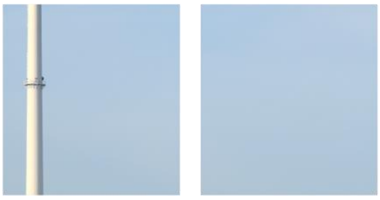
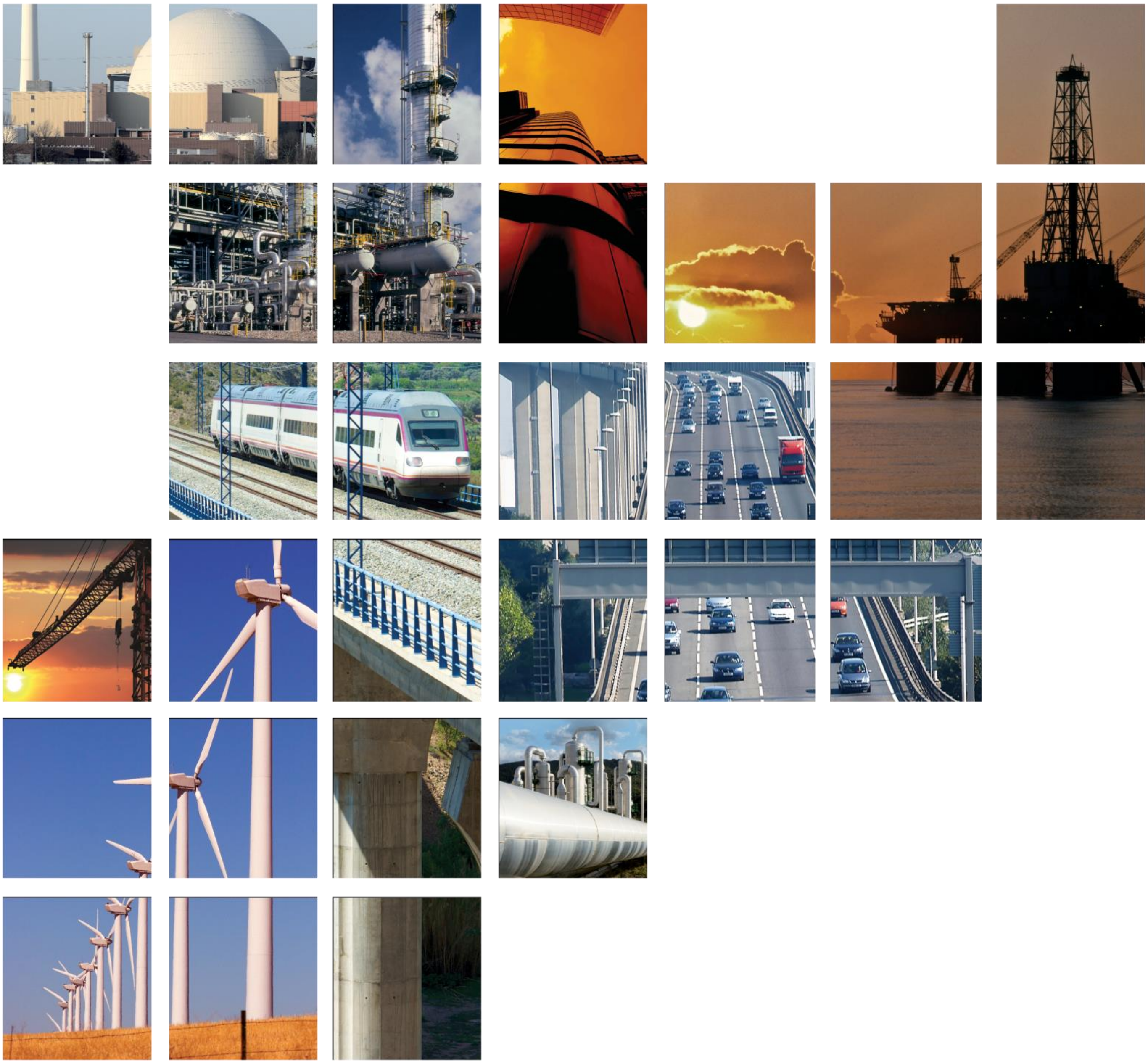
driver group plc

Company number: 3475146



Annual Report & Accounts 2013



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Key Financial Information

	2013 £000	2012 £000	Change
Revenue	37,235	26,258	10,977
Underlying* profit before tax	3,074	1,751	1,323
Exceptional items and share-based payment costs	(482)	(553)	71
Profit before tax	2,592	1,198	1,394
Profit after tax	2,205	961	1,244
Basic earnings per share	8.3p	3.3p	5.0p
Underlying* earnings per share	10.2p	5.5p	4.7p
Dividend per share***	1.5p	1.0p	0.5p
Net cash / (borrowings) at year end**	1,073	(964)	2,037
Total equity	10,051	7,497	2,554

Key points

- Record year for the Group
- Growth in every region:
  - Africa up 80%
  - America up 20%
  - Asia Pacific up 203%
  - Europe up 22%
  - Middle East up 65%
- Cash generated from operations £2.2m
- Opened new offices:
  - Australia (Brisbane)
  - Germany (Munich)
  - Hong Kong (from 1 October 2013)
  - UK (Aberdeen)
- Strengthened oil and gas client base
- Positioned as a global provider – 62% of revenue outside of UK
- Q1 performance for 2013 / 2014 in line with expectation
  - Asia Pacific very pleasing

** Underlying figures are stated before the share-based payment costs and exceptional items (note 5)*
***Net cash / (borrowings) consists of cash and cash equivalents, bank loans and finance leases.*
****0.5p paid as an interim dividend, remaining 1.0p proposed for payment after year end.*

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 five regions in which we trade: Europe, Middle East, Africa, Asia Pacific and America.

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**
- **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

- 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
- Energy
- Infrastructure
- Marine
- Mining
- Oil & Gas
- Process & industrial

Chairman's Statement

INTRODUCTION

I am pleased to report on the Group's performance for the financial year 2012 / 2013; a year in which we materially outperformed market expectations and reached record levels in terms of revenue, profits and earnings per share. Throughout the year we continued the positive trends seen in 2011 / 2012, and our strong cash generation took us to a net cash position at the end of the year. This strength in trading, cash generation and continued optimism across the business allows us to recommend an increase in the final dividend.

As previously stated, our medium term objectives are to continue the development of our Oil & Gas and Petrochemical offerings across the Middle East, America, South East Asia and the UK whilst also leveraging our client base and all service offerings across each of our global regions. In line with this strategic objective, we have invested in America locating a Managing Director and recruiting staff in our Houston based Project Services business and in Asia Pacific we have located a Managing Director and recruited staff in our advisory and disputes business whilst also opening an office in Australia (Brisbane, for the east coast gas market). In Europe we opened offices in the UK (Aberdeen, for the oil & gas market) and Germany (Munich, to serve heavy engineering and infrastructure clients) and in the Middle East we expanded our quantity surveying business from Oman into the UAE. Encouraging progress is being made in line with this strategy and we now have a solid platform in all regions from which to increase both market share and profitability. The investment should bring benefits in the short and medium term as we expect utilisation levels to increase and growth from America and Asia Pacific and further growth from the new offices opened in Aberdeen and Germany.

We continue to attract and retain talented staff who provide a service that is market leading; our employee and sub-consultant numbers have risen by 25% to 338 (2012: 271). At all levels in the Group, our employees continue to adapt to the challenges our business has encountered through this continued period of growth and demanding environments. I would like to thank them all for their contribution and dedicated service.

FINANCIAL RESULTS

Revenue for the 12 months to 30 September 2013 increased by 41% to £37.2m (2012: £26.3m) with growth being seen by the Group across all regions. Broadly half of the growth was as a result of a full year's contribution from Trett (acquired in May 2012) with the remaining half coming from the continued organic growth of the business in Africa, Middle East and the UK.

Underlying* profit before taxation increased by 77% to £3.1m (2012: £1.75m). After a cost of share options of £482,000 (2012: £135,000) and exceptional items at £nil (2012: £418,000) reported profit before taxation increased 116% to £2.6m (2012: £1.2m).

The Group's net cash position at the end of the year stood at £1.07m (2012: net borrowings £0.96m). Cash generated from operations was £2.2m.

Underlying* earnings per share was 10.2 pence (2012: 5.5 pence). Reported earnings per share was 8.3 pence (2012: 3.3 pence).

DIVIDEND

In view of the sustained profits and the underlying cash inflow in the year, the Board proposes a final dividend for 2013 of 1.0p per share (2012: 0.7p) giving a full year dividend of 1.5p per share (2012: 1.0p). The final dividend will be paid on 8 April 2014 to shareholders on the register at the close of business on 28 March 2014.

TRADING OVERVIEW

The Group's performance, measured against all key parameters continues to progress well. Revenue is 41% higher, underlying pre-tax profit is 77% higher and the cash position has increased by £2.03m. This has been achieved whilst making key strategic investments for the future benefit for the Group, as mentioned in my introduction.

The Group is now positioned as a global provider with 62% of revenue earned on projects outside of the UK (2012: 56%).

Trading in Europe, which accounted for 53% of Group revenue, was up 22% on 2012 revenues largely as a result of a full year's trading from Trett but importantly growth also came from our newly opened office in Germany, our UK Civil & Infrastructure division and our UK Measurement services business. This organic growth of our existing businesses is an indicator that more projects are being procured. Utilisation levels continue to improve as the Trett staff are now fully integrated and their historic low levels of utilisation are being improved as this business benefits from being part of the Group. Overall utilisation in Europe was up 2 percentage points on 2012 at 77%. With the exception of the newly opened Germany office, every part of the business reported an increase in utilisation levels. This improvement is something we are particularly pleased with.

In the Middle East, trading accounted for 32% of Group revenue (2012: 27%) and was up 65% on 2012 revenues. Around a third of this growth was from the full year's trading of Trett and the majority came from organic growth and increasing market share. As set

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

out in trading updates through the year, the region continued to significantly outperform management's expectations, with strong growth in Dubai, Oman and Qatar, primarily through the disputes and advisory service and expert witness work. We have also expanded our quantity surveying offering into UAE during the year and have seen a pick up in the volume of live projects requiring this service. Dubai grew substantially with revenue up 192% primarily in the dispute and expert witness market; Oman continues to perform well with Government projects providing much of the revenue from a healthy pipeline of projects with revenue up 52%. Qatar continues to be relatively slow in the development of live project work due to delays in the release of projects but revenues did increase by 47% in the dispute and expert witness market. Utilisation levels were up 8 percentage points on 2012 at 84% and every business in the region made substantial profits (up 6 percentage points on 2012). During the year we also investigated opportunities in the wider region and will look to develop these during the forthcoming year.

Africa's revenue represents 10% of Group revenue (2012: 8%) and is up 80% on 2012. The business significantly out-performed our budgeted expectations in terms of profit levels. During the year we made some senior appointments and latterly acquired the minority interest in the business bringing with it two further directors as of 1 October 2013. We now have a team capable of delivering all of the Group's services across sub-Saharan Africa. From a start up in 2011, the region became profitable in 2012 and increased profits by 48% in 2013. We exit the year with a strong senior management team in place and a good base of blue chip clients.

