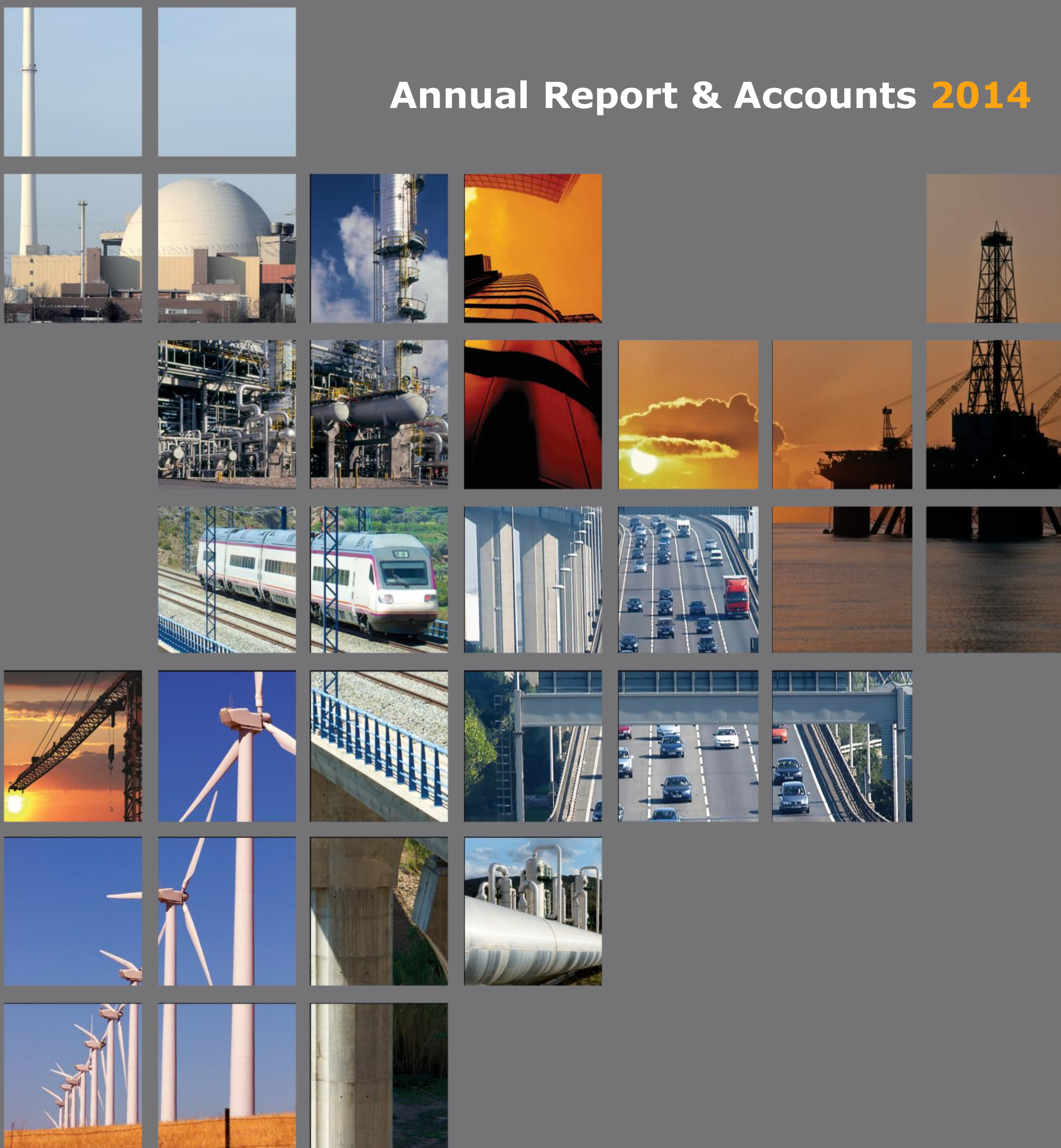
driver group plc

Company No: 3475146

Annual Report & Accounts 2014



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Key Financial Information

	2014 £000	2013 £000	Change
Revenue from continuing operations	39,078	36,640	2,438
Underlying* profit before tax	3,451	3,373	78
Share-based payment costs and amortisation of intangible assets	(392)	(482)	90
Profit before tax from continuing operations	3,059	2,891	168
Profit after tax	2,302	2,205	97
Basic earnings per share	8.6p	8.3p	0.3p
Underlying* earnings per share	11.2p	11.4p	(0.2p)
Dividend per share***	1.65p	1.5p	0.15p
Net (borrowings) / cash at year end**	(167)	1,073	(1,240)
Total equity	12,089	10,051	2,038

Key points

- Another record year for the Group
- Revenue up 7% with growth in the following regions:
  - Asia Pacific up 102%
  - Europe up 6%
  - Middle East up 7%
- Underlying* profit before tax £3.45m (2013: £3.37m); Profit before tax from continuing operations £3.06m (2013: £2.89m)
- Reported earnings per share up 4% at 8.6 pence (2013: 8.3 pence)
- Increased final dividend of 1.05p (2013: 1.0p) giving an increase of 10% to the full year dividend of 1.65p (2013: 1.5p)
- Strengthened service offerings in core business and invested in the business in areas of the Company where significant growth can be achieved
- Established Joint Venture agreements with MHPM Project Managers in Canada and the Middle East
- Post year end, strategic acquisition of initiate Consulting to provide programming and project management offering in the infrastructure sector
- Post year end appointed Steve Norris as Non-executive Director

** Underlying figures are from continuing operations and are stated before the share-based payment costs and amortisation of intangible assets*
***Net (borrowings) / cash consists of cash and cash equivalents, bank loans and finance leases.*
****0.6p paid as an interim dividend (2013: 0.5p), remaining 1.05p proposed for payment after year end.*

Chairman's Statement

INTRODUCTION

I am pleased to report on a further year of growth for the Group; a year in which revenue and profits continued to increase in line with our planned objectives. We have in the year continued to strengthen our service offerings and invested in the business as we recruited and positioned senior people in parts of our business where we believe we can deliver significant growth. We expect to report on this growth in the second half of 2014 / 2015.

As stated in our Pre Close Trading Update we ended the year with a very strong performance in Africa, Asia Pacific and Europe. The Middle East, whilst relatively quiet in July and August traded up at normal levels in September. As previously announced we took the decision to close the Houston office and so ended the year with a solid performance from all regions of our continuing operations. This strength in trading and the continued optimism across the business allows us to again recommend an increase in the final dividend.

Headcount and utilisation levels have increased in Africa, Asia Pacific, Europe and the Middle East. We continue to attract and retain high quality staff who provide our market leading service and our employee and sub-consultant headcount as a whole has risen by 9% to 368 (2013: 338). The quality of our service offering is dependent upon the commitment and loyalty of our staff and on behalf of the Board and our shareholders I would like to thank all of our staff for their loyalty and commitment to the Company.

FINANCIAL RESULTS

Revenue in our continuing operations for the 12 months to 30 September 2014 increased by 7% to £39.1m (2013: £36.6m) with growth coming from Asia Pacific, Europe and the Middle East. As previously announced, revenue in Africa was adversely affected by the suspension by the South African government of the three PPP hospitals at the start of the financial year.

Underlying* Profit before taxation increased by 2% to £3.5m (2013: £3.4m). After share–based payment costs and amortisation of £392,000 (2013: £482,000) reported profit before taxation increased 6% to £3.1m (2013: £2.9m).

The Group had net borrowings of £0.2m at 30 September 2014 (2013: net cash of £1.1m). However, the second half of the year saw cash generation of over £1.0m. The outflow in the first half was in large part due to the increase in working capital as we grew our overseas businesses, particularly in the Middle East; increased investment and capital expenditure into the business as we positioned the Group for further growth; and the consideration for the acquisition of the businesses in Hong Kong and South Africa.

As a result of issuing new shares, to satisfy share options, during the year underlying* earnings per share was 11.2 pence (2013: 11.4 pence). Reported earnings per share was up 4% at 8.6 pence (2013: 8.3 pence).

DIVIDEND

In view of the sustained profit growth of the Group, the Board proposes a final dividend for 2014 of 1.05p (2013: 1.0p) giving a full year dividend of 1.65p (2013: 1.5p). The final dividend will be paid on 7 April 2015 to shareholders on the register at the close of business on 27 March 2015.

