Meeting of the Company will be held at Peter House, Oxford Street, Manchester, M1 5AN on Tuesday 1 March 2011 commencing at 3:00 p.m., for the purposes of considering and, if thought fit, passing the following resolutions, which in the case of resolutions 1 to 6 will be proposed as ordinary resolutions and, in the case of resolutions 7 and 8 will be proposed as special resolutions.

ORDINARY RESOLUTIONS

1. **TO** receive and adopt the accounts of the Company for the year ended 30 September 2010, together with the reports of the directors and the auditors thereon.

2. **TO** elect Damien McDonald, who was appointed as a director of the Company on 1 August 2010 and who retires at the Annual General Meeting of the Company ("**AGM**") in accordance with article 19.2 of the Company's articles of association, as a director of the Company.

3. **TO** elect Gary Turner, who was appointed as a director of the Company on 1 October 2010 and who retires at the AGM in accordance with article 19.2 of the Company's articles of association, as a director of the Company.

4. **TO** note the retirement of Michael Davis who retires by rotation as a director of the Company in accordance with article 19.4 of the Company's articles of association.

5. **TO** re-appoint BDO LLP, 3 Hardman Street, Spinningfields, Manchester M3 3AT as auditors of the Company and to authorise the directors to agree their remuneration.

6. **THAT,** in substitution for any existing authorities and in accordance with section 551 of the Companies Act, 2006 ("**Act**"), the directors be and are hereby generally and unconditionally authorised to exercise all the powers of the Company to:

   (a) allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £70,345.10 (representing two-thirds of the issued share capital of the Company as at 26 January 2011) in connection with an offer by way of a rights issue:

      (i) to holders of ordinary shares in the Company in proportion (as nearly as practicable) to their respective holdings; and

      (ii) to holders of other equity securities as required by the rights of those securities or as the directors of the Company otherwise consider necessary,

   but subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

   (b) in any other case, allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £35,172.55,

provided that this authority shall (unless previously revoked, varied or renewed by the Company) expire 15 months after the date of passing of this resolution or at the conclusion of the next Annual General Meeting of the Company whichever first occurs, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted (in the case of the authority contained in paragraph 6(a)) orshares to be allotted or Rights to be granted (in the case of the authority contained in paragraph 6(b)) and the directors may allot equity securities or shares or grant Rights in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution has expired.

SPECIAL RESOLUTIONS

7. **THAT** the Company be and is hereby generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 0.4p each in the capital of the Company ("**Ordinary Shares**") provided that:

   (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 2,637,942;

   (b) the minimum price (excluding expenses) which may be paid for each Ordinary Share is 0.4p;

   (c) the maximum price (excluding expenses) which may be paid for each Ordinary Share is not more than 5 per cent above the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is purchased; and the authority conferred by this resolution shall expire 15 months after the date of the passing of this resolution or at the conclusion of the next Annual General Meeting of the Company whichever first occurs save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority.

Driver Group Plc (the "Company")

8. **THAT**, subject to the passing of Resolution 6 (above), in substitution for any existing authorities and in accordance with sections 570 and 573 of the Act, the directors of the Company be and are hereby given the general power to allot equity securities (within the meaning of section 560 of the Act) for cash, either pursuant to the authority conferred by Resolution 6 (above), or by way of a sale of treasury shares, as if section 561(1) of the Act did not apply to any such allotment provided that the power hereby granted shall be limited:

    (a) in the case of an allotment of equity securities pursuant to the authority granted under Resolution 6(a), up to an aggregate nominal amount of £70,345.10 (representing two thirds of the issued share capital of the Company as at 26 January 2011), and

    (b) to the allotment otherwise than pursuant to paragraph 8(a) above of equity securities up to an aggregate nominal amount of £10,551.77 (representing 10 per cent of the issued share capital of the Company as at 26 January 2011),

    provided that the power hereby granted shall expire (unless previously revoked, varied or renewed by the Company) 15 months after the date of passing of this resolution or at the conclusion of the next Annual General Meeting of the Company whichever first occurs, save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board:

Thomas Hugh Ferns
Secretary

26 January 2011

Registered Office:

1-3 Norton Folgate
London
E1 6DB

NOTES:

1. Only those members registered in the register of members of the Company:

    - at 6:00 p.m. on 25 February 2011; or
    - if the Annual General Meeting is adjourned, 6:00 p.m. on the day two days prior to the adjourned meeting,

    shall be entitled to attend and vote at the Annual General Meeting.

Right to Appoint a Proxy

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint one or more proxies to exercise all or any of your rights to attend, speak and vote (on a show of hands and on a poll) at the Annual General Meeting and you should have received a proxy form with this notice of Annual General Meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. You may appoint more than one proxy, provided each proxy is appointed to exercise the rights attached to different shares. You may **NOT** appoint more than one proxy to exercise rights attached to the same shares.

4. A proxy does not need to be a member of the Company but must attend the Annual General Meeting to represent you.

Appointing a Proxy

5. Details of how to appoint the Chairman of the Annual General Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Annual General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

6. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

7. To appoint a proxy using the proxy form, the form must be:

    - completed and signed;
    - sent or delivered to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen B63 3DA; and
    - received by Neville Registrars Limited no later than 3:00 p.m. on 25 February 2011.

8. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

9. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

10. In the case of joint holders, the signature of only one of the joint holders is required on the proxy form, but the names of all joint holders should be stated. Where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. The vote (whether in person or by proxy) of the first named on the register of members of the Company will be accepted to the exclusion of the other joint holders.

Driver Group Plc (the "Company")

11. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen B63 3DA. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Neville Registrars Limited no later than 3:00 p.m. on 27 February 2011. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph below, your proxy appointment will remain valid.

12. The return of a completed proxy form will not prevent you, being a member of the Company, from attending the Annual General Meeting and voting in person. If you have appointed a proxy and attend the Annual General Meeting in person, your proxy appointment will automatically be terminated.

Corporate Representatives

13. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same shares.

Documents on Display

14. The following documents will be available for inspection at the Annual General Meeting venue itself for at least 15 minutes prior to and until the conclusion of the Annual General Meeting:

    - Copies of the service contracts of executive directors of the Company; and

    - Copies of the letters of appointment of the Non-Executive Directors of the Company.

Communication

15. Proxy forms may **NOT** be submitted via the Company's website or via any e-mail address set out on the Company's website.

16. You may **NOT** use any electronic address provided either in this notice or any related documents (including the Chairman's letter, the proxy form and any revocation notice) to communicate with the Company for any purpose other than those expressly stated.

Driver Group plc

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