Americas (through the Houston office) and Asia Pacific (through offices in Kuala Lumpur and Singapore) were not performing well when they were acquired as part of Trett in May 2012 and this year has been one of investment in senior staff and marketing as well as the creation of a business in Hong Kong (which commenced trading after the year end on 1 October 2013). America revenues represent less than 2% of Group revenue and are up 20% on 2012 following a £0.3m investment in the region including a Managing Director part way through the year and the recruitment of a senior manager both of whom are starting to make in-roads into the Oil & Gas sector with our Project Services offering. In Asia Pacific, we invested £0.7m; we opened an office in Australia (Brisbane) local to the gas market on the east coast and have invested in a Managing Director for the region as well as expert witness calibre staff. Revenue in Asia Pacific represents 4.5% of Group revenue and is up 203% on 2012. This investment in staff meant utilisation levels in America were only 43% down 20 percentage points on 2012 and in Asia Pacific were 44% down 5 percentage points on 2012.

OUTLOOK

Our medium term objectives continue to be the development of our Oil & Gas and Petrochemical offerings across all regions whilst leveraging our client base and all service offerings across each of our global regions. We have a senior management team in place that can achieve this organically and will continue to deliver material growth. We are also aware that through targeted acquisitions we can accelerate our growth in to the service sectors where we are not currently as strong. The Board has a clear strategy that details how it is intended to grow the business both organically and through acquisition.

We see the coming year as one in which we will continue to grow and benefit from the investment made in 2013. This growth is likely to come from increasing utilisation levels and taking of market share in America and Asia Pacific in particular together with opportunities to further expand in the Middle East.

We are delighted, across the Group, by the way our current financial year has started and particularly in Asia Pacific which is showing early signs of benefitting from last year's investment. Europe and the Middle East continue with the momentum experienced as we exited our last financial year. We have visibility of our first quarter performance and our secure work beyond the first quarter together with a strong pipeline of opportunities ahead which gives the Board a high level of confidence in the outlook for the remainder of the financial year.

W. Alan McClue
Non-Executive Chairman

Chief Executive's Report

INTRODUCTION

I am delighted to report on a record year for Driver Group with revenue, profit and earnings per share all at record levels. Additionally, we ended the year with a very strong net cash positive position up £2.03m in the period resulting in a positive net cash balance of £1.07m.

This is the first full year of trading following the acquisition of Trett and while we have benefited from this in terms of increased revenue, it is particularly pleasing to report that around half of our growth has been generated organically by our business as a whole.

In my 2012 report, I stated that our preference in the year was for organic growth and that it was anticipated this would come from expansion within each of the regions with the exception of the UK where I was cautious for 2013 but more optimistic for 2014. I also said that over the medium term we would look to open offices in Asia Pacific, Canada and Mainland Europe. Over the course of the year, the business has expanded in each of our regions, including the UK, and we have opened offices in Australia (Brisbane), Germany (Munich), the UK (Aberdeen) and, effective 1 October 2013, in Hong Kong. The main focus to achieve the growth was the medium term target to leverage all services across each region and to maximise our commitment to strategic global clients as well as growing our client base in the oil & gas sector. We are on track to achieve this integrated global approach.

The Group performed very well against all key metrics. Revenue increased by 41% to £37.2m (2012: £26.3m) and underlying* profit before taxation increased by 77% to £3.1m (2012: £1.75m). The Group's net cash position at the end of the year stood at £1.07m (2012: net borrowing of £0.96m). Utilisation levels increased by 2.5 percentage points to 76.7% (2012: 74.2%). Overall Gross Margin did reduce by 1.7 percentage points to 25.1% (2012: 26.8%) due to the investments made by the Group in America and Asia Pacific as it sought to build out its presence and offering in these regions. Staff and Sub Consultant numbers increased by 25% to 338 (2012: 271).

AFRICA

Africa continued its expansion in the year with revenue up 80% to £3.59m (2012: £1.99m) and it now contributes 10% of Group revenue (2012: 8%). Profits increased by 48% to £0.42m (2012: £0.28m). We continued to invest in the region wisely and timely which ensured the profitability of the region was ahead of expectations and also put in place a solid team for future growth. Effective 1 October 2013 we acquired the minority interest in Driver Group Africa Pty plus two key directors so we ended the year with a team capable of delivering each of our service offerings across the region. Work progressed well in the PPP market where revenue was strong and we ended the year with a solid pipeline of opportunities for the coming year. Our disputes and advisory business also performed very well working on some significant projects with a strong order book. With the new senior recruits we are now well placed to develop our Project Services business.

AMERICAS

America currently represents less than 2% of Group revenue. As stated in my last report, we re-focused our efforts in Houston and invested in a Managing Director and senior recruit to create a Project Services offering, primarily to the Oil & Gas market. We are starting to see some progress with revenues up 20% to £0.6m (2012: £0.5m). The investment the Group has made into this region did mean that as anticipated there was a loss of £0.3m in the year (2012: breakeven). Utilisation levels were low at 43% (2012: 63%) as we recruited project services senior staff to market the service and ahead of secure workload. We have seen progress in this market and have an encouraging pipeline of opportunities ahead of us for work in America. The Houston based team will also seek to serve the US oil and gas companies when they carry out projects overseas, particularly in other regions served by the Group.

ASIA PACIFIC

The Trett business that we acquired in this region had lost money over a sustained period prior to the acquisition in May 2012 and needed re-energising. During the year we invested in a Managing Director for the region, recruited expert witness calibre staff to increase our presence in Singapore, opened an office in Australia (Brisbane) and latterly created an office in Hong Kong (although trading only commenced on 1 October 2013, in the new financial year). The Group is already starting to see the benefits of the investment in this region. Revenue is up 203% in the year at £1.67m (2012: £0.55m) and the region now contributes 4.5% of Group revenue. As a result, there was an anticipated loss of £0.74m (2012: loss of £0.15m). Utilisation levels were low at 44% (2012: 49%) as a result of forward recruitment. We exit the year with a considerable number of secured assignments and a strong pipeline of outstanding proposals and pipeline of opportunities across all offices particularly in the disputes and advisory and expert witness markets.

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

Chief Executive's Report continued

EUROPE

In my report last year I expressed caution about this region for 2013, not expecting any optimism to come through until 2014. However, in the year revenues increased by 22% to £19.6m (2012: £16.1m). Although the majority of this expansion was as a result of a full year trading from Trett, there was growth from our new office that was opened in Germany (Munich), the UK Civils & Infrastructure division and the UK Measurement services – which is an indicator that more projects are being procured. This region is the largest region in the Group with 53% of Group revenue (2012: 61%). Underlying profits were up 1 percentage point at 13% of revenue (2012: 12%) reflecting an increase in utilisation which was up 2 percentage points at 77% (2012: 75%).

The dispute and advisory business performed very well in both the Netherlands and UK. In particular the Netherlands utilisation levels and profit levels were very high at 91% and 19% respectively serving the oil and gas, heavy engineering and power sectors. In the UK profits increased 32% on those in 2012 based on a very high level of repeat business from core clients across a broad construction sector. The project services business also put in a strong performance particularly in the Civil & Infrastructure division which increased revenue by 35% through taking market share in London and the South East.

MIDDLE EAST

This region continued the momentum seen in 2011 / 2012 and out-performed management's expectations again as highlighted in the announcements made during the course of the year. The Middle East now accounts for 32% of Group revenue (2012: 27%). Revenue increased by 65% in the year to £11.8m (2012: £7.1m). Around a third of the growth is the benefit of a full year trading of the Trett business and it is very pleasing to report that around two thirds of the growth was organic and by way of increasing market share across the region. Profits increased by 113% to £3.2m (2012: £1.5m).

Oman continues to be the largest office in the region and the administrative centre for all of our Middle East business. It continued to grow with revenues up 52% at £4.4m (2012: £2.9m) and profits were up 74%. This office continues to have a good balance of revenue across our different service offerings of project management, project quantity surveying services and dispute and advisory together with a solid client base working for the Government ministries / departments and blue chip construction companies. We continue to support the Ministry Of Transport and Communications on Muscat and Salalah airports and have successfully developed our oil & gas sector work with a major appointment to support Petroleum Development Oman (the foremost oil and gas exploration and production company in Oman). Utilisation levels increased to 85% (2012: 79%).

The Dubai office continues to focus on the dispute market and the expert witness market and performed beyond expectations working for mainstream construction companies. Revenue had been static in 2011 and 2012 at £1.2m / £1.3m but in 2013 this increased 192% to £3.9m (2012: £1.3m) and profits increased 364%. Utilisation levels increased by 13 percentage points to 76% (2012: 63%).

The Abu Dhabi office, like Dubai, continues to focus on the dispute and expert witness market however we have developed our project quantity surveying services in to the UAE region during the year. Revenue was about the same as in 2012 at £1.6m and profits were up 5%. The pipeline being generated in the quantity surveying business in Q4 suggests that the office should start to benefit from this service as more live projects begin to be procured. Utilisation levels did drop off to 72% (2012: 77%) as we recruited for the quantity surveying business and added senior management in to the business.

In Qatar revenues increased by 47% to £1.9m (2012: £1.3m) and profits increased by 81% with the majority of work coming from our disputes & advisory and expert witness services. Utilisation levels continue to be over 100% in the office as we continue to look to recruit in Qatar.

OUTLOOK

We now have a global platform from which to grow all Group service offerings and to serve current and future global clients. We have in place a strong senior management team that can organically grow our current service offerings and we have a clear strategy in place to do this. There are regions where, as a result of the investment we have made in people and new offices, the Group ought to be able to achieve further growth and improve its market share in the short and medium term (such as America and Asia Pacific). We continue to focus on further developing our business in the Oil & Gas sector across all regions and we are looking to expand our project management business. We are mindful that the right strategic acquisition would accelerate growth in regions and / or services where we currently have less of a presence and we will look to identify the right business.

At the end of 2013, and effective from 1 October, we acquired the assets of a business and opened an office in Hong Kong which we expect to develop in the coming year and beyond. We will also look to identify how our Chinese speaking staff in Hong Kong can develop business with the Chinese both in China and in our other regions where Chinese contractors operate (particularly Africa, Middle East and Europe). We also expect our new office in Australia to strengthen through the year.

In America we have recruited senior management from two competitors and expect these recruits to strengthen this business towards the end of the current financial year and to provide the Group with a solid platform for growth into 2015 and beyond. We will look principally to serve the local oil & gas sector but importantly we will seek to support clients outside of America from the Houston base and in conjunction with our global network of offices.

The Middle East market continues to look strong and we will continue to develop all of our services across the regions from the strong base and reputation we have generated in Oman for project management and quantity surveying services. These will supplement our dispute & advisory services that are very strong in the other Middle East offices. We will look to identify other countries in the region in which to establish the Group including Kuwait that has a very high level of oil & gas and infrastructure expenditure.

In Europe, we expect growth from the new offices in Aberdeen and Germany. Generally in the UK we benefitted from an increase in opportunities in the civils & infrastructure sector and we expect this to continue.

On a wider note we are looking to build relationships with other businesses where joint venture and partnership arrangements could be beneficial in securing opportunities that otherwise would not be within our reach.

Key to our performance is the quality, reputation and dedication of our staff. They continue to be flexible as we grow the business globally and support the developing regions with expertise and placements as we seek to recruit locally. We are the market leader in our established regions of Europe, Middle East and now Africa. We will look to become the market leader in Asia Pacific during this coming year and thereafter in America.

As we end Q1 of the new financial year I am very happy with the progress we are making across the Group in respect of our growth strategy and how the senior management are responding to the challenge of delivering that strategy. Particularly pleasing is the Asia Pacific region where we invested heavily in 2013. Africa, Europe and the Middle East continue where they left off in 2013 and in America I expect our targets for the year to be met.