TRADING OVERVIEW

The Groups performance continues to progress well. Revenue is 7% higher, headcount is up 9%, utilisation levels are better by 3% at 78.8% (2013: 76.7%), underlying* profit before tax has increased by 2% and reported profit before tax has increased by 6%. The strategic investments in Asia Pacific have developed well through the year, particularly in Australia, and revenue in the established regions of Europe and the Middle East also continue to increase. With the closure of our Houston based operation, losses of £0.31m were incurred in this region in the year, which will not continue into the current year.

Trading in Europe accounted for 53% of Group revenue (2013: 54%) and was up 6% on 2013 revenue largely as a result of a strong performance from the Project Services business and its Process division. Profits were at the top end of management expectations and utilisation levels continued to improve; up 0.5 points at 77.2%. During the year, we were particularly pleased to announce our appointment by SABIC UK Petrochemicals Limited to provide Project Control Services on a significant investment to convert their Teesside Plant to take shale gas from USA (SABIC is headquartered in Riyadh, Saudi Arabia, and is one of the world's top 6 petrochemical companies and the largest non-oil company in the Middle East). This appointment is particularly pleasing given the stature of the competition we had to compete against to secure it and the track record we will now develop on projects of this size.

Middle East revenues accounted for 32% of Group revenue (2013: 32%) and were up 7% on 2013. Utilisation levels increased by 0.7 points to a very respectable 85.1%. Growth came largely as a result of the Qatar office and its disputes services but these were at lower fee rates and profit levels than the region experienced in the prior year. This, together

** Underlying figures are from continuing operations and are stated before the share-based payment costs and amortisation of intangible assets*

with a quieter July and August following the early settlement of work, accounts for a slight drop in profits. We are starting to experience wage inflation pressure across the region and whilst these are coming through in advance of increases in fee rates it is expected that fee rates will increase commensurate with remuneration in the future.

We are delighted by the progress made in Asia Pacific where revenues increased by 102%. The small underlying* loss in the year as a whole was an improvement in management expectations and the region ended the year trading profitably in the second half as the benefits of our investments started to come through. The region now accounts for 9% of Group revenues (5% in 2013). Overall utilisation levels were up 15.9 points at 59.5% with Australia performing best at 80.2%. We are continuing to invest in our Asia Pacific business especially in Hong Kong where we have increased headcount to establish ourselves in the region.

Africa performed in line with management expectations and strengthened through the second half of the year, a period in which we saw double digit profit margins following the slow start in the first half when the South African Government suspended work on the 3 PPP hospitals. As a result the region accounts for 6% of Group revenues (10% in 2013). The strong performance in the second half was in the main as a result of expanding the dispute and project controls service offerings and the business now has far more breadth to its client base.

As previously announced, we reviewed the performance of the US business based in Houston and discontinued this operation during the year. Although we have ceased trading in the US market, we continue to be able to provide the required support for global clients who are based in the US for projects outside of the US from our other locations. Our Oil & Gas revenues together with associated Petrochemical and Marine revenues now account for 19% of our business and we continue to see this sector as one that will provide the Group with significant growth opportunities.

We have also now appointed a Vice President for Canada and this current financial year will see the start of our joint venture agreement with MHPM Project Leaders in Canada to provide dispute & advisory services across their network of offices in Canada.

OUTLOOK

As referred to in last year's statement, targeted acquisitions will accelerate growth. The Board is therefore delighted with the acquisition of initiate Consulting ("Initiate") announced today and we believe that the programming and project management offering that this business provides, primarily to the rail, aviation and highways sectors will be a significant factor in our strategy for growth. The experience and track record that this business brings to the Group will allow for both the development of Initiate within the UK and across our global footprint whilst also providing the opportunity to leverage our existing project controls and dispute & advisory services.

As part of this acquisition, I welcome Steve Norris to the Group Board as a Non-Executive Director and the Board looks forward to working with Steve as we integrate Initiate into the Group and look to expand our infrastructure capabilities where Steve's considerable experience will be invaluable.

We are also delighted by the extension of our relationship with MHPM Project Leaders with a further joint venture to provide Project Management services across the UAE and Qatar and believe that their world class expertise in this service together with our platform across the Middle East will allow us to secure appointments that would otherwise be beyond our capabilities.

The acquisition of Initiate, the joint ventures with MHPM Project Leaders and recruitment of senior staff into parts of the business where growth opportunities have been identified will ensure that the Group is firmly established to take the business on to the next level. In order to achieve this, we will invest in further resource in the short term in order to ensure the maximum benefit from the momentum created by these events.

The Board is confident that there is the opportunity to press ahead and achieve material business development and growth over the next four years. The executive board, responsible for the operational aspects of the Group and reporting to the Group Board, has been streamlined in order to facilitate a more efficient means of leveraging our staff, services and clients across our global platform and we have made a senior appointment on to this Board to focus on Africa, Asia Pacific and Middle East where we see opportunity for significant growth over the medium term. I am very confident that through the recent acquisition and JV agreement the Group can develop a very strong programming and project management offering to complement its class leading project controls and dispute & advisory services which will result in significant growth in the medium term.

Our plans for the year anticipate investment in the recruitment of fee earning staff, particularly in Africa, Asia Pacific and the Middle East, throughout the year and this will mean that, as last year, our profits and cash inflow will be weighted towards the second half. The current year has started well and is in line with our expectations providing me with a high level of confidence in the outlook for the remainder of this financial year and beyond.

W. Alan McClue
Non-Executive Chairman

Strategic Report - Chief Executive's Review

INTRODUCTION

I am delighted to report on another record year for Driver Group with revenue, profits and earnings all up on last year and at historic highest levels. The past year was always envisaged as one to consolidate our position in our target markets given three prior years of significant growth, and I am very pleased that we were able to achieve this, whilst at the same time continuing to deliver an increase in revenue and profits. We also had success in creating opportunities that further strengthen our service offerings. Towards the end of the year being reported on we recruited and have placed in position senior people who will deliver significant growth to the Group; the benefits of which will start to come through in the medium term.

During the year we agreed a Joint Venture with MHPM Project Leaders in Canada to provide dispute & advisory services across their network of Canadian offices starting in Toronto. There was no trading in the year but our Vice President of Canada was appointed in October 2014 and the current financial year will see a full year's contribution to trading.

Towards the end of the year our search for complementary acquisitions was successful and we have today announced the acquisition of initiate Consulting ("Initiate"); a London based programme and project management business serving the rail, aviation and highways sectors. The expertise and gravitas of the people involved in this business will serve the Group well as we look to grow Initiate internationally and leverage our project controls and dispute & advisory business.

Africa, Asia Pacific and Europe performed towards the top end of management expectations and whilst the Middle East had a drop off in revenue in July and August, the final month of the year was back at normal trading levels. The Houston office in America disappointed and we took the decision and decisive action to discontinue the Houston business with effect from 30 September 2014. After careful consideration, we believe that we can continue to deliver our global Oil & Gas offering and to serve our American clients on their projects around the world from our network of offices with strategic visits to the USA when necessary.

We have seen headcount and utilisation levels steadily increase in Africa, Asia Pacific and Europe whilst maintaining levels in the Middle East. We continue to attract and retain high quality staff who provide our market leading service and our employee and sub-consultant headcount as a whole has risen by 9% to 368 (2013: 338). Utilisation levels also increased by 2.1 points to 78.8% (2013: 76.7%).

Revenue in our continuing operations for the 12 months to 30 September 2014 increased by 7% to £39.1m (2013: £36.6m), underlying* Profit before taxation increased by 2% to £3.5m (2013: £3.4m) and Profit before taxation increased by 6% to £3.1m (2013: £2.9m). The Group had net debt of £0.2m at 30 September (2013: net cash of £1.1m). In the second half of the year we had cash inflow of around £1.0m. The outflow in the first half was as a result of increases in working capital primarily in the Middle East and payments for the acquisitions in Hong Kong and South Africa.

AFRICA

Africa performed in line with expectations with revenue at £2.3m (2013:£3.6m) and profits of £0.1m (2013: £0.4m). This reduction was as a result of the South African Government suspending work on the 3 PPP hospitals at the start of the year and it was not possible to replace this revenue until the second half of the year. In the second half revenues increased by 39% delivering what the Board considers to be acceptable profits of 11.5%. The growth in the second half was as a result of expanding the dispute and project controls service offerings so as not to be overly reliant on the PPP activity and the business now has far more breadth to its client base. The new Managing Director has successfully transitioned into the business and has increased the headcount to 23 (2013: 16) with utilisation levels now very good at 79.8%.