Dave Webster
Chief Executive Officer

Strategic Report

The Annual Report follows a revised format following the introduction of new Companies Act requirements to include a Strategic Report. This together with the Chairman's and Chief Executive's reports set out the Group's aims, strategies and business plan whilst also highlighting those aspects of the Financial Statements that best reflect the Group's and your Board's progress and performance during the year.

Our 30 September year-end means that we are amongst the first companies required to comply with the Strategic Report requirements and so no doubt the new reporting format will evolve with time.

This report has been prepared by the directors in accordance with the requirements of Section 414 of the Companies Act 2006. The company's independent auditor is required by law to report on whether the information given in the Strategic Report is consistent with the financial statements. The auditor's report is set on page 19.

PRINCIPAL OBJECTIVES, STRATEGY AND OUTLOOK

Driver Group delivers the full spectrum of engineering and construction consultancy services with specialists operating within the Group's five core brands:

DIALES is the Group's expert witness support service provider. We supply world-class quantum, delay, and technical experts for litigation; alongside provision of internationally experienced adjudicators, arbitrators and mediators.

Driver Project Management provides the strategic and leadership disciplines necessary to develop and deliver a project. We support clients in the strategic leadership and decision making necessary to define, evaluate, develop, finance, procure, and implement their investment projects.

Driver Project Services provides customer focused project controls solutions throughout a project lifecycle. We deliver commercial management, quantity surveying, and planning services, offering clients long term support and commitment for the duration of their projects.

Driver Trett provides multi-disciplinary consultancy services to support effective delivery of our clients' projects. Our specialities include commercial and contract management, planning, programming and scheduling, and dispute resolution support services.

Driver Corporate Services provides a range of specialised services based around our investigative and forensic skills. Working with varied clients across the financial sector, our specialities include corporate restructuring and recovery, distressed property, funding and independent business reviews, and development monitoring.

The business is managed through the five regions in which we trade: Europe, Middle East, Africa, Asia Pacific and America.

Our medium term objectives continue to be the development of our Oil & Gas and Petrochemical offerings across all regions whilst leveraging our client base and all service offerings across each of our global regions. We have a senior management team in place that can achieve this organically and will continue to deliver material growth. We are also aware that through targeted acquisitions we can accelerate our growth in to the service sectors where we are not currently as strong. The Board has a clear plan to achieve this strategy that details how it is intended to grow the business both organically and through acquisition.

We see the coming year as one in which we will continue to grow and benefit from the investment made in 2013. This growth is likely to come from increasing utilisation levels and taking of market share in America and Asia Pacific in particular together with opportunities to further expand in the Middle East.

OVERVIEW FOR THE YEAR

The key performance indicators for the Group are revenue, operating profit and utilisation. We are pleased to report that 2013 has been a record year in both of revenue and operating profit and overall utilisation has improved 2.5 percentage points to 76.7% (2012: 74.2%).

Revenue increased by 41% to £37.2m (2012: £26.3m). This included the annualised effect of external sales arising from Trett which was acquired on 11 May 2012.

The underlying* operating profit for the year ended 30 September 2013 was £3.13m (2012: £1.79m). Reported operating profit was £2.65m (2012: £1.24m).

After a net interest charge of £0.06m (2012: £0.04m) the underlying* profit before tax was £3.07m (2012: £1.75m) and reported profit before tax was £2.59m (2012: £1.2m).

The Group's results include a share based payment cost in the year of £0.48m (2012: £0.13m) in relation to the Group's share option scheme (note 18). In addition the Group's 2012 results include exceptional items (note 5) relating to severance costs of £0.06m and costs relating to the acquisition and integration of Trett of £0.36m.

The European business segment revenue grew by £3.5m to £19.6m and operating profit increased by £0.9m to £2.5m with the 2012 result including a £0.31m exceptional charge. The Middle East segment revenue increased by £4.6m to £11.8m and operating profit increased by £1.7m to £3.2m. The Africa segment revenue grew by £1.6m to £3.6m and operating profit grew by £0.1m to £0.4m. Within the new segments created in 2012, following the acquisition of Trett, America reported revenue of £0.6m (2012: £0.5m) and a loss of £0.3m (2012: £nil) and Asia Pacific reported revenue of £1.7m (2012: £0.55m) and reported a loss of £0.7m (2012: £0.15m). Reflecting the growth in the business, underlying* unallocated corporate costs increased by £0.2m to £1.9m. After a share option cost of £0.48m (2012:£0.13m) and exceptional costs in 2012 of £0.11m the reported unallocated costs were £2.4m (2012: £2.0m).

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

TAXATION

The Group had a tax charge of £0.4m (2012: £0.24m). The effective tax rate was 15% (2012: 20%). The tax charge includes the effect of a lower tax rate for Oman, the UAE and Qatar.

EARNINGS PER SHARE

Underlying* earnings per share was 10.2 pence (2012: 5.5 pence). The basic earnings per share was 8.3 pence (2012: 3.3 pence) and diluted earnings per share was 7.3 pence (2012: 3.1 pence).

CASH FLOW

Net cash inflow from operating activities was £2.2m (2012: £1.1m). This included a favourable impact of an increase in creditors of £1.0m (2012: £1.5m) offset by a net outflow from an increase in debtors of £1.9m (2012: £1.7m).

In 2012 the cash flow included the acquisition of Trett for gross consideration of £3m with cash of £0.8m being left within Trett on acquisition and therefore a net consideration of £2.2m.

Other major cash items are: proceeds from the sale of own shares of £0.5m (2012: £nil), net tax paid of £nil (2012: £0.3m), capital spend of £0.31m (2012: £0.18m) and repayment of borrowings of £0.7m (2012: increased borrowings of £2.3m). Dividends paid were £0.3m (2012: £0.25m).

The Company had net cash at the end of the year of £1.07m compared to net borrowings of £0.96m at 30 September 2012.

DIVIDENDS

The Directors have proposed a final dividend in respect of the current financial year of 1.0p per share (2012: 0.7p) payable to all shareholders other than the Driver Group Employee Benefit Trust. This has not been accounted for as it was not approved before the year end. The total cost of this proposed dividend will be £253,000 (2012: £172,000). The final dividend will be paid on 8 April 2014 to shareholders on the register at the close of business on 28 March 2014.

There were dividends of £295,000 (2012: £197,000) paid by the Company during the year, including an interim dividend of 0.5p (£123,000).

PRINCIPAL RISKS AND UNCERTAINTIES

There are a variety of specific business risks which can affect international consultancy businesses like Driver. The principal risks are outlined below, the principal uncertainties being the impact of the UK and global economy on the business.

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 customers 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 is 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 undrawn borrowing facilities consisted of an overdraft facility of £0.75m renewable annually. With cash of £2.67m the Group had access to £3.42m of available funds at 30 September 2013. The Group's facilities 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.

REPUTATION RISK

The quality and experience of our people is fundamental to our success, and we are committed to the development and training of our staff. All assignments are managed by a director who remains directly responsible until its conclusion and will regularly re-evaluate the client's requirements and issues.

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; South African Rand ("ZAR") from its African business; Malaysian Ringgit ("MYR"), Singapore Dollar ("SGD") and Australian Dollar ("AUD") from its Asia Pacific operations and US Dollar ("USD") generated in America. The Group is therefore exposed to movements in these currencies relative to Sterling. AED, OMR and QAR are currently linked to the US Dollar. Foreign currency balances in excess of forecast amounts required to fund projected outgoings are returned to the UK and 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 income statement exposure. Other currencies are hedged where outstanding amounts become material. This policy is regularly reviewed by the Board. Details of the foreign currency financial instruments in place at 30 September 2013 are shown in note 21 to the accounts.

As a consequence of the earnings generated in the Middle East, America, Asia Pacific and South Africa 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 US Dollar, Malaysian Ringgit, Singapore Dollar, Australian Dollar, Euro, and South African Rand. The estimated impact of movements in the Sterling exchange rate on profits and equity are summarised in note 21 to the Financial Statements. As non-Sterling earnings increase, the

Strategic Report continued

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 workplace 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.

On behalf of the Board

Damien McDonald
Finance Director
06 December 2013

Directors

W Alan McClue (aged 66)
Non-Executive Chairman

Alan commenced his business career with Mobil Oil Corporation in the early 70s followed by a period with Pegler Hattersley PLC where he was responsible for the manufacture of OPC valve products.

He has acted as Chief Executive or Chairman of several public companies including: Petrocon Plc – oil field rentals and OPC valves, Porter Chadburn Plc – Engineering sector and Ptarmigan Plc. He served as a director of G M Firth Plc – Metal Stockists. He was, until the company was bid for by a UK listed company, Chairman of TI Technologies (Pty) South Africa – Africa's largest printed circuit board manufacturer. He was also Chairman of Mount York Limited, an engineering company listed on the CISX, and most recently Chairman of AIM Listed Mount Engineering plc until it was bid for by a US Corporation.

He has investments in a number of private engineering sector companies.

David Webster (aged 46)
Chief Executive Officer

David has over 30 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 40)
Finance Director

A Chartered Accountant with over 18 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.

Colin Davies (aged 56)
Non-Executive Director

Colin, a Chartered Certified Accountant, commenced his business career with Midland Bank in 1977 followed by a period with the Department of Trade and Industry and then Grant Thornton. He was Chief Executive and subsequently Corporate Finance Director of Graystone Plc between 1992 - 1995 and Chief Executive of Hallmark Industries from 1995-1998.

He has been a non-executive director of several companies, including Floors 2 Go Plc and Mount Engineering Plc until their takeovers in 2007 and 2010 respectively. He continues to be an investor in and non-executive director of several private companies.

Company Secretary and Advisers

COMPANY SECRETARY	**Thomas Ferns**
REGISTERED OFFICE	1 Norton Folgate, London, E1 6DB Tel: +44 (0)20 7377 0005 Fax: +44 (0)20 7377 0705 Email: info@driver-group.com Website: www.driver-group.com
REGISTERED NUMBER	3475146
AUDITORS	**BDO LLP** 3 Hardman Street, Spinningfields Manchester, M3 3AT
BANKERS	**The Royal Bank of Scotland plc** 38 Mosley Street Manchester, M2 3AZ
SOLICITORS	**Rosenblatt Solicitors** 9-13 St Andrew Street London, EC4A 3AF
NOMINATED ADVISERS	**Charles Stanley Securities** 131 Finsbury Pavement London, EC2A 1NT
BROKERS	**Charles Stanley Securities** 131 Finsbury Pavement London, EC2A 1NT
REGISTRARS	**Neville Registrars Limited** Neville House, 18 Laurel Lane Halesowen, B63 3DA

Report of the Directors

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 2013.

BUSINESS REVIEW

A review of the business is contained within the Strategic Report.

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.

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 Strategic Report.

DIRECTORS

The Directors during the year under review were:

W A McClue
D J Webster
D P McDonald
S Driver (resigned 14 June 2013)
C Davies

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 2013 Ordinary 0.4p Shares	30 September 2012 Ordinary 0.4p Shares
W A McClue	317,500	317,500
D J Webster	1,502,088	1,502,088
D P McDonald	10,000	10,000
S Driver	N/A	2,620,347
C Davies	100,000	100,000

On 23 January 2011 Mr Webster was granted share options consisting of 500,000 ordinary shares exercisable at 21.5p per share and 750,000 long term incentive plan (LTIP) share options exercisable at nil p per share. The share options (including the LTIP options) which have been granted to Mr Webster are conditional on the Company achieving underlying earnings per Share of 6.2p which is equivalent to the peak earnings per Share achieved by the Company in the year ended 30 September 2008. In addition these options will vest automatically in the event of a takeover of the Company being completed before 1 October 2014.

On 27 April 2011 Mr McClue was granted 250,000 options to purchase shares in the Company exercisable at 21.5p per share and 375,000 options exercisable at £nil consideration in certain circumstances.

A share option cost has been recognised in the income statement in relation to the options of Mr Webster and Mr McClue on the basis that the option conditions are met.

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 2013, the Trust owned 1,125,000 (2012: 1,700,645) shares which it acquired at an average of 73p per share (note 12).

On 23 January 2011 Mr McDonald was granted share options to purchase 100,000 ordinary shares exercisable at 21.5p per share exercisable between 1 October 2014 and 23 January 2021.

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
06 December 2013

Corporate Governance

For the year ended 30 September 2013

Although, as an AIM listed company, the Company is not required to comply with the provisions of the UK Corporate Governance 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 2012 to 14 June 2013 the Board consisted of two Executive Directors, David Webster and Damien McDonald and three Non-Executive Directors, W Alan McClue (Chairman), Stephen Driver and Colin Davies. Stephen Driver resigned from the Board on 14 June 2013. The Board now consists of two Executive Directors and two Non-Executive Directors.

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.

Between 1 October 2012 and 14 June 2013 the Remuneration Committee consisted of W Alan McClue and Stephen Driver. From 15 June 2013 the Committee consisted of W Alan McClue and Colin Davies. The Directors' Remuneration Report on page 17 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.

Between 1 October 2012 and 14 June 2013, the Audit Committee consisted of Colin Davies (Chairman) and Stephen Driver. From 15 June 2013 the Committee consisted of Colin Davies (Chairman) and W Alan McClue. 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.

Directors' Remuneration Report

For the year ended 30 September 2013

The members of the Remuneration Committee are W Alan McClue and Colin Davies who are both independent Non-Executive Directors.

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 2013 £	Pension[1] 2013 £	Total Remuneration 2013 £	Total 2012 £	Pension 2012 £	Total Remuneration 2012 £
David Webster[3]	275,000	45,750	12,000	2,831	**335,581**	**21,100**	**356,681**	343,698	240	343,938
Damien McDonald[1] [3]	87,066	14,000	12,000	2,748	**115,814**	**26,184**	**141,998**	135,334	16,697	152,031
Stephen Driver [2]	51,500	-	-	-	**51,500**	**180**	**51,680**	72,866	240	73,106
William Alan McClue[1] [3]	4,167	-	-	-	**4,167**	**45,833**	**50,000**	37,667	4,187	41,854
Colin Davies	18,000	-	-	-	**18,000**	**-**	**18,000**	16,500	240	16,740
Total	**435,733**	**59,750**	**24,000**	**5,579**	**525,062**	**93,297**	**618,359**	606,065	21,604	627,669

(1) Pension includes salary sacrifice with the director voluntarily reducing salary and bonus in exchange for a higher company pension contribution.
(2) During the year Stephen Driver resigned from the role of Non-Executive Director on 14 June 2013.
(3) Share option charge in respect of options held by directors is £209,980 (2012: £52,779).

For the year to 30 September 2013, the remuneration of Non-Executive Directors was set by the Board and consisted of an annual fee paid in equal monthly instalments.

Quovis Limited, a company controlled by Stephen Driver, entered into a formal engagement with the Company on 28 February 2011 for Quovis Limited to provide the consultancy services of Stephen Driver. This was in addition to an employment contract with Stephen for his services as a Non-Executive Director of the Group until his resignation on 14 June 2013.

DIRECTORS' REMUNERATION REVIEW

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

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

On behalf of the Board

W Alan McClue
Chairman of the Remuneration Committee
06 December 2013

Statement of Directors' Responsibilities

In respect of the Report of the Directors and the Financial Statements for the year ended 30 September 2013

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 2013

TO THE MEMBERS OF DRIVER GROUP PLC

We have audited the Financial Statements of Driver Group plc for the year ended 30 September 2013 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, the Parent Company Balance Sheet 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, Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

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 2013 and of the Group's profit 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 Strategic Report and Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept 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.

Julien Rye
Senior Statutory Auditor
For and on behalf of BDO LLP, statutory auditor
3 Hardman Street, Manchester, M3 3AT, United Kingdom

06 December 2013

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 2013

	Notes	2013 £000	2012 £000
REVENUE	2	37,235	26,258
Cost of Sales		(27,888)	(19,209)
GROSS PROFIT		9,347	7,049
Administrative expenses		(6,867)	(5,966)
Other operating income		170	152
Operating profit before share-based payment charge and exceptional items		3,132	1,788
Exceptional items	5	-	(418)
Share-based payment charges and associated costs	18	(482)	(135)
OPERATING PROFIT	2,4	2,650	1,235
Finance income		14	9
Finance costs	6	(72)	(46)
PROFIT BEFORE TAXATION	2	2,592	1,198
Tax expense	7	(387)	(237)
PROFIT FOR THE YEAR		2,205	961
Profit attributable to non-controlling interests		104	152
Profit attributable to equity shareholders of the parent		2,101	809
		2,205	961
Basic earnings per share attributable to equity shareholders of the parent (pence)	10	8.3p	3.3p
Diluted earnings per share attributable to equity shareholders of the parent (pence)	10	7.3p	3.1p

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

The notes on pages 25 to 56 form part of these Financial Statements.

Consolidated Statement of Comprehensive Income

For The Year Ended 30 September 2013

	Notes	2013 £000	2012 £000
PROFIT FOR THE YEAR		2,205	961
Other comprehensive income:			
Items that could subsequently be reclassified to the Income Statement:			
Exchange differences on translating foreign operations		(112)	(69)
Deferred tax credit	17	-	23
OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX		(112)	(46)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,093	915
Total comprehensive income attributable to:			
Owners of the parent		1,989	763
Non-controlling interest		104	152
		2,093	915

The notes on pages 25 to 56 form part of these Financial Statements.

Consolidated Statement of Financial Position

At 30 September 2013

Company Number 3475146

	Notes	2013 £000	2013 £000	2012 £000	2012 £000
NON-CURRENT ASSETS					
Goodwill	12	3,407		3,407	
Property, plant and equipment	11	2,273		2,147	
Deferred tax asset	17	12		12	
			5,692		5,566
CURRENT ASSETS					
Trade and other receivables	13	10,696		8,835	
Cash and cash equivalents	16	2,667		1,357	
Current tax receivable		75		217	
			13,438		10,409
TOTAL ASSETS			19,130		15,975
CURRENT LIABLITIES					
Borrowings	15	(574)		(758)	
Trade and other payables	14	(6,885)		(5,741)	
Current tax payable		(292)		(97)	
			(7,751)		(6,596)
NON-CURRENT LIABILITIES					
Borrowings	15	(1,020)		(1,563)	
Deferred tax liabilities	17	(308)		(319)	
			(1,328)		(1,882)
TOTAL LIABILITIES			(9,079)		(8,478)
NET ASSETS			10,051		7,497
SHAREHOLDERS' EQUITY					
Share capital	18		106		106
Share premium	22		2,649		2,649
Merger reserve	22		1,493		1,493
Translation reserve	22		(197)		(85)
Capital redemption reserve	22		18		18
Retained earnings	22		5,988		4,024
Own shares	22		(242)		(844)
TOTAL SHAREHOLDERS' EQUITY			9,815		7,361
NON-CONTROLLING INTEREST	22		236		136
TOTAL EQUITY			10,051		7,497

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

Damien McDonald
Finance Director

06 December 2013

The notes on pages 25 to 56 form part of these Financial Statements.

Consolidated Cashflow Statement

For The Year Ended 30 September 2013

	Notes	2013 £000	2012 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation			
- Before share-based payment charge and exceptional items		3,074	1,751
- Exceptional items	5	-	(418)
- Share-based payment charges and associated costs	18	(482)	(135)
		2,592	1,198
Adjustments for:			
Depreciation	11	181	208
Exchange adjustments		28	(2)
Loss on disposal of equipment		-	2
Finance income		(14)	(9)
Finance expense		72	46
Equity settled share-based payment charge	18	253	135
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS		3,112	1,578
Increase in trade and other receivables		(1,861)	(1,688)
Increase in trade and other payables		979	1,496
CASH GENERATED FROM OPERATIONS		2,230	1,386
Tax paid		(8)	(285)
NET CASH INFLOW FROM OPERATING ACTIVITIES		2,222	1,101
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		14	9
Acquisition of property, plant and equipment		(307)	(184)
Acquisition of subsidiary, net of cash acquired	20	-	(2,165)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(293)	(2,340)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(72)	(46)
Repayment of borrowings		(727)	(203)
Proceeds of borrowings		-	2,500
Proceeds from sale of own shares	22	507	-
Dividends paid to equity shareholders of the parent		(295)	(197)
Payment of dividends to non controlling interests		(4)	(56)
NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES		(591)	1,998
Net increase in cash and cash equivalents		1,338	759
Effect of foreign exchange on cash and cash equivalents		(28)	2
Cash and cash equivalents at start of period		1,357	596
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16	2,667	1,357

The notes on pages 25 to 56 form part of these Financial Statements.

Consolidated Statement of Changes in Equity

For The Year Ended 30 September 2013

	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 2011	**106**	**2,649**	**1,493**	**2**	**3,493**	**(1,083)**	**6,660**	**40**	**6,700**
Dividends	-	-	-	-	(197)	-	(197)	(56)	(253)
Share-based payment	-	-	-	-	135	-	135	-	135
Transfer of reserves[2]	-	-	-	-	(239)	239	-	-	-
Profit for the year	-	-	-	-	809	-	809	152	961
Other comprehensive income for the year	-	-	-	(69)	23	-	(46)	-	(46)
CLOSING BALANCE AT 30 SEPTEMBER 2012	**106**	**2,649**	**1,493**	**(67)**	**4,024**	**(844)**	**7,361**	**136**	**7,497**
Dividends	-	-	-	-	(295)	-	(295)	(4)	(299)
Share-based payment	-	-	-	-	253	-	253	-	253
Transfer of reserves[2]	-	-	-	-	(95)	95	-	-	-
Proceeds from sale of own shares	-	-	-	-	-	507	507	-	507
Profit for the year	-	-	-	-	2,101	-	2,101	104	2,205
Other comprehensive income for the year	-	-	-	(112)	-	-	(112)	-	(112)
CLOSING BALANCE AT 30 SEPTEMBER 2013	**106**	**2,649**	**1,493**	**(179)**	**5,988**	**(242)**	**9,815**	**236**	**10,051**

* 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 22.

(2) The shortfall in balance between the exercise price of share options granted and the outstanding loan to the EBT is transferred from own shares to retained earnings over the vesting period (note 12).

The notes on pages 25 to 56 form part of these Financial Statements.

Summary of Significant Accounting Policies

For The Year Ended 30 September 2013

1 ACCOUNTING POLICIES

Driver Group plc ("the Company") is a company incorporated and domiciled in the UK. The policies have been applied consistently to all years presented, unless stated.

The Group Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS), International standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Boards (IASB) as adopted by the European Union ("adopted IFRSs") and with those part of the Companies Act 2006 applicable to those companies reporting under IFRS.

The Company has elected to prepare its financial statements in accordance with UK GAAP. These are provided on pages 49 to 56.

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.

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 are reserved under option 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.

Non-controlling interests in subsidiaries are presented separately from the equity attributable to equity owners of the parent company. Non-controlling shareholders interest may initially be measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquirees identifiable net assets.

The choice of measurement basis is made on each acquisition individually. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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. They are derecognised from the date that control ceases.

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), direct costs of acquisition were also treated as a cost of acquisition. Following the adoption of IFRS 3, costs incurred in connection with acquisitions are recognised in profit and loss as incurred.