ASIA PACIFIC

Asia Pacific performed slightly ahead of expectations increasing revenues by 102% to £3.4m (2013: £1.7m) and reducing the prior year's loss in 2013 of £0.7m to a small underlying* loss of £0.1m in 2014; the region ended the year trading profitably in the second half. Utilisation levels were up 15.9 points at 59.5% with Australia the best performing office delivering good profits and with utilisation at 80.2%. During the year we also opened a further office in Perth, Australia on the back of client demand in the region. The Hong Kong office started trading on 1 October 2013 and has developed well in the expert witness and training markets, ending the year with 8 staff generally through forward recruiting and hence a low utilisation level for the office.

EUROPE

Trading in Europe consolidated with revenue up 6% at £20.8m (2013: £19.6m) largely as a result of the Project Services business and its Process division. Profits were at the top end of management expectations with average fee rates up 7% and utilisation levels continued to improve; up 0.5 points at 77.2% (2013: 76.7%). During the year we were particularly pleased to announce our appointment by

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SABIC UK Petrochemicals Limited to provide Project Control Services on a significant investment to convert their Teesside Plant to take shale gas from USA (SABIC are headquartered in Riyadh, Saudi Arabia, is one of the world's top 6 petrochemical companies and the largest non-oil company in the Middle East). This appointment is particularly pleasing given the stature of the competition we had to compete against to secure it and the track record we will now develop on projects of this size.

MIDDLE EAST

Middle East trading also consolidated with revenues up 7% at £12.6m (2013: £11.8m). Utilisation levels increased by 0.7 points to a very respectable 85.1%. Growth came largely as a result of the Qatar office and its disputes services but these were at lower fee rates (8% down in the year across the region) than the region experienced in the prior year. This, together with a quieter couple of months over the summer following the early settlement of work, accounts for a drop in profits to what is still a respectable 23% (2013: 27%). We are starting to experience pressure to increase remuneration levels across the region as a result of competition to recruit good quality staff and whilst these are coming through in advance of increases in fee rates it is expected that fee rates will increase commensurate with remuneration.

OUTLOOK

Between 2010 and 2013 we doubled the size of the business during a very challenging economic climate whilst continuing to deliver increasing levels of profit. In 2014 we consolidated this position. Last year we also worked hard to create the conditions and structure needed to embark on a new period of growth and the benefits are starting to accrue. The acquisition of Initiate will allow the Group to develop programming and project management services in the infrastructure sector across the UK, where the infrastructure spend is significant, to other geographical regions in which the Group operates, such as Africa and the Middle East, where the aviation, rail and highways sectors provide substantial opportunities. We can further leverage our existing project controls and dispute & advisory business into this sector on the back of Initiates' offering and client base. I am very excited about the appointment of Steve Norris to the Group Board as a Non-Executive Director as part of the Initiate deal, as he brings a wealth of experience in this sector as do a number of senior people in the Initiate business. We also have the opportunity to grow Project Management through the Middle East in our new joint venture with MHPM as their class leading expertise across our regional network provides the opportunities to work on projects that otherwise would be beyond our capability.

At the start of financial year 2014 / 2015 a new executive board reporting to the Group Board through myself has been created aimed at structuring the senior management of the business in order to better facilitate growth through the leveraging of our new acquisition, JV relationships, staff, clients and Group services. This Executive Board, chaired by me as CEO, also consists of the Group Finance Director, three Chief Operating Officers (COO) and the Group Business Development Director. A new senior appointment has been made for the COO role across Africa, Asia Pacific and Middle East as these regions represent a significant part of our growth plans.

I am delighted with these developments and believe that the Group is firmly established with the senior management and skill-set to take the business into the next period of growth. We need to ensure that we gain the maximum benefit from the momentum created by the acquisition of Initiate, our JV agreements and these new senior appointments within the Group. I see the opportunity to press ahead for material business development over the coming four years from this foundation and I am confident that the Group can develop a very strong programming and project management offering to complement its class leading project controls and dispute & advisory services which will lead to significant growth in the medium term. I also see a material element of this growth coming from Asia Pacific where we have worked hard over the last year to create a team of 24 people but where there is also a major opportunity to increase our headcount and presence significantly in this large part of the world. On a smaller scale, our operations in Canada have had a good start and I am confident that with MHPM we will see this region develop to a reasonable sized practice.

As we end the first quarter of the new financial year, I am very happy with the progress we are making and with our plans for the next stage of our growth. We anticipate the first half of the year to be one in which we invest in new staff and structure and, as a result, our profits and cash inflow will be back-end weighted. As we progress through the year, opportunities will present themselves that may require further investment but will be necessary in order to deliver our aspirations to again double the size of this business and I will be looking to make that type of investment in the interest of long term growth in our profit levels.

Dave Webster
Chief Executive Officer

Strategic Report – Description of the Business

Driver Group has been providing consultancy services to the engineering and construction industries since 1978. The company has grown to over 300 members of staff, with offices across Africa, Asia Pacific, Europe, and the Middle East. The range of services offered across the Group provides support to the engineering and construction industries it serves, from 'cradle to grave'.

DIALES

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

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

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

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.

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 borrowing facilities consisted of an overdraft facility of £2.75m renewable annually and a term loan of £1.25m repayable on 31 October 2016. With an overdraft utilisation of £0.34m and cash balances of £1.43m the Group had access to £3.84m of available funds at 30 September 2014. 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"), Hong Kong Dollar ("HKD") 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 2014 are shown in note 22 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, Hong Kong 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 22 to the Financial Statements. As non-Sterling earnings increase, the exposure of the Group's Income Statement and Equity to movements in Sterling will increase as well.

CONTINGENCIES AND LEGAL PROCEEDINGS RISK MANAGEMENT

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

HEALTH AND SAFETY

Driver is committed to ensuring the health and safety of its employees in the 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.

Strategic Report – Finance Director's Review

OVERVIEW FOR THE YEAR

The key performance indicators for the Group are revenue, operating profit, profit before tax and utilisation. We also monitor underlying* operating profit and underlying* profit before tax as we believe these measures better reflect the underlying results of the Group. We are pleased to report that 2014 has again been a record year in both revenue and operating profit and overall utilisation has improved 2.1 points to 78.8% (2013: 76.7%).

Revenue increased by 7% to £39.1m (2013: £36.6m) and underlying* operating profit for the year ended 30 September 2014 was £3.52m (2013: £3.43m). Reported operating profit was £3.13m (2013: £2.95m).

After a net interest charge of £0.07m (2013: £0.06m) the underlying* profit before tax was £3.45m (2013: £3.37m) and reported profit before tax was £3.06m (2013: £2.89m).

The Group's results include a share based payment cost in the year of £0.29m (2013: £0.48m) in relation to the Group's share option scheme (note 10) and an amortisation cost for intangible assets of £0.1m (2013: £nil) arising from acquisition of contracts in Hong Kong during the year.

During the year the Board took the decision to close the Houston office, which lost money throughout the year and consequently the Americas segment has been presented as a discontinued operation in the accounts with a loss on discontinued operation, net of tax of £0.31m (2013: £0.3m).

The European business segment revenue grew by £1.2m to £20.8m although operating profit reduced slightly by £0.06m to £2.45m. The Middle East segment revenue increased by £0.9m to £12.6m although operating profit reduced by £0.3m to £2.9m as the growth came principally from Qatar where profits were at lower rates. The Africa segment revenue reduced by £1.3m to £2.3m as a result of the suspension of three major hospital projects and operating profit reduced by £0.3m to £0.1m. Asia Pacific segment revenue grew by £1.7m to £3.4m and the underlying* operating loss reduced by £0.6m to £0.1m after an amortisation charge of £0.1m (2013: nil) Asia Pacific Operating loss was £0.2m. Reflecting strong controls on costs, underlying* unallocated corporate costs reduced by £0.1m to £1.8m. After a share option cost of £0.29m (2013:£0.48m) the reported unallocated costs were £2.1m (2013: £2.4m).

TAXATION

The Group had a tax charge of £0.44m (2013: £0.39m). The effective tax rate was 14% (2013: 13%). 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 11.2 pence (2013: 11.4 pence). The basic earnings per share was 8.6 pence (2013: 8.3 pence) and diluted earnings per share was 7.8 pence (2013: 7.3 pence).

CASH FLOW

Cash generated from operations was £0.06m (2013: inflow of £2.2m). This reflected an outflow from increased debtors of £2.1m (2013: £1.9m) and an outflow in relation to reduced creditors of £1.1m (2013: inflow of £1.0m). Net tax paid in the year was £0.2m (2013: nil).