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

FOREIGN CURRENCY TRANSLATION - continued
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 other comprehensive income and 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.

Where the Group enters into a fixed fee arrangement revenue is recognised by reference to the stage of completion of the project.

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 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. The chief operating decision maker is the Chief Executive Officer.

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
Lessee
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.

Lessor
Rentals received are credited to the Income Statement on a straight-line basis over the term of the lease.

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 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.

FINANCIAL ASSETS - continued

Loans and receivables - continued

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%
Computer equipment	-	25%
Motor Vehicles	-	25%

Residual values and remaining economic useful lives and depreciation methods are reviewed annually and adjusted if appropriate.

Gains or losses on disposal are included in profit and loss.

EMPLOYEE BENEFIT TRUST

The Group Statement of Financial Position incorporates the results of Driver Group Employee Benefit Trust. The Directors consider that the activities of the Trust are being conducted on behalf of the Group and the Group obtains the benefits from the Trust's operation. In accordance with SIC 12 the assets of the Trust, and any liabilities it has, are recognised in the Group's Statement of Financial Position. Own shares held by the Trust for future distribution to employees under share option arrangements are deducted from shareholders' equity until such a time as they vest unconditionally with the employee. Any income or expenditure incurred by the Trust is recognised in the Group's Financial Statements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Details of the Group's accounting estimates and judgements are included in note 24.

STANDARDS ADOPTED FOR THE FIRST TIME

The Group has not adopted any standards or interpretations in advance of the required implementation dates. It is not expected that adoption of standards or interpretations which have been issued by the International Accounting Standards Board, but have not been adopted, will have a material impact on the financial statements.

2 SEGMENTAL ANALYSIS

REPORTABLE SEGMENTS

For management purposes, the Group is organised into five operating divisions: Europe, Middle East, Africa, Asia Pacific and America. Asia Pacific and America were added following the acquisition of Trett Holdings Limited (Note 20). 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 2013

							Continuing Operations	
	Europe £000	Middle East £000	Africa £000	Asia Pacific £000	Americas £000	Eliminations £000	Unallocated[1] £000	Consolidated £000
Total external revenue	19,625	11,755	3,591	1,669	595	-	-	37,235
Total inter-segment revenue	390	158	-	-	-	(548)	-	-
Total revenue	20,015	11,913	3,591	1,669	595	(548)	-	37,235
Segmental profit/(loss)	2,505	3,157	421	(742)	(299)	-	-	5,042
Unallocated corporate expenses[1]	-	-	-	-	-	-	(1,910)	(1,910)
Share-based payment charge	-	-	-	-	-	-	(482)	(482)
Exceptional items (note 5)	-	-	-	-	-	-	-	-
Operating profit/(loss)	2,505	3,157	421	(742)	(299)	-	(2,392)	2,650
Finance income	-	-	-	-	-	-	14	14
Finance expense	-	-	-	-	-	-	(72)	(72)
Profit/(loss) before taxation	2,505	3,157	421	(742)	(299)	-	(2,450)	2,592
Taxation	-	-	-	-	-	-	(387)	(387)
Profit/(loss) for the year	2,505	3,157	421	(742)	(299)	-	(2,837)	2,205
OTHER INFORMATION								
Non current assets	3,837	130	38	9	18	-	1,660	5,692
Reportable segment assets	9,141	5,303	1,235	521	157	-	2,773	19,130
Capital additions[2]	153	96	45	4	9	-	-	307
Depreciation and amortisation	138	27	9	3	4	-	-	181

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 2013.

2 SEGMENTAL ANALYSIS – continued

Year ended 30 September 2012

					Continuing Operations			
	Europe £000	Middle East £000	Africa £000	Asia Pacific £000	Americas £000	Eliminations £000	Unallocated[1] £000	Consolidated £000
Total external revenue	16,085	7,134	1,990	551	498	-	-	26,258
Total inter-segment revenue	17	-	-	-	-	(17)	-	-
Total revenue	16,102	7,134	1,990	551	498	(17)	-	26,258
Segmental profit/(loss)	1,900	1,491	284	(149)	(4)	-	-	3,522
Unallocated corporate expenses[1]	-	-	-	-	-	-	(1,734)	(1,734)
Share-based payment charge	-	-	-	-	-	-	(135)	(135)
Exceptional items (note 5)	(311)	-	-	-	-	-	(107)	(418)
Operating profit/(loss)	1,589	1,491	284	(149)	(4)	-	(1,976)	1,235
Finance income	-	-	-	-	-	-	9	9
Finance expense	-	-	-	-	-	-	(46)	(46)
Profit/(loss) before taxation	1,589	1,491	284	(149)	(4)	-	(2,013)	1,198
Taxation	-	-	-	-	-	-	(237)	(237)
Profit/(loss) for the year	1,589	1,491	284	(149)	(4)	-	(2,250)	961
OTHER INFORMATION								
Non current assets	3,822	61	2	8	13	-	1,660	5,566
Reportable segment assets	8,922	3,524	541	440	240	-	2,308	15,975
Capital additions[2]	147	52	2	14	8	-	-	223
Depreciation and amortisation	94	43	1	2	2	-	66	208

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 2012.

2 SEGMENTAL ANALYSIS – continued

Geographical information:

	External revenue by location of customers	
	2013	**2012**
	£000	**£000**
UK	**14,100**	11,540
UAE	**4,969**	2,950
Oman	**4,325**	2,761
South Africa	**3,856**	2,363
Qatar	**1,953**	1,290
Netherlands	**1,654**	790
United States	**816**	1,367
Germany	**803**	787
Singapore	**727**	270
Other African countries	**700**	1,282
Switzerland	**523**	229
Saudi Arabia	**503**	-
Australia	**468**	83
Malaysia	**451**	162
Belgium	**310**	2
Other Countries	**1,077**	382
	37,235	26,258

3 EMPLOYEES

Staff costs including Directors' remuneration:

	2013 £000	2012 £000
Wages and salaries	**19,584**	13,069
Social security costs	**1,282**	1,037
Other pension costs	**355**	188
	21,221	14,294

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

	2013	2012
By role:		
Directors	**5**	5
Fee-earners	**199**	135
Administration	**47**	32
	251	172

KEY MANAGEMENT AND DIRECTORS' REMUNERATION

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

	2013 £000	2012 £000
Emoluments	**1,531**	1,287
Short term benefits	**159**	111
Money purchase pension contributions	**149**	57
	1,839	1,456
Share based compensation (note 18)	**226**	69
Total key management compensation	**2,065**	1,524

Key management consists of the statutory Executive Directors of the Company whose details are included in the remuneration report on page 17 plus the Executive Board which consists of the 5 (2012: 5) key business unit managing directors.

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

	2013 £000	2012 £000
Emoluments	**336**	344
Social security costs	**50**	35
Money purchase pension contributions	**21**	-
Total remuneration	**407**	379

The number of Directors to whom retirement benefits are accruing:

	2013	2012
Money purchase pension schemes	**3**	5

4 PROFIT FROM OPERATIONS

Profit from operations includes the following significant expenses:

	2013 £000	2012 £000
Depreciation and amounts written off property, plant and equipment – owned assets	**181**	208
Audit services:		
- statutory audit of parent	**5**	5
- statutory audit of subsidiaries	**56**	56
- audit regulatory reporting	**8**	7
Tax services:		
- compliance	**13**	12
- other services	**6**	4
Corporate finance services	**-**	41
Operating lease rentals – land and buildings	**934**	871
Exchange loss	**(129)**	(66)

5 EXCEPTIONAL ITEMS

	2013 £000	2012 £000
Severance costs (1)	**-**	60
Acquisition and integration costs (2)	**-**	358
	-	418

(1) Severance costs include redundancy, ex-gratia, other discretionary payments and associated legal costs.

(2) Acquisition and integration costs include legal and professional fees and office restructuring costs.

6 FINANCE EXPENSE

	2013 £000	2012 £000
Bank interest	**69**	46
Finance lease interest	**3**	-
	72	46

7 TAXATION

Analysis of the tax charge

The tax charge on the profit for the year is as follows:

	2013 £000	2012 £000
Current tax:		
UK corporation tax on profit for the year	**-**	-
Non-UK corporation tax	**387**	207
Adjustments to the prior period estimates	**11**	(33)
	398	174
Deferred tax:		
Adjustments to prior period estimates	**-**	-
Deferred tax expense for the year	**(11)**	63
Tax on profit	**387**	237

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:

	2013 £000	2012 £000
Profit before tax	**2,592**	1,198
Expected tax charge based on the standard average rate of corporation tax in the UK of 23.5% (2012: 25%)	**609**	300
Effects of:		
Expenses not deductible	**19**	55
Depreciation not deductible	**6**	9
Marginal relief	**-**	-
Deferred tax on share-based payment	**60**	34
Foreign tax rate difference	**(400)**	(226)
Adjustment to prior period estimates	**11**	(43)
Utilisation of losses	**(54)**	(41)
Unrecognised losses	**136**	149
Tax expense for the year	**387**	237

8 PROFIT / (LOSS) 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 profit for the financial period was £51,000 (2012 loss: £129,000). The Company has elected to prepare the parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

9 DIVIDENDS

	2013 £000	2012 £000
The aggregate amount of equity dividends comprises:		
Final dividend paid in respect of prior year	**172**	123
Interim dividend paid in respect of the current year (0.5p)	**123**	74
Aggregate amount of dividends paid in the financial year	**295**	197
Equity dividends proposed for approval at Annual General Meeting (not recognised at year end)		
Final dividend for 2013: 1.0p (2012: 0.7p)	**253**	172

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

Notes to the Financial Statements continued

For The Year Ended 30 September 2013

10 EARNINGS PER SHARE

	2013 £000	2012 £000
Profit for the financial year attributable to equity shareholders	**2,101**	809
Share-based payment charges and associated costs (note 18)	**482**	135
Exceptional items (note 5)	**-**	418
Adjusted profit for the financial year before share-based payments and exceptional items	**2,583**	1,362
Weighted average number of shares:		
- Ordinary shares in issue	**26,379,416**	26,379,416
- Shares held by EBT	**(1,125,000)**	(1,700,645)
Basic weighted average number of shares	**25,254,416**	24,678,771
Effect of Employee share options	**3,449,667**	1,210,294
Diluted weighted average number of shares	**28,704,083**	25,889,065
Basic earnings per share	**8.3p**	3.3p
Diluted earnings per share	**7.3p**	3.1p
Adjusted earnings per share before share-based payments and exceptional items	**10.2p**	5.5p

In 2012 potential ordinary shares relating to 1,950,000 share options have not been included in the calculation of diluted earnings per share as their value has no dilutive effect.

11 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings Long leasehold £000	Fixtures and fittings £000	Computer equipment £000	Motor Vehicles £000	Total £000
COST					
At 1 October 2011	1,987	549	824	-	3,360
Additions	-	112	72	-	184
Acquired as part of business combinations	-	36	3	-	39
Disposals	-	(2)	(13)	-	(15)
At 30 September 2012	1,987	695	886	-	3,568
DEPRECIATION					
At 1 October 2011	171	337	718	-	1,226
Charge for year	35	102	71	-	208
Disposals	-	(2)	(11)	-	(13)
At 30 September 2012	206	437	778	-	1,421
NET BOOK VALUE					
At 30 September 2012	1,781	258	108	-	2,147
At 30 September 2011	1,816	212	106	-	2,134

	Land and buildings Long leasehold £000	Fixtures and fittings £000	Computer equipment £000	Motor Vehicles £000	Total £000
COST					
At 1 October 2012	1,987	695	886	-	3,568
Additions	-	106	159	42	307
Disposals	-	-	-	-	-
At 30 September 2013	1,987	801	1,045	42	3,875
DEPRECIATION					
At 1 October 2012	206	437	778	-	1,421
Charge for year	35	85	56	5	181
Disposals	-	-	-	-	-
At 30 September 2013	241	522	834	5	1,602
NET BOOK VALUE					
At 30 September 2013	1,746	279	211	37	2,273
At 30 September 2012	1,781	258	108	-	2,147

Included in Motor Vehicles are assets held under finance leases with a net book value of £22,681 (2012: £Nil) and a depreciation charge of £4,141 (2012: £Nil).

Included in computer equipment are assets with a net book value of £Nil (2012: £9,000) and a depreciation charge of £9,000 (2012: £14,000) that were held under finance leases which have ceased during the year.

The long leasehold land and buildings is mixed use, it is used by the Group as the head office and approximately half of the building is rented out to a third party. Rental income for the year totalled £100,000.

12 GOODWILL

	£000
COST	
At 1 October 2012 and 30 September 2013	3,407

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;

	2013 £000	2012 £000
Europe	**3,407**	3,407
Middle East	**-**	-
Africa	**-**	-
Total goodwill	**3,407**	3,407

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 calculations were:

Gross margin	-	19% – 29%
Growth rate	-	0%
Discount rate	-	11% (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%	(1)
Driver Project Services Ltd	England and Wales	Construction consultancy services	100%	
Driver Consult (Oman) LLC	Oman	Construction consultancy services	65%	(4)
Driver Consult (UAE) LLC	Abu Dhabi	Construction consultancy services	49%	(5)
Driver Group Africa (pty) Ltd	South Africa	Construction consultancy services	100%	(2)
Driver Consult Qatar LLC	Qatar	Construction consultancy services	49%	(5)
Trett Holdings Ltd	England and Wales	Construction consultancy services	100%	
Trett Ltd	England and Wales	Construction consultancy services	100%	
Driver Trett (Hong Kong) Ltd	Hong Kong	Dormant	100%	(8)
Trett Consulting (India) Ltd	India	Dormant	70%	(6)
Driver Trett (Singapore) Pty Ltd	Singapore	Construction consultancy services	100%	(3)
Trett Consulting B.V.	Netherlands	Construction consultancy services	100%	
Trett Contract Services Ltd	England and Wales	Construction consultancy services	100%	
Trett Inc Delaware	United States	Dormant	100%	
Trett Texas LLC	United States	Construction consultancy services	100%	
Trett Consulting LLC	Qatar	Construction consultancy services	49%	(6)
Driver Trett (Malaysia) SDN BHD	Malaysia	Construction consultancy services	100%	(3)
Driver Trett Australia Pty Ltd	Australia	Construction consultancy services	100%	(7)

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

12 GOODWILL - continued

(1) North Gate Executive Search Ltd was disposed of on 9 December 2011. The effect of the disposal is immaterial to these financial statements
(2) On 30 September 2013 Driver Consult Ltd acquired an additional 49% of the ordinary shares of Driver Group Africa (pty) Ltd, subject to South African exchange control confirmation which was completed after the year end.
(3) Name changed during the year from "Trett Consulting" to "Driver Trett".
(4) The Company is entitled to 99% of the profits.
(5) The legal structure of the business provides the Company with effective 100% control and the business is therefore treated as a fully owned subsidiary
(6) The Company is entitled to 97% of the profits.
(7) Driver Trett Australia Pty Ltd was formed during the year.
(8) Trett Consulting (Hong Kong) Ltd changed its name to Driver Trett (Hong Kong) Ltd and will begin to trade from 01 October 2013 following the acquisition of the business.

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 1,700,645 shares in the Company for £1,242,206. On 29 July 2013 the Trust disposed of 575,645 shares for net proceeds of £506,567. At 30 September 2013 the assets of the Trust comprised 1,125,000 (2012: 1,700,645) of the Company's own shares with a nominal value of £4,500 (2012: £6,803) and a market value of £1,355,625 (2012: £1,156,439). 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. As a consequence of the exercise price of the modified share options (note 18) a realised loss will arise on the exercise of the options. This loss is recognised over the vesting period as a transfer to retained earnings.

13 TRADE AND OTHER RECEIVABLES

Amounts falling due within one year:

	2013 £000	2012 £000
Trade receivables	**8,884**	7,628
Other receivables	**62**	121
Prepayments and accrued income	**1,750**	1,086
	10,696	8,835

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. Included within prepayments and accrued income is £312,000 (2012: £155,000) due after 1 year.

As at 30 September 2013 trade receivables of £2,609,000 (2012: £2,790,000) were past due but not impaired. They relate to customers against whom no provision is considered necessary. The ageing analysis of trade receivables is as follows:

30 September 2013	Current (not yet overdue)	Debt age – "days overdue" 0-30 days	31-60 days	Over 60 days	Total
Trade receivables					
Value (£'000)	6,275	1,189	595	825	8,884
%	71%	13%	7%	9%	100%

30 September 2012	Current (not yet overdue)	Debt age – "days overdue" 0-30 days	31-60 days	Over 60 days	Total
Trade receivables					
Value (£'000)	4,838	1,445	649	696	7,628
%	63%	19%	9%	9%	100%

As at 30 September 2013 trade receivables of £745,000 (2012: £1,029,000) 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.

An analysis of the Group's trade and other receivables classified as financial assets by currency is provided in note 21.

14 TRADE AND OTHER PAYABLES:

Amounts payable within one year:

	2013 £000	2012 £000
Trade payables	**2,170**	1,855
Social security and other taxes	**1,007**	709
Other payables	**466**	22
Accrued expenses	**3,242**	3,155
	6,885	5,741

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

Included within trade payables is £22,000 (2012: £125,000) payable between 3 and 12 months with the remainder due within 3 months.

15 BORROWINGS

An analysis of the maturity of loans is given below:

	2013 £000	2012 £000
Current:		
Bank loan	**563**	750
Finance lease	**11**	8
	574	758
Non-current falling due between one and two years:		
Bank loan	**1,000**	563
Finance lease	**20**	-
Non-current falling due between two and five years:		
Bank loan	**-**	1,000
	1,020	1,563

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

As at 30 September 2013 the banking facilities with the Royal Bank of Scotland (RBS) consisted of:

	Facility	Interest rate (annual)
Overdraft facility	£ 750,000	3% above RBS base rate
Term loan repayable on 28 February 2015	£1,000,000	3% above RBS base rate
Term loan repayable quarterly to 11 May 2014	£ 562,500	4.75% above LIBOR

As at 30 September 2013 the Company had access to cash balances of £2,667,000 in addition to the unutilised overdraft facility of £750,000. The Group's borrowings are secured by debentures over the Group's assets and legal charges over long leasehold land and buildings with a current carrying value of £1,746,000.

On 29 November 2013 the Group signed a renewal of the banking facilities with the Royal Bank of Scotland (RBS) in replacement of the existing facilities which consist of:

	Facility	Interest rate (annual)
Overdraft facility	£2,750,000	2.75% over base rate
Term loan repayable on 31 October 2016	£1,250,000	2.75% above base rate

The new facilities have been secured to fund the growth plans of the business and are subject to an asset based security calculation.

16 CASH AND CASH EQUIVALENTS

	2013 £000	2012 £000
Cash at bank	**2,667**	1,357

Cash and cash equivalent balances are denominated in Sterling, Euros, US Dollars, Qatari Riyals, UAE Dirhams, Omani Rials, South African Rand, Malaysian Ringgits, Singapore Dollars, Australian Dollars and Hong Kong Dollars.

17 DEFERRED TAXATION

Deferred tax is calculated at 20% (2012: 24%)

Deferred tax liability

	2013 £000	2012 £000
At the beginning of the year	**319**	222
Charge for the year recognised in Income Statement	**10**	8
Acquired as part of business combination (note 20)	**-**	112
Temporary differences on property	**(21)**	(23)
At end of year	**308**	319

Deferred tax asset

	2013 £000	2012 £000
At beginning of year	**12**	67
Deferred tax movement	**-**	(55)
At end of year	**12**	12

The elements of the deferred tax balances are as follows:

	Assets		Liabilities	
	2013 £000	2012 £000	2013 £000	2012 £000
Temporary differences on property	**-**	-	**(176)**	(197)
Capital allowances difference to depreciation	**-**	-	**(18)**	-
Other short term temporary differences	**12**	12	**(114)**	(122)
	12	12	**(308)**	(319)

18 CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal Value:	2013 £000	2012 £000
50,000,000	Ordinary	0.4p	**200**	200

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	2013 £000	2012 £000
26,379,416 (note 10)	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.

On 23 January 2011 the Group modified the existing share options by issuing 2,902,500 modified options at an option price of 21.5p which were conditional on the surrender of 1,935,000 existing options. The incremental increase in fair value of the share options has been recognised over the revised vesting period. In addition the Group granted 750,000 long term incentive plan options which are exercisable at £nil consideration. On 28 January 2011 75,000 share options were granted at 21.5p.

On 27 April 2011 250,000 share options were granted at 21.5p and 375,000 shares were granted at nil p. These options are exercisable in certain circumstances and a full charge has been recognised in the accounts. On 11 July 2011 50,000 share options were granted at 34.25p and on 29 September 2011 150,000 share options were granted at 22.5p.

18 CALLED UP SHARE CAPITAL - continued

Share option note

No share options were exercised in the year.

At 30 September 2013 the following unexercised share options to acquire ordinary shares granted under The Driver Group plc Enterprise Management Incentive Scheme and other option agreements were outstanding in respect of 24 employees (2012: 26):

Year of grant	Vesting period	Exercise price per 0.4p share (pence)	2013 Number	2012 Number
2011	23-01-2011 to 01-10-2013	21.5p	**500,000**	500,000
	23-01-2011 to 01-10-2013	Nilp	**750,000**	750,000
	23-01-2011 to 01-10-2014	21.5p	**2,102,500**	2,227,500
	27-04-2011 to 01-10-2013	21.5p	**250,000**	250,000
	27-04-2011 to 01-10-2013	Nilp	**375,000**	375,000
	11-07-2011 to 01-10-2014	34.25p	**50,000**	50,000
	28-09-2011 to 01-10-2014	22.5p	**150,000**	150,000
2012	28-06-2012 to 01-10-2014	53.5p	**50,000**	50,000
	11-07-2012 to 01-10-2014	53.5p	**25,000**	25,000
			4,252,500	4,377,500

	2013		2012	
	Options	Weighted average exercise price per share (pence)	Options	Weighted average exercise price per share (pence)
Outstanding at 1 October	**4,377,500**	**17p**	4,402,500	16p
Granted during the year	**-**	**-**	75,000	54p
Forfeited during the year	**(125,000)**	**22p**	(100,000)	22p
Outstanding at 30 September	**4,252,500**	**17p**	4,377,500	17p
Exercisable at 30 September	**-**	**-**	-	-

The options outstanding at 30 September 2013 had an exercise price between nil p and 53.50p, and a weighted average remaining contractual life of 6.48 years.

The Group recognised a charge of £482,000 relating to share based payment charges and associated costs, £253,000 (2012: £135,000) relates to the share based payment charge for equity-settled share-based payment transactions. The remainder of £229,000 is associated social security costs (2012: £nil).

The directors' interests in share options are shown on page 15 in the Report of the Directors.