Other major cash items are: proceeds from the sale of new and own shares of £0.2m (2013: £0.5m), capital spend of £0.4m (2013: £0.3m), acquisition of intangible assets £0.2m (2013: nil), acquisition of non-controlling interest £0.2m (2013: nil) and net repayment of borrowings of £0.3m (2013: £0.7m). Dividends paid were £0.4m (2013: £0.3m).

The Company had net borrowings at the end of the year of £0.17m compared to net cash of £1.07m at 30 September 2013.

DIVIDENDS

The Directors have proposed a final dividend in respect of the current financial year of 1.05p per share (2013: 1.0p) 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 £285,000 (2013: £253,000). The final dividend will be paid on 7 April 2015 to shareholders on the register at the close of business on 27 March 2015.

There were dividends of £424,000 (2013: £295,000) paid by the Company during the year, including an interim dividend of 0.6p (£159,000).

On behalf of the Board

Damien McDonald
Finance Director
08 December 2014

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Directors

W Alan McClue (aged 67)
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 47)
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 41)
Finance Director

A Chartered Accountant with over 19 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 57)
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	Driver House, 4 St Crispin Way, Haslingden, Lancashire, BB4 4PW Tel: +44 (0)1706 223 999 Fax: +44 (0)1706 219 917 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 2014.

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 and note 22.

DIRECTORS

The Directors during the year under review were:

W A McClue
D J Webster
D P McDonald
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 2014 Ordinary 0.4p Shares	30 September 2013 Ordinary 0.4p Shares
W A McClue	942,500	317,500
D J Webster	2,002,088	1,502,088
D P McDonald	10,000	10,000
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) granted to Mr Webster were 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. On 9 December 2013 Mr Webster exercised these options and sold 750,000 ordinary shares retaining the further 500,000 additional ordinary shares.

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. On 30 September 2014 Mr McClue exercised these share options, consequently selling the 625,000 ordinary shares on 7 October 2014.

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 2014, the Trust owned 596,677 (2013: 1,125,000) shares which it acquired at an average of 73p per share (note 10).

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
08 December 2014

Corporate Governance

For the year ended 30 September 2014

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

During the financial year to 30 September 2014 the Board consisted of two Executive Directors, David Webster and Damien McDonald and two Non-Executive Directors, W Alan McClue (Chairman) and Colin Davies.

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

The Remuneration Committee consisted of W Alan McClue and Colin Davies. The Directors' Remuneration Report on page 14 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.

The Audit 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 2014

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	Car allowance	Benefits	Total 2014	Pension[1] 2014	Total Remuneration 2014	Total 2013	Pension 2013	Total Remuneration 2013
	£	£	£	£	£	£	£	£	£
David Webster[3]	275,000	12,000	2,262	**289,262**	**20,191**	**309,453**	335,581	21,100	356,681
Damien McDonald[1][3]	83,950	12,000	3,277	**99,227**	**41,085**	**140,312**	115,814	26,184	141,998
Stephen Driver [2]	-	-	-	**-**	**-**	**-**	51,500	180	51,680
William Alan McClue[1][3]	50,000	-	-	**50,000**	**-**	**50,000**	4,167	45,833	50,000
Colin Davies	18,000	-	-	**18,000**	**-**	**18,000**	18,000	-	18,000
Total	**426,950**	**24,000**	**5,539**	**456,489**	**61,276**	**517,765**	525,062	93,297	618,359

(1) Pension includes salary sacrifice with the director voluntarily reducing salary and bonus in exchange for a higher company pension contribution.
(2) 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 £1,790 (2013: £209,980).

For the year to 30 September 2014, 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
08 December 2014

Statement of Directors' Responsibilities

In respect of the Report of the Directors and the Financial Statements for the year ended 30 September 2014

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report of the Directors, the Annual Report 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 2014

TO THE MEMBERS OF DRIVER GROUP PLC

We have audited the Financial Statements of Driver Group plc for the year ended 30 September 2014 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 2014 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

08 December 2014

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 2014

	Notes	2014 £000	2013 £000 Restated*
REVENUE	2	39,078	36,640
Cost of Sales		(29,336)	(27,131)
GROSS PROFIT		9,742	9,509
Administrative expenses		(6,773)	(6,730)
Other operating income		160	170
Operating profit before share-based payment costs and amortisation of intangible assets		3,521	3,431
Share-based payment charges and associated costs	19	(293)	(482)
Amortisation of intangible assets	13	(99)	-
OPERATING PROFIT	2, 4	3,129	2,949
Finance income		8	14
Finance costs	5	(78)	(72)
PROFIT BEFORE TAXATION	2	3,059	2,891
Tax expense	6	(443)	(387)
PROFIT FROM CONTINUING OPERATIONS		2,616	2,504
Loss on discontinued operation, net of tax	7	(314)	(299)
PROFIT FOR THE YEAR		2,302	2,205
Profit attributable to non-controlling interests from continuing operations		9	104
Profit attributable to non-controlling interests from discontinued operations		-	-
Profit attributable to equity shareholders of the parent from continuing operations		2,607	2,400
Profit attributable to equity shareholders of the parent from discontinued operations		(314)	(299)
		2,302	2,205
Basic earnings per share attributable to equity shareholders of the parent (pence)	10	8.6p	8.3p
Diluted earnings per share attributable to equity shareholders of the parent (pence)	10	7.8p	7.3p
Basic earnings per share attributable to equity shareholders of the parent (pence) from continuing operations	10	9.7p	9.5p
Diluted earnings per share attributable to equity shareholders of the parent (pence) from continuing operations	10	8.9p	8.4p

The notes on pages 22 to 55 form part of these Financial Statements.

**Restated to reflect discontinued operations*

Consolidated Statement of Comprehensive Income

For The Year Ended 30 September 2014

	Notes	2014 £000	2013 £000
PROFIT FOR THE YEAR		2,302	2,205
Other comprehensive income:			
Items that could subsequently be reclassified to the Income Statement:			
Exchange differences on translating foreign operations		(116)	(112)
OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX		(116)	(112)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,186	2,093
Total comprehensive income attributable to:			
Owners of the parent		2,177	1,989
Non-controlling interest		9	104
		2,186	2,093

The notes on pages 22 to 55 form part of these Financial Statements.

Consolidated Statement of Financial Position

At 30 September 2014

Company Number 3475146

	Notes	2014 £000	2014 £000	2013 £000	2013 £000
NON-CURRENT ASSETS					
Goodwill	12	3,407		3,407	
Property, plant and equipment	11	2,527		2,273	
Intangible assets	13	96		-	
Deferred tax asset	18	22		12	
			6,052		5,692
CURRENT ASSETS					
Trade and other receivables	14	12,768		10,696	
Cash and cash equivalents	17	1,430		2,667	
Current tax receivable		77		75	
			14,275		13,438
TOTAL ASSETS			20,327		19,130
CURRENT LIABLITIES					
Borrowings	16	(338)		(574)	
Trade and other payables	15	(6,003)		(6,885)	
Current tax payable		(444)		(292)	
			(6,785)		(7,751)
NON-CURRENT LIABILITIES					
Borrowings	16	(1,259)		(1,020)	
Deferred tax liabilities	18	(194)		(308)	
			(1,453)		(1,328)
TOTAL LIABILITIES			(8,238)		(9,079)
NET ASSETS			12,089		10,051
SHAREHOLDERS' EQUITY					
Share capital	19		111		106
Share premium	23		2,702		2,649
Merger reserve	23		1,493		1,493
Translation reserve	23		(313)		(197)
Capital redemption reserve	23		18		18
Retained earnings	23		8,173		5,988
Own shares	23		(107)		(242)
TOTAL SHAREHOLDERS' EQUITY			12,077		9,815
NON-CONTROLLING INTEREST	23		12		236
TOTAL EQUITY			12,089		10,051

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

Damien McDonald
Finance Director

08 December 2014

The notes on pages 22 to 55 form part of these Financial Statements.

Consolidated Cashflow Statement

For The Year Ended 30 September 2014

	Notes	2014 £000	2013 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		2,302	2,205
Adjustments for:			
Depreciation	11	215	181
Amortisation	13	99	-
Exchange adjustments		(34)	28
Finance income		(11)	(14)
Finance expense		78	72
Tax expense		330	387
Equity settled share-based payment charge	19	293	253
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS		3,272	3,112
Increase in trade and other receivables		(2,069)	(1,861)
(Decrease) / Increase in trade and other payables		(1,141)	979
CASH GENERATED FROM OPERATIONS		62	2,230
Tax paid		(243)	(8)
NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES		(181)	2,222
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		11	14
Acquisition of property, plant and equipment	11	(432)	(307)
Acquisition of intangible assets	13	(155)	-
Acquisition of non-controlling interest	21	(206)	-
Proceeds from the disposal of property, plant & equipment		2	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(780)	(293)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(78)	(72)
Repayment of borrowings		(563)	(727)
Proceeds of borrowings		238	-
Proceeds from sale of own shares	23	135	507
Proceeds from sale of shares		58	-
Dividends paid to equity shareholders of the parent	9	(420)	(295)
Payment of dividends to non controlling interests		(8)	(4)
NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES		(638)	(591)
Net (decrease) / increase in cash and cash equivalents		(1,599)	1,338
Effect of foreign exchange on cash and cash equivalents		34	(28)
Cash and cash equivalents at start of period		2,667	1,357
CASH AND CASH EQUIVALENTS AT END OF PERIOD	17	1,102	2,667

The notes on pages 22 to 55 form part of these Financial Statements.

Consolidated Statement of Changes in Equity

For The Year Ended 30 September 2014

	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 2012	**106**	**2,649**	**1,493**	**(67)**	**4,024**	**(844)**	**7,361**	**136**	**7,497**
Profit for the year	-	-	-	-	2,101	-	2,101	104	2,205
Other comprehensive income for the year	-	-	-	(112)	-	-	(112)	-	(112)
Total comprehensive income for the year	-	-	-	(112)	2,101	-	1,989	104	2,093
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
Proceeds from sale of shares	-	-	-	-	-	-	-	-	-
CLOSING BALANCE AT 30 SEPTEMBER 2013	**106**	**2,649**	**1,493**	**(179)**	**5,988**	**(242)**	**9,815**	**236**	**10,051**
Profit for the year	-	-	-	-	2,293	-	2,293	9	2,302
Other comprehensive income for the year	-	-	-	(116)	-	-	(116)	-	(116)
Total comprehensive income for the year	-	-	-	(116)	2,293	-	2,177	9	2,186
Dividends	-	-	-	-	(420)	-	(420)	(8)	(428)
Share-based payment	-	-	-	-	293	-	293	-	293
Acquisition of non controlling interests (note 21)	-	-	-	-	19	-	19	(225)	(206)
Proceeds from sale of own shares	-	-	-	-	-	135	135	-	135
Proceeds from sale of shares	5	53	-	-	-	-	58	-	58
CLOSING BALANCE AT 30 SEPTEMBER 2014	**111**	**2,702**	**1,493**	**(295)**	**8,173**	**(107)**	**12,077**	**12**	**12,089**

* 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 23.

(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 10).

The notes on pages 22 to 55 form part of these Financial Statements.

Summary of Significant Accounting Policies

For The Year Ended 30 September 2014

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 48 to 55.

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 closing bid 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 which gains and losses are recognised directly in

1 ACCOUNTING POLICIES - continued

FOREIGN CURRENCY TRANSLATION - continued
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 within 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 in the Annual General Meeting.

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.

1 ACCOUNTING POLICIES - continued

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 and laws that have been 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 from inception, 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% per annum
Fixtures and fittings	-	10% - 33% per annum
Computer equipment	-	25% per annum
Motor Vehicles	-	25% per annum

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.

INTANGIBLE ASSETS

Intangible asset is stated at cost less accumulated amortisation and any provision for impairment.

Intangible assets relating to externally acquired customer contracts are amortised over the life of the contract which is typically between one and three years.

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 25.

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.

International Financial Reporting Standards in issue but not effective until future periods:

The IASB and IFRS Interpretations Committee have issued standards, interpretations and amendments which are applicable to the Group. They are not effective and have not been applied in the current year, the following may have an impact going forward:

- IFRS 9 Financial Instruments: Classification and Measurement (not EU adopted). Potential impact on Group: Classification and measurement of financial instruments.
- IFRS 10 Consolidated Financial Statements (EU adopted). Potential impact on Group: Enhanced definition of control but impact will not be significant.
- IFRS 11 Joint Arrangements (EU adopted). Potential impact on Group: Management to consider impact on new joint venture arrangements which commence in next period.
- IFRS 12 Disclosure of Interests in Other Entities (EU adopted). Potential impact on Group: Additional disclosure.
- IFRS 15 Revenue from Contracts with Customers (not EU adopted). Potential impact on Group: Management are considering impact on changes to accounting for revenue.

Notes to the Financial Statements

For The Year Ended 30 September 2014

2 SEGMENTAL ANALYSIS

REPORTABLE SEGMENTS

For management purposes, the Group is organised into five operating divisions: Europe, Middle East, Africa, Asia Pacific and America. These divisions are the basis on which the Group is structured and managed, based on its geographic structure. During the year to 30 September 2014 the Board closed the USA operation and has consequently disclosed Americas as discontinued. 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. Segmental information in respect of these services is not disclosed as the business is managed geographically and the cost of obtaining this information is deemed excessive.

Segment information about these reportable segments is presented below.

Year ended 30 September 2014

	Continuing Operations							Discontinued
	Europe £000	Middle East £000	Africa £000	Asia Pacific £000	Eliminations £000	Unallocated[1] £000	Consolidated £000	Americas
Total external revenue	20,780	12,634	2,287	3,377	-	-	39,078	513
Total inter-segment revenue	1,469	78	118	-	(1,775)	-	(110)	110
Total revenue	22,249	12,712	2,405	3,377	(1,775)	-	38,968	623
Segmental profit/(loss)	2,446	2,889	109	(118)	-	-	5,326	(430)
Unallocated corporate expenses[1]	-	-	-	-	-	(1,805)	(1,805)	-
Share-based payment charge	-	-	-	-	-	(293)	(293)	-
Amortisation of intangible assets	-	-	-	(99)	-	-	(99)	-
Operating profit/(loss)	2,446	2,889	109	(217)	-	(2,098)	3,129	(430)
Finance income	-	-	-	-	-	8	8	3
Finance expense	-	-	-	-	-	(78)	(78)	-
Profit/(loss) before taxation	2,446	2,889	109	(217)	-	(2,168)	3,059	(427)
Taxation	-	-	-	-	-	(443)	(443)	113
Profit/(loss) for the year	2,446	2,889	109	(217)	-	(2,611)	2,616	(314)
OTHER INFORMATION								
Non current assets	4,214	127	44	158	-	1,500	6,043	9
Reportable segment assets	9,691	6,614	810	1,318	-	1,817	20,250	77
Capital additions[2]	245	42	7	73	-	110	477	-
Depreciation and amortisation	71	45	11	119	-	65	311	3

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 of 10% or more of the Group's revenue in the year to 30 September 2014.

2 SEGMENTAL ANALYSIS – continued

Year ended 30 September 2013

	Continuing Operations							Discontinued
	Europe £000	Middle East £000	Africa £000	Asia Pacific £000	Eliminations £000	Unallocated[1] £000	Consolidated £000	Americas
Total external revenue	19,625	11,755	3,591	1,669	-	-	36,640	595
Total inter-segment revenue	390	158	-	-	(548)	-	-	-
Total revenue	20,015	11,913	3,591	1,669	(548)	-	36,640	595
Segmental profit/(loss)	2,505	3,157	421	(742)	-	-	5,341	(299)
Unallocated corporate expenses[1]	-	-	-	-	-	(1,910)	(1,910)	-
Share-based payment charge	-	-	-	-	-	(482)	(482)	-
Amortisation of intangible assets	-	-	-	-	-	-	-	-
Operating profit/(loss)	2,505	3,157	421	(742)	-	(2,392)	2,949	(299)
Finance income	-	-	-	-	-	14	14	-
Finance expense	-	-	-	-	-	(72)	(72)	-
Profit/(loss) before taxation	2,505	3,157	421	(742)	-	(2,450)	2,891	(299)
Taxation	-	-	-	-	-	(387)	(387)	-
Profit/(loss) for the year	2,505	3,157	421	(742)	-	(2,837)	2,504	(299)
OTHER INFORMATION								
Non current assets	3,837	130	38	9	-	1,660	5,674	18
Reportable segment assets	9,141	5,303	1,235	521	-	2,773	18,973	157
Capital additions[2]	153	96	45	4	-	-	298	9
Depreciation and amortisation	138	27	9	3	-	-	177	4

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 of 10% or more of the Group's revenue in the year to 30 September 2013.

2 SEGMENTAL ANALYSIS – continued

Geographical information:

	External revenue by location of customers	
	2014	**2013**
	£000	**£000**
UK	**15,047**	14,100
Oman	**4,821**	4,325
UAE	**4,413**	4,969
Qatar	**3,451**	1,953
South Africa	**2,854**	3,856
Netherlands	**1,613**	1,654
Germany	**1,339**	803
Singapore	**1,128**	727
Australia	**1,048**	468
Hong Kong	**673**	-
United States	**404**	816
Belgium	**382**	310
Azerbaijan	**355**	192
Malaysia	**350**	451
Other countries	**1,713**	2,611
	39,591	37,235

Reconciliation to total Group revenue

	2014	**2013**
	£000	**£000**
Total external revenue from continuing operations	**39,078**	36,640
Total external revenue from discontinued operations	**513**	595
Total external revenue for the Group	**39,591**	37,235

3 EMPLOYEES

Staff costs including Directors' remuneration:

	2014 £000	2013 £000
Wages and salaries	**21,258**	19,584
Social security costs	**1,238**	1,282
Other pension costs	**507**	355
Share based payment charges and associated costs	**293**	482
	23,296	21,703

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

	2014	2013
By role:		
Directors	**4**	5
Fee-earners	**222**	199
Administration	**55**	47
	281	251

KEY MANAGEMENT AND DIRECTORS' REMUNERATION

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

	2014 £000	2013 £000
Emoluments	**1,338**	1,531
Short term benefits	**129**	159
Money purchase pension contributions	**115**	149
	1,582	1,839
Share based compensation (note 19)	**21**	226
Total key management compensation	**1,603**	2,065

Key management consists of the statutory Executive Directors of the Company whose details are included in the remuneration report on page 14 plus the Executive Board which consists of the 5 (2013: 5) key business unit managing directors. The Companies Act disclosure requirements for Directors' remuneration is included within the remuneration report.

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

	2014 £000	2013 £000
Emoluments	**289**	336
Social security costs	**39**	50
Money purchase pension contributions	**20**	21
Total remuneration	**348**	407

The number of Directors to whom retirement benefits are accruing:

	2014	2013
Money purchase pension schemes	**3**	3

4 PROFIT FROM OPERATIONS

Profit from operations includes the following significant expenses:

	2014 £000	2013 £000
Depreciation and amounts written off property, plant and equipment – owned assets	**215**	181
Audit services:		
- statutory audit of parent	**7**	5
- statutory audit of subsidiaries	**55**	56
- audit regulatory reporting – interim review	**7**	8
Tax services:		
- compliance	**12**	13
- other services - iXBRL	**5**	6
Corporate finance services	**-**	-
Operating lease rentals – land and buildings	**1,007**	934
Exchange (profit) / loss	**(34)**	129

5 FINANCE EXPENSE

	2014 £000	2013 £000
Bank interest	**76**	69
Finance lease interest	**2**	3
	78	72

6 TAXATION

Analysis of the tax charge

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

	2014 £000	2013 £000
Current tax:		
UK corporation tax on profit for the year	**-**	-
Non-UK corporation tax	**488**	387
Adjustments to the prior period estimates	**(34)**	11
	454	398
Deferred tax:		
Deferred tax expense for the year	**(124)**	(11)
Tax on profit	**330**	387

	2014 £000	2013 £000
Current tax:		
From continuing operations	**454**	398
From discontinued operation	**-**	-
	454	398
Deferred tax:		
From continuing operations	**(11)**	(11)
From discontinued operation	**(113)**	-
	(124)	(11)
Tax on profit	**330**	387

6 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:

	2014 £000	2013 £000
Profit from continuing operations	**3,059**	2,891
Loss from discontinued operation	**(427)**	(299)
Profit before tax	**2,632**	2,592
Expected tax charge based on the standard average rate of corporation tax in the UK of 22% (2013: 23.5%)	**579**	609
Effects of:		
Expenses not deductible	**19**	19
Depreciation not deductible	**-**	6
Deferred tax on share-based payment	**10**	60
Foreign tax rate difference	**(131)**	(400)
Adjustment to prior period estimates	**(34)**	11
Utilisation of losses	**(9)**	(54)
Share options exercised	**(429)**	-
Unprovided deferred tax	**325**	-
Unrecognised losses	**-**	136
Tax expense for the year	**330**	387

7 DISCONTINUED OPERATION

During the year, the Directors made the decision to discontinue the trade of Trett Texas LLC. The net assets of the company continued to be held at the year end, contributing £29,000 of the Group net assets.

The post-tax loss on discontinued operations was determined as follows:

Result of discontinued operation

	2014 £000	2013 £000
Revenue	**513**	595
Expenses other than finance costs	**(943)**	(894)
Finance costs	**3**	-
Loss before tax	**(427)**	(299)
Tax	**113**	-
Loss for the year	**(314)**	(299)

Earnings per share from discontinued operation

	2014 £000	2013 £000
Basic loss per share	**(1.1)p**	(1.1)p
Diluted loss per share	**(1.1)p**	(1.0)p

Result of discontinued operation

The statement of cash flows includes the following amounts relating to discontinued operations:

	2014 £000	2013 £000
Operating activities	**(8)**	(39)
Investing activities	**-**	-
Financing activities	**(3)**	-
Net cash from discontinued operation	**(11)**	(39)

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 £3,150,000 (2013: £51,000). The Company has elected to prepare the parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

Notes to the Financial Statements continued

For The Year Ended 30 September 2014

9 DIVIDENDS

	2014 £000	2013 £000
The aggregate amount of equity dividends comprises:		
Final dividend paid in respect of prior year	**261**	172
Interim dividend paid in respect of the current year (0.6p)	**159**	123
Aggregate amount of dividends paid in the financial year	**420**	295
Equity dividends proposed for approval at Annual General Meeting (not recognised at year end)		
Final dividend for 2014: 1.05p (2013: 1.0p)	**285**	253

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

10 EARNINGS PER SHARE

	2014 £000	2013 £000
Profit for the financial year attributable to equity shareholders	**2,293**	2,101
Share-based payment charges and associated costs (note 19)	**293**	482
Amortisation of intangible assets	**99**	-
Loss from discontinued operation	**314**	299
Adjusted continuing profit for the financial year before share-based payments and amortisation of intangible assets	**2,999**	2,882
Weighted average number of shares:		
- Ordinary shares in issue	**27,379,416**	26,379,416
- Shares held by EBT	**(703,613)**	(1,125,000)
- Vested options with nominal consideration	**136,392**	-
Basic weighted average number of shares	**26,812,195**	25,254,416
Effect of Employee share options	**2,546,314**	3,449,667
Diluted weighted average number of shares	**29,358,509**	28,704,083
Basic earnings per share	**8.6p**	8.3p
Diluted earnings per share	**7.8p**	7.3p
Adjusted continuing earnings per share before share-based payments and amortisation of intangible assets	**11.2p**	11.4p
Basic earnings per share from continuing operations	**9.7p**	9.5p
Diluted earnings per share from continuing operations	**8.9p**	8.4p

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 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

	Land and buildings Long leasehold £000	Fixtures and fittings £000	Computer equipment £000	Motor Vehicles £000	Total £000
COST					
At 1 October 2013	1,987	801	1,045	42	3,875
Additions	-	242	235	-	477
Disposals	-	(129)	(512)	(2)	(643)
Foreign exchange movement	-	(4)	(2)	(3)	(9)
At 30 September 2014	1,987	910	766	37	3,700
DEPRECIATION					
At 1 October 2013	241	522	834	5	1,602
Charge for year	33	66	107	9	215
Disposals	-	(129)	(512)	(1)	(642)
Foreign exchange movement	-	(1)	-	(1)	(2)
At 30 September 2014	274	458	429	12	1,173
NET BOOK VALUE					
At 30 September 2014	1,713	452	337	25	2,527
At 30 September 2013	1,746	279	211	37	2,273

Included in Motor Vehicles are assets held under finance leases with a net book value of £14,249 (2013: £22,681) and a depreciation charge of £6,449 (2013: £4,141).

Included in computer equipment are assets with a net book value of £nil (2013: £nil) and a depreciation charge of £nil (2013: £9,000) 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 (2013: £100,000) and service charge income totalled £32,000 (2013: £27,000).

12 GOODWILL

	£000
COST	
At 1 October 2013 and 30 September 2014	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;

	2014 £000	2013 £000
Europe	**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	-	18% – 29%
Growth rate	-	2%
Discount rate	-	13% (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%	
Driver Project Services Ltd	England and Wales	Construction consultancy services	100%	
Driver Consult (Oman) LLC	Oman	Construction consultancy services	65%	(3)
Driver Consult (UAE) LLC	Abu Dhabi	Construction consultancy services	49%	(4)
Driver Group Africa (pty) Ltd	South Africa	Construction consultancy services	100%	(1)
Driver Consult Qatar LLC	Qatar	Construction consultancy services	49%	(4)
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	Construction consultancy services	100%	(7)
Trett Consulting (India) Ltd	India	Dormant	70%	(5)
Driver Trett (Singapore) Pty Ltd	Singapore	Construction consultancy services	100%	
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%	(5)
Driver Trett (Malaysia) SDN BHD	Malaysia	Construction consultancy services	100%	(2)
Driver Trett Australia Pty Ltd	Australia	Construction consultancy services	100%	(6)
Driver Trett (Canada) Ltd	Canada	Construction consultancy services	100%	(8)

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

12 GOODWILL - continued

(1) 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 during the current year (note 21).
(2) Name changed during the prior year from “Trett Consulting” to “Driver Trett”.
(3) The Company is entitled to 99% of the profits.
(4) The legal structure of the business provides the Company with effective 100% control and the business is therefore treated as a fully owned subsidiary
(5) The Company is entitled to 97% of the profits.
(6) Driver Trett Australia Pty Ltd was formed during the prior year.
(7) Trett Consulting (Hong Kong) Ltd changed its name to Driver Trett (Hong Kong) Ltd and began to trade from 01 October 2013.
(8) Driver Trett (Canada) Ltd was formed during the year

In addition to the above investments, the Company has loaned funds of £950,275 and made contributions to the Driver Group Employee Benefit Trust, which in turn has purchased 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. On 10 December 2013 the Trust disposed of 500,000 shares for net proceeds of £107,500. On 12 August 2014 the Trust disposed of 28,323 shares for net proceeds of £27,615. At 30 September 2013 the assets of the Trust comprised 596,677 (2013: 1,125,000) of the Company’s own shares with a nominal value of £2,387 (2013: £4,500) and a market value of £656,345 (2013: £1,355,625). 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 INTANGIBLE ASSETS

	£000
Additions in the year	198
Amortisation	(99)
Foreign exchange movement	(3)
Net book value at 30 September 2014	96

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 during the year. Deferred consideration of HK$2m (£0.16m) was paid on successful transfer of the contracts.

On 1 May 2014 the Group acquired certain contracts and goodwill of Ivan Cheung through Driver Trett (Hong Kong) Limited. This contract had certain conditions which were met during the year. Deferred consideration of HK$0.5m (£0.04m) was outstanding at the year end.

The customer contracts acquired have been capitalised as intangible assets.

14 TRADE AND OTHER RECEIVABLES

Amounts falling due within one year:

	2014 £000	2013 £000
Trade receivables	**11,396**	8,884
Other receivables	**368**	559
Prepayments	**685**	757
Accrued income	**319**	496
	12,768	10,696

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. Included within other receivables and accrued income is £243,000 (2013: £312,000) due after 1 year.

A review of the classification of other receivables and prepayments has been carried out during the year. As a result £497,000 of prior year prepayments have been reclassified to other receivables as this more appropriately reflects the substance of the balance.

14 TRADE AND OTHER RECEIVABLES - continued

As at 30 September 2014 trade receivables of £3,971,000 (2013: £2,609,000) 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 2014	Current (not yet overdue)	Debt age – "days overdue" 0-30 days	31-60 days	Over 60 days	Total
Trade receivables					
Value (£'000)	7,425	1,049	655	2,267	11,396
%	65%	9%	6%	20%	100%

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%

As at 30 September 2014 trade receivables of £666,000 (2013: £745,000) 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 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 22.

There is no significant movement in the impairment allowance for trade receivables during the year.

15 TRADE AND OTHER PAYABLES:

Amounts payable within one year:

	2014 £000	2013 £000
Trade payables	**2,185**	2,170
Social security and other taxes	**1,103**	1,007
Other payables	**409**	466
Accrued expenses	**2,306**	3,242
	6,003	6,885

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

Included within trade payables is £24,000 (2013: £22,000) payable between 3 and 12 months with the remainder due within 3 months.

16 BORROWINGS

An analysis of the maturity of loans is given below:

	2014 £000	2013 £000
Current:		
Bank loan and overdraft	**328**	563
Finance lease	**10**	11
	338	574
Non-current falling due between one and two years:		
Bank loan	**-**	1,000
Finance lease	**9**	20
Non-current falling due between two and five years:		
Bank loan	**1,250**	-
	1,259	1,020

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

As at 30 September 2014 the banking facilities with the Royal Bank of Scotland (RBS) consisted 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

As at 30 September 2014 the Company had access to cash balances of £1,430,000 in addition to the unutilised overdraft facility of £2,422,000. 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 £1,713,000.

On 5 December 2014 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	£3,000,000	2.0% over base rate
Revolving Credit Facility repayable on 15 December 2017	£3,000,000	2.0% above base rate

The Group borrowings have been secured to fund the growth plans of the business and are subject to a leveraged EBITDA covenant.

17 CASH AND CASH EQUIVALENTS

	2014 £000	2013 £000
Cash at bank	**1,430**	2,667
Bank overdraft (note 16)	**(328)**	-
	1,102	2,667

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.

18 DEFERRED TAXATION

Deferred tax is calculated at 20% (2013: 20%)

Deferred tax liability

	2014 £000	2013 £000
At the beginning of the year	**308**	319
(Credit) / charge for the year recognised in Income Statement	**(114)**	10
Temporary differences on property	**-**	(21)
At end of year	**194**	308

Deferred tax asset

	2014 £000	2013 £000
At beginning of year	**12**	12
Deferred tax movement	**10**	-
At end of year	**22**	12

The elements of the deferred tax balances are as follows:

		Assets		Liabilities
	2014 £000	2013 £000	2014 £000	2013 £000
Temporary differences on property	**-**	-	**(172)**	(176)
Capital allowances difference to depreciation	**-**	-	**(22)**	(18)
Other short term temporary differences	**22**	12	**-**	(114)
	22	12	**(194)**	(308)

The Group had taxable losses of £3,685,000 (2013: £1,979,000) carried forward at the year end. No deferred tax asset has been recognised in relation to these.

19 CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal Value:	2014 £000	2013 £000
50,000,000	Ordinary	0.4p	**200**	200

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	2014 £000	2013 £000
27,544,416 (note 10)	Ordinary	0.4p	**111**	106

Ordinary shares of 0.4p each	2014 Number:	2014 £000	2013 Number:	2013 £000
At beginning of the year	**26,379,416**	**106**	26,379,416	106
Issued during the year	**1,375,000**	**5**	-	-
At end of the year (note 10)	**27,754,416**	**111**	26,379,416	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.

19 CALLED UP SHARE CAPITAL - continued

Share option note

On 10 October 2013 656,886 share options with a nil p exercise price were granted. These options were granted in three equal tranches and have vesting conditions. Tranche 1 was consideration for the acquisition of the non-controlling interest and a full charge has been recognised in the accounts. Tranche 2 is dependent on the employees remaining with the group. Tranche 3 is conditional on profit targets, in addition the options are forfeited if the employee leaves the Group before the options vest. Share options granted in the year have been valued based on market value on the date of grant. This results in an equivalent value to one derived using an alternative valuation technique.

During the year 1,875,000 options were exercised at a weighted average exercise price of 9p per share.

At 30 September 2014 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 22 employees (2013: 24):

Year of grant	Vesting period	Exercise price per 0.4p share (pence)	2014 Number	2013 Number
2011	23-01-2011 to 01-10-2013	21.5p	**-**	500,000
	23-01-2011 to 01-10-2013	Nilp	**-**	750,000
	23-01-2011 to 01-10-2014	21.5p	**2,102,500**	2,102,500
	27-04-2011 to 01-10-2013	21.5p	**-**	250,000
	27-04-2011 to 01-10-2013	Nilp	**-**	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
2014	10-10-2013 to 10-10-2013	Nilp	**136,392**	-
	10-10-2013 to 01-10-2014	Nilp	**136,605**	-
	10-10-2013 to 01-10-2015	Nilp	**136,605**	-
	10-10-2013 to 01-10-2016	Nilp	**247,284**	-
			3,009,386	4,252,500

	2014 Options	2014 Weighted average exercise price per share (pence)	2013 Options	2013 Weighted average exercise price per share (pence)
Outstanding at 1 October	**4,252,500**	**17p**	4,377,500	17p
Granted during the year	**656,886**	**Nilp**	-	-
Forfeited during the year	**(25,000)**	**54p**	(125,000)	22p
Exercised during the year	**(1,875,000)**	**9p**	-	-
Outstanding at 30 September	**3,009,386**	**18p**	4,252,500	17p
Exercisable at 30 September	**136,392**	**Nilp**	-	-

The options outstanding at 30 September 2014 had an exercise price between nil p and 53.50p, and a weighted average remaining contractual life of 5.55 years.

The Group recognised a charge of £293,000 (2013: £482,000) relating to share based payment charges and associated costs, £293,000 (2013: £253,000) relates to the share based payment charge for equity-settled share-based payment transactions. In the prior year the remainder of £229,000 related to the associated social security costs.

The directors' interests in share options are shown on page 12 in the Report of the Directors.

20 LEASES

Finance leases

During the year ended 30 September 2014 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 2014 was £14,249 (2013: £22,681).

Future lease payments are due as follows:

	Minimum lease payments 2014 £000	Interest 2014 £000
Not later than one year	10	2
Later than one year and not later than five years	9	1
	19	3

The present values of future lease payments are analysed as:

	2014 £000	2013 £000
Current liabilities	10	11
Non-current liabilities	9	20
	19	31

Operating lease – lessee

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

	2014		2013	
	Land and buildings £000	Other leases £000	Land and buildings £000	Other leases £000
Due:				
Not later than one year	792	46	599	79
Later than one year and not later than five years	2,106	21	755	46
Later than five years	733	-	-	-
	3,631	67	1,354	125

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 operating leases are as follows:

	2014 £000	2013 £000
Not later than one year	132	127
Later than one year and not later than five years	33	162
	165	289

21 ACQUISITIONS

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 during the current year. 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 may be payable depending on future performance of the business. This has resulted in an increase in retained earnings of £0.02m and a decrease in non-controlling interest of £0.23m. This transaction is a transaction with an equity holder. The excess of fair value of the consideration over the adjustments to non-controlling interest (£0.02m) is recognised in reserves.

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 during the year. Deferred consideration of HK$2m (£0.2m) was paid on successful transfer of the contracts (note 13).

On 1 May 2014 the Group acquired certain contracts and goodwill of Ivan Cheung through Driver Trett (Hong Kong) Limited. This contract had certain conditions which were met during the year. Deferred consideration of HK$0.5m (£0.04m) was outstanding at the year end (note 13).

22 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	
	2014	**2013**	**2014**	**2013**
	£000	**£000**	**£000**	**£000**
FINANCIAL ASSETS				
Cash and cash equivalents	**-**	-	**1,430**	2,667
Trade and other receivables	**-**	-	**12,043**	9,362
Derivative financial assets	**40**	80	**-**	-
TOTAL FINANCIAL ASSETS	**40**	80	**13,473**	12,029

	Financial liabilities at fair value through income statement		Financial liabilities at amortised costs	
	2014	**2013**	**2014**	**2013**
	£000	**£000**	**£000**	**£000**
FINANCIAL LIABILITIES				
Trade and other payables	**-**	-	**5,845**	6,862
Loans and borrowings	**-**	-	**1,597**	1,594
Derivative financial liabilities	**158**	23	**-**	-
TOTAL FINANCIAL LIABILITIES	**158**	23	**7,442**	8,456

Financial assets and liabilities measured at fair value through income statement are all valued using level 2 external valuations. The fair value of forward exchange contracts is determined based on the forward exchange rates as at reporting date.

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.

22 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:

	2014 £000	2013 £000
Un-drawn borrowing facilities at 30 September	**2,422**	750
Cash and cash equivalents	**1,430**	2,667
Available funds	**3,852**	3,417

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 2014

	Due within 1 year £000	Due between 1 and 5 years £000	Total £000
Non-derivative financial liabilities			
Bank loans	**328**	**1,250**	**1,578**
Finance lease creditor	**10**	**9**	**19**
Trade and other payables	**5,845**	**-**	**5,845**
Total	**6,183**	**1,259**	**7,442**

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

As at 30 September 2014 the banking facilities with the Royal Bank of Scotland (RBS) consisted 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

As at 30 September 2014 the Company had access to cash balances of £1,430,000 in addition to the unutilised overdraft facility of £2,422,000. 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 £1,713,000.

On 5 December 2014 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	£3,000,000	2.0% over base rate
Revolving Credit Facility repayable on 15 December 2017	£3,000,000	2.0% above base rate

The Group borrowings have been secured to fund the growth plans of the business and are subject to a leveraged EBITDA covenant.

22 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - continued

(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.

The following balances are contained within other receivables (note 14) and other payables (note 15) in respect of derivative financial instruments, being foreign currency forward contract arrangements:

	2014 £000	2013 £000
Asset	**40**	80
Liability	**(158)**	(23)
	(118)	57

The balances are all current with assets of £38,000 (2013: £80,000) and liabilities of £103,000 (2013: £22,000) maturing within 3 months and assets of £2,000 (2013: £nil) maturing in 6 to 12 months and liabilities of £55,000 (2013: £1,000).

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

FINANCIAL ASSETS 2014

	Cash and cash equivalents £000	Trade and other receivables £000
GBP	287	4,131
EUR	-	850
AED	257	1,741
OMR	323	3,221
USD	-	99
QAR	287	819
ZAR	-	590
SGD	13	328
MYR	59	159
HKD	179	105
AUD	25	-
Total	1,430	12,043

FINANCIAL LIABILITIES 2014

	Trade and other payables £000	Loans and borrowings £000
GBP	3,440	1,343
EUR	313	171
AED	442	-
OMR	864	-
USD	47	14
QAR	309	-
ZAR	116	69
SGD	51	-
MYR	28	-
HKD	107	-
AUD	128	-
Total	5,845	1,597

22 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – continued

(b) Foreign exchange risk - continued

FINANCIAL ASSETS 2013

	Cash and cash equivalents £000	Trade and other receivables £000
GBP	1,409	3,548
EUR	(97)	798
AED	336	1,905
OMR	599	1,198
USD	38	116
QAR	146	587
ZAR	68	1,028
SGD	39	91
MYR	121	91
AUD	8	-
Total	2,667	9,362

FINANCIAL LIABILITIES 2013

	Trade and other payables £000	Loans and borrowings £000
GBP	4,207	1,563
EUR	357	-
AED	420	-
OMR	721	-
USD	81	-
QAR	245	-
ZAR	613	31
SGD	129	-
MYR	25	-
AUD	64	-
Total	6,862	1,594

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	(162)	(297)	(121)	(223)
Sterling weakens relative to Euro	198	445	149	334
Sterling strengthens relative to US Dollar	(291)	(532)	(276)	(504)
Sterling weakens relative to US Dollar	356	798	337	756
Sterling strengthens relative to South African Rand	(14)	(26)	(10)	(19)
Sterling weakens relative to South African Rand	17	39	12	28
Sterling strengthens relative to Malaysian Ringgit	(2)	(4)	(1)	(3)
Sterling weakens relative to Malaysian Ringgit	3	7	3	6
Sterling strengthens relative to Singapore Dollar	(11)	(20)	(9)	(17)
Sterling weakens relative to Singapore Dollar	13	30	11	25
Sterling strengthens relative to Australian Dollar	(15)	(27)	(10)	(19)
Sterling weakens relative to Australian Dollar	18	41	13	29
Sterling strengthens relative to Hong Kong Dollar	21	39	18	33
Sterling weakens relative to Hong Kong Dollar	(26)	(58)	(21)	(48)

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.

22 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - continued

(c) Interest rate risk

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

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

30 September 2014

	Fixed rate £000	Floating rate £000	Non-interest bearing £000	Total £000
Cash and cash equivalents	-	1,430	-	1,430
Trade and other receivables	-	-	12,043	12,043
Derivative financial instrument – asset	-	-	40	40
Trade and other payables	-	-	(5,845)	(5,845)
Derivative financial instrument – liability	-	-	(158)	(158)
Bank loans	-	(1,578)	-	(1,578)
Finance lease creditor	(19)	-	-	(19)
	(19)	(148)	6,080	5,913

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	-	-	9,362	9,362
Derivative financial instrument