19 LEASES

Finance leases

During the year ended 30 September 2013 the Group entered into a lease for motor vehicles which is classified as a finance lease due to the nature of the risks and rewards of ownership. The net carrying value of these assets at 30 September 2013 was £22,681 (2012: £Nil). Also, during the year the Group repaid a finance lease for computer equipment. The net carrying value of these assets at 30 September 2013 was £Nil (2012: £9,000).

Future lease payments are due as follows:

	Minimum lease payments 2013 £000	Interest 2013 £000
Not later than one year	11	3
Later than one year and not later than five years	20	-
	31	3

The present values of future lease payments are analysed as:

	2013 £000	2012 £000
Current liabilities	11	8
Non-current liabilities	20	-
	31	8

Operating lease – lessee

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

	2013		2012	
	Land and buildings £000	Other leases £000	Land and buildings £000	Other leases £000
Due:				
Not later than one year	599	79	322	16
Between one and five years	755	46	1,225	124
	1,354	125	1,547	140

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:

	2013 £000	2012 £000
Not later than one year	127	127
Later than one year but not less than five years	162	285
	289	412

20 ACQUISITIONS COMPLETED IN PRIOR PERIODS

On 11 May 2012 the Company acquired 100% of the share capital in Trett Holdings Limited. The company was acquired in order to bring in an experienced and high quality team of individuals to complement the Group's existing skill set and also to provide the group with access to a wide range of end markets (including marine and shipbuilding, petrochemical and nuclear engineering) and to bring greater geographical penetration.

Goodwill represents the value of the synergies arising from the economies of scale achievable in the enlarged group and the presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition. The synergistic benefits were the primary reason for entering into the business combination. The total amount of goodwill arising from the acquisition was £1,051,000, this was allocated to the European CGU for goodwill impairment purposes. This is non-deductable for tax purposes.

The fair value of cash consideration paid amounted to £2,934,000 with cash paid at the point of acquisition of £3,000,000. There have been no changes to the fair values since acquisition.

In the prior year, other costs relating to the acquisition of £109,000 of the subsidiaries have not been included in the consideration and have been recognised as an expense, included within exceptional items (note 5).

20 ACQUISITIONS COMPLETED IN PRIOR PERIODS - continued

Book and fair value of assets and liabilities acquired:

	Book and Fair Value £000
Cash and cash equivalents	835
Trade and other receivables	2,311
Plant and equipment	39
Trade and other payables	(1,330)
Deferred tax liability	(112)
Tax Asset	140
NET ASSETS ACQUIRED	1,883

The contribution in the prior year to net profit of the Group was £185,000. Group revenue in the prior year includes £4,333,368 from the operations of Trett.

21 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	
	2013 £000	**2012 £000**	**2013 £000**	**2012 £000**
FINANCIAL ASSETS				
Cash and cash equivalents	**-**	-	**2,667**	1,357
Trade and other receivables	**-**	-	**9,362**	7,879
Derivative financial assets	**80**	22	**-**	-
TOTAL FINANCIAL ASSETS	**80**	22	**12,029**	9,236

	Financial liabilities at fair value through income statement		Financial liabilities at amortised costs	
	2013 £000	**2012 £000**	**2013 £000**	**2012 £000**
FINANCIAL LIABILITIES				
Trade and other payables	**-**	-	**6,862**	5,737
Loans and borrowings	**-**	-	**1,594**	2,321
Derivative financial liabilities	**23**	4	**-**	-
TOTAL FINANCIAL LIABILITIES	**23**	4	**8,456**	8,058

Financial assets and liabilities measured at fair value through income statement are all valued using level 2 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.

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – continued

(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:

	2013 £000	2012 £000
Un-drawn borrowing facilities at 30 September	**750**	750
Cash and cash equivalents	**2,667**	1,357
Available funds	**3,417**	2,107

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.

30 September 2013

	Due within 1 year £000	Due between 1 and 5 years £000	Total £000
Non-derivative financial liabilities			
Bank loans	**563**	**1,000**	**1,563**
Finance lease creditor	**11**	**20**	**31**
Trade and other payables	**6,862**	**-**	**6,862**
Total	**7,436**	**1,020**	**8,456**

30 September 2012

	Due within 1 year £000	Due between 1 and 5 years £000	Total £000
Non-derivative financial liabilities			
Bank loans	750	1,563	2,313
Finance lease creditor	8	-	8
Trade and other payables	5,737	-	5,737
Total	6,495	1,563	8,058

As at 30 September 2013 the banking facilities with the Royal Bank of Scotland (RBS) consisted of:

	Facility	Interest rate (annual)
Overdraft facility	£ 750,000	3% above RBS base rate
Term loan repayable on 28 February 2015	£1,000,000	3% above RBS base rate
Term loan repayable 11 May 2014	£ 562,500	4.75% above LIBOR

As at 30 September 2013 the Company had access to cash balances of £2,667,000 in addition to the unutilised overdraft facility of £750,000. The Group's borrowings are secured by debentures over the Group's assets and legal charges over long leasehold land and buildings with a current carrying value of £1,746,000.

(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, the Euro, South African Rand, Malaysian Ringgitt, Singapore Dollar, Australian Dollar and Hong Kong Dollar. 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.

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – continued

(b) Foreign exchange risk - continued

The following balances are contained within other receivables (note 13) and other payables (note 14) in respect of derivative financial instruments, being foreign currency forward contract arrangements:

	2013 £000	2012 £000
Asset	**80**	22
Liability	**(23)**	(4)
	57	18

The balances are all current with assets of £80,000 (2012: £22,000) and liabilities of £22,000 (2012: £2,000) maturing within 3 months and a liability maturing in 6 to 12 months of £1,000 (2012: £2,000).

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

FINANCIAL ASSETS 2013

	Cash and cash equivalents £000	Trade and other receivables £000	Derivative financial assets £000	TOTAL FINANCIAL ASSETS £000
GBP	1,409	3,548	1,635	6,592
EUR	(97)	798	-	701
AED	336	1,905	(590)	1,651
OMR	599	1,198	(385)	1,412
USD	38	116	-	154
QAR	146	587	-	733
ZAR	68	1,028	-	1,096
SGD	39	91	(407)	(277)
MYR	121	91	-	212
AUD	8	-	(173)	(165)
Total	2,667	9,362	80	12,109

FINANCIAL LIABILITIES 2013

	Trade and other payables £000	Loans and borrowings £000	Derivative financial liabilities £000	TOTAL FINANCIAL LIABILITIES £000
GBP	4,207	1,563	197	5,967
EUR	357	-	(84)	273
AED	420	-	17	437
OMR	721	-	(72)	649
USD	81	-	-	81
QAR	245	-	67	312
ZAR	613	31	(15)	629
SGD	129	-	-	129
MYR	25	-	-	25
AUD	64	-	(87)	(23)
Total	6,862	1,594	23	8,479

FINANCIAL ASSETS 2012

	Cash and cash equivalents £000	Trade and other receivables £000	Derivative financial assets £000	TOTAL FINANCIAL ASSETS £000
GBP	333	3,926	432	4,691
EUR	(67)	381	31	345
AED	348	1,251	(252)	1,347
OMR	186	1,246	(112)	1,320
USD	83	146	(1)	228
QAR	189	269	(76)	382
ZAR	181	365	-	546
SGD	67	126	-	193
MYR	37	169	-	206
Total	1,357	7,879	22	9,258

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – continued

(b) Foreign exchange risk - continued

FINANCIAL LIABILITIES 2012

	Trade and other payables £000	Loans and borrowings £000	Derivative financial liabilities £000	TOTAL FINANCIAL LIABILITIES £000
GBP	2,934	2,321	(902)	4,353
EUR	323	-	-	323
AED	471	-	433	904
OMR	913	-	456	1,369
USD	254	-	-	254
QAR	136	-	17	153
ZAR	296	-	-	296
SGD	254	-	-	254
MYR	156	-	-	156
Total	5,737	2,321	4	8,062

The Group earns Euro revenues in Europe and also generates local currency revenues and costs in the USA, South Africa, Oman, the UAE, Qatar, Malaysia, Singapore and Australia. As a consequence the Group's pre-tax income and equity is exposed to movements in Sterling relative to the Euro, US Dollar, South African Rand, Singapore dollars, Malaysian Ringgits, Australian Dollar, 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 current year.

Sensitivity analysis – Impact on Income Statement and on Equity

% change in Sterling relative to:	10%	20%	10%	20%
	Income statement		Equity	
	£000	£000	£000	£000
Sterling strengthens relative to Euro	(133)	(243)	(100)	(182)
Sterling weakens relative to Euro	162	365	122	274
Sterling strengthens relative to US Dollar	(341)	(624)	(324)	(594)
Sterling weakens relative to US Dollar	416	937	398	893
Sterling strengthens relative to South African Rand	(89)	(164)	(64)	(118)
Sterling weakens relative to South African Rand	109	246	79	177
Sterling strengthens relative to Malaysian Ringgit	6	11	4	8
Sterling weakens relative to Malaysian Ringgit	(8)	(17)	(6)	(13)
Sterling strengthens relative to Singapore Dollar	29	54	24	45
Sterling weakens relative to Singapore Dollar	(36)	(81)	(30)	(67)
Sterling strengthens relative to Australian Dollar	6	10	4	7
Sterling weakens relative to Australian Dollar	(7)	(16)	(5)	(11)

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

(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.

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – continued

(c) Interest rate risk - continued

30 September 2013

	Fixed rate £000	Floating rate £000	Non-interest bearing £000	Total £000
Cash and cash equivalents	-	2,667	-	2,667
Trade and other receivables	-	-	9,442	9,442
Trade and other payables	-	-	(6,885)	(6,885)
Bank loans	-	(1,563)	-	(1,563)
Finance lease creditor	(31)	-	-	(31)
	(31)	1,104	2,557	3,630

30 September 2012

	Fixed rate £000	Floating rate £000	Non-interest bearing £000	Total £000
Cash and cash equivalents	-	1,357	-	1,357
Trade and other receivables	-	-	7,901	7,901
Trade and other payables	-	-	(5,741)	(5,741)
Bank loans	-	(2,313)	-	(2,313)
Finance lease creditor	(8)	-	-	(8)
	(8)	(956)	2,160	1,196

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.

	2013 £000
Impact on Income Statement and Equity	
1% increase in base rate of interest	**(12)**
2% increase in base rate of interest	**(23)**

(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.

(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.

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – continued

(e) Capital management - continued

Capital includes share capital, share premium, merger reserve, translation reserve, capital redemption reserve, other reserve, own shares and retained earnings reserve (note 22). 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, tradable 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).

22 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 Driver Group Africa (pty) Ltd, Driver Consult (Oman) LLC, Trett Consulting (India) Ltd, and in 2012 North Gate Executive Search Limited (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 been exercised at the Statement of Financial Position date shown as a deduction from shareholders' equity. Total number of own shares as at 30 September 2013 was 1,125,000 (2012: 1,700,645).

23 RELATED PARTY TRANSACTIONS

Other than the transactions with Directors noted in the Directors' Remuneration Report (page 17), during the financial year, the Group had no transactions with other related parties as defined by IAS 24 'Related Party Disclosures'. There were no other related party transactions in 2013.

24 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.

24 ACCOUNTING ESTIMATES AND JUDGEMENTS - continued

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 £745,000 (2012: £1,029,000) 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.

Revenue recognition on fixed fee projects
Where the Group enters into a formal fixed fee arrangement revenue is recognised by reference to the stage of completion of the project. The stage of completion will be estimated by the Group's management based on the Project Managers assessment of each project.

Determination of fair value of assets and liabilities acquired in business combinations
The fair value of assets and liabilities acquired have been determined by the directors following a detailed review of the underlying balance sheet at the date of the acquisition.

Identification and valuation of intangibles acquired in business combinations
Identifiable intangible assets acquired in business combinations are recognised separately from goodwill. An intangible asset is identifiable if it arises from contractual or other legal rights, or if it is separable. Determining the fair value of intangibles acquired in business combinations requires estimation and judgement of the value of the cashflows related to the identified intangibles and a suitable discount rate in order to calculate the present value. As a result of this consideration of the criteria for recognition of intangibles, no intangibles other than goodwill have been separately recognised on the acquisition in the prior year. Further details of the acquisition are disclosed within note 20.

25 POST BALANCE SHEET EVENTS

Acquisitions completed after the year end
On 30 September 2013 the Group entered into a contract to acquire the remaining 49% shareholding of Driver Group Africa (pty) Ltd subject to conditions precedent which were received after the year end. The initial cost of the acquisition was ZAR 3.3m (£0.2m) satisfied in cash and a further ZAR 2.7m (£0.17m) satisfied by grant of options over Driver Group shares. Further consideration would be payable depending on future performance of the business.

On 25 September 2013 the Group acquired certain contracts and goodwill of PJ Consulting Limited through Driver Trett (Hong Kong) Limited. This contract had certain conditions which were met post year end. Deferred consideration of HK$2m (£0.2m) is payable on successful transfer of the contracts which is expected to be completed post year end.

Driver Group plc (Company) Balance Sheet

At 30 September 2013

Company number: 3475146

	Notes	2013 £000	2013 £000	2012 £000	2012 £000
FIXED ASSETS					
Tangible assets	27		**2,033**		2,054
Investments	28		**6,521**		6,478
			8,554		8,532
CURRENT ASSETS					
Debtors	29	**1,505**		1,023	
Cash at bank and in hand		**880**		78	
		2,385		1,101	
CREDITORS					
Amounts falling due within one year	30	**(3,570)**		(2,217)	
NET CURRENT LIABILITIES			**(1,185)**		(1,116)
TOTAL ASSETS LESS CURRENT LIABILITIES			**7,369**		7,416
CREDITORS					
Amounts falling due after more than one year	31		**(1,000)**		(1,563)
NET ASSETS			**6,369**		5,853
CAPITAL RESERVES					
Called up share capital	34		**106**		106
Share premium	35		**2,649**		2,649
Merger reserve	35		**1,493**		1,493
Revaluation reserve	35		**1,095**		1,113
Capital redemption reserve	35		**18**		18
Profit and loss account	35		**1,250**		1,318
Own shares	36		**(242)**		(844)
SHAREHOLDERS' FUNDS	37		**6,369**		5,853

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

Damien McDonald
Finance Director
06 December 2013

The notes on pages 50 to 56 form part of the Financial Statements.

26 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 revaluation
Fixtures and fittings	- 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.

26 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 profit for the year was £51,000 (2012 loss: £129,000).

27 TANGIBLE FIXED ASSETS

	Land and buildings Long leasehold £000	Fixtures and fittings £000	Computer equipment £000	Total £000
COST OR VALUATION				
At 1 October 2012	2,000	316	697	3,013
Additions	-	14	52	66
At 30 September 2013	2,000	330	749	3,079
DEPRECIATION				
At 1 October 2012	68	218	673	959
Charge for year	35	32	20	87
At 30 September 2013	103	250	693	1,046
NET BOOK VALUE				
At 30 September 2013	1,897	79	57	2,033
At 30 September 2012	1,932	98	24	2,054

Included in computer equipment were assets with a net book value of £Nil (2012: £9,000) and a depreciation charge of £9,000 (2012: £14,000), that were held under finance leases which have ceased during the year.

The long leasehold land and buildings is mixed use, it is used by the Group as the head office and approximately half of the building is rented out to a third party. Rental income for the year totalled £100,000.

Cost or valuation at 30 September 2013 is represented by:

	Land and buildings Long leasehold £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Valuation in 2013	2,000	-	-	2,000
Cost	-	330	749	1,079
	2,000	330	749	3,079

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 and the Directors revalued the net book value accordingly at 30 September 2010.

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

	2013 £000	2012 £000
Gross cost	**919**	919

Notes to the Financial Statements - Company continued

For The Year Ended 30 September 2013

28 FIXED ASSET INVESTMENTS

	Shares in Group Undertakings £000
COST	
At 1 October 2012	6,478
Additional capital investment	43
At 30 September 2013	6,521
NET BOOK VALUE	
At 30 September 2013	6,521
At 30 September 2012	6,478

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%	(1)
Driver Project Services Ltd	England and Wales	Construction consultancy services	100%	
Driver Consult (Oman) LLC	Oman	Construction consultancy services	65%	(4)
Driver Consult (UAE) LLC	Abu Dhabi	Construction consultancy services	49%	(5)
Driver Group Africa (pty) Ltd	South Africa	Construction consultancy services	100%	(2)
Driver Consult Qatar LLC	Qatar	Construction consultancy services	49%	(5)
Trett Holdings Ltd	England and Wales	Construction consultancy services	100%	
Trett Ltd	England and Wales	Construction consultancy services	100%	
Driver Trett (Hong Kong) Ltd	Hong Kong	Dormant	100%	(8)
Trett Consulting (India) Ltd	India	Dormant	70%	(6)
Driver Trett (Singapore) Pty Ltd	Singapore	Construction consultancy services	100%	(3)
Trett Consulting B.V.	Netherlands	Construction consultancy services	100%	
Trett Contract Services Ltd	England and Wales	Construction consultancy services	100%	
Trett Inc Delaware	United States	Dormant	100%	
Trett Texas LLC	United States	Construction consultancy services	100%	
Trett Consulting LLC	Qatar	Construction consultancy services	49%	(6)
Driver Trett (Malaysia) SDN BHD	Malaysia	Construction consultancy services	100%	(3)
Driver Trett Australia Pty Ltd	Australia	Construction consultancy services	100%	(7)

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

(1) North Gate Executive Search Ltd was disposed of on 9 December 2011. The effect of the disposal is immaterial to these financial statements
(2) On 30 September 2013 Driver Consult Ltd acquired an additional 49% of the ordinary shares of Driver Group Africa (pty) Ltd, subject to South African exchange control confirmation which was completed after the year end.
(3) Name changed during the year from "Trett Consulting" to "Driver Trett".
(4) The Company is entitled to 99% of the profits.
(5) The legal structure of the business provides the Company with effective 100% control and the business is therefore treated as a fully owned subsidiary
(6) The Company is entitled to 97% of the profits.
(7) Driver Trett Australia Pty Ltd was formed during the year.
(8) Trett Consulting (Hong Kong) Ltd changed its name to Driver Trett (Hong Kong) Ltd and will begin to trade from 01 October 2013 following the acquisition of the business.

In addition to the above investments, the Company has loaned funds of £950,275 and made contribution to the Driver Group Employee Benefit Trust, which in turn has purchased 1,700,645 shares in the Company for £1,242,206. On 29 July 2013 the Trust disposed of 575,645 shares for net proceeds of £506,567. At 30 September 2013 the assets of the Trust comprised 1,125,000 (2012: 1,700,645) of the Company's own shares with a nominal value of £4,500 (2012: £6,803) and a market value of £1,355,625 (2012: £1,156,439). 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. As a consequence of the exercise price of the modified share options (note 18) a realised loss will arise on the exercise of the options. This loss is recognised over the vesting period as a transfer to retained earnings.

29 DEBTORS

Amounts falling due within one year:

	2013 £000	2012 £000
Trade debtors	**15**	23
Amounts owed by Group undertakings	**1,273**	691
Other debtors	**-**	74
Prepayments and accrued income	**217**	235
	1,505	1,023

30 CREDITORS

Amounts falling due within one year:

	2013 £000	2012 £000
Bank loan and overdrafts (note 32)	**563**	750
Trade creditors	**224**	266
Other creditors	**67**	11
Social security and other taxes	**452**	23
Accrued expenses	**491**	354
Amounts owed to Group undertakings	**1,773**	805
Finance lease creditor	**-**	8
	3,570	2,217

31 CREDITORS

Amounts falling due after more than one year:

	2013 £000	2012 £000
Bank loan (note 32)	**1,000**	1,563
	1,000	1,563

32 BANK LOAN AND OVERDRAFTS

An analysis of the maturity of loans is given below:

	2013 £000	2012 £000
Amounts falling due within one year or on demand:		
Bank loans and overdrafts	**563**	750
Finance lease	**-**	8
	563	758
Amounts falling due between one and two years:		
Bank loan	**1,000**	563
Amount falling due between two and five years:		
Bank loan	**-**	1,000
	1,000	1,563

As at 30 September 2013 the banking facilities with the Royal Bank of Scotland (RBS) consisted of:

	Facility	Interest rate (annual)
Overdraft facility	£ 750,000	3% above RBS base rate
Term loan repayable on 28 February 2015	£1,000,000	3% above RBS base rate
Term loan repayable quarterly to 11 May 2014	£ 562,500	4.75% above LIBOR

As at 30 September 2013 the Company had access to cash balances of £2,667,000 in addition to the unutilised overdraft facility of £750,000. The Group's borrowings are secured by debentures over the Group's assets and legal charges over long leasehold land and buildings with a current carrying value under IFRS of £1,746,000.

32 BANK LOAN AND OVERDRAFTS – continued

On 29 November 2013 the Group signed a renewal of the banking facilities with the Royal Bank of Scotland (RBS) in replacement of the existing facilities which consist of:

	Facility	Interest rate (annual)
Overdraft facility	£2,750,000	2.75% over base rate
Term loan repayable on 31 October 2016	£1,250,000	2.75% above base rate

The new facilities have been secured to fund the growth plans of the business and are subject to an asset based security calculation.

33 DEFERRED TAX

There were no deferred tax balances recognised in the accounts. If the Company's land and buildings were sold at their revalued amount an estimated tax liability of approximately £230,000 (2012: £253,000) would arise.

34 CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal Value:	2013 £000	2012 £000
50,000,000	Ordinary	0.4p	**200**	200

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	2013 £000	2012 £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.

35 RESERVES

	Share Premium £000	Merger reserve £000	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss account £000
At 1 October 2012	2,649	1,493	1,113	18	1,318
Profit for the year	-	-	-	-	51
Dividends	-	-	-	-	(295)
Share-based payments	-	-	-	-	253
Reserves transfer	-	-	(18)	-	(77)
At 30 September 2013	2,649	1,493	1,095	18	1,250

36 OWN SHARES

	£000
At 1 October 2012 (note 28)	844
EBT Reserves transfer	(95)
Sale of own shares	(507)
At 30 September 2013 (note 28)	242

37 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £000	2012 £000
Profit / (loss) for the financial year	**51**	(129)
Dividends	**(295)**	(197)
Share-based payments	**253**	135
Proceeds from sale of own shares	**507**	-
Net addition to shareholders' funds	**516**	(191)
Opening shareholders' funds – equity	**5,853**	6,044
Closing shareholders' funds - equity	**6,369**	5,853

38 COMMITMENTS

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

		Land and buildings
	2013 £000	2012 £000
Expiring:		
Not later than one year	**35**	-
Between one and five years	**-**	180
	35	180

39 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

	2013 £	2012 £
Expenses paid / incurred on behalf of subsidiary	**-**	5,774
Loans and advances repaid by subsidiary	**-**	30,135
Balance due from North Gate at the year end	**-**	-

North Gate Executive Search Limited ceased to be a related party following the disposal of the company on 9 December 2011. Related party transactions relating to the directors are disclosed in the Directors' Remuneration Report (page 17).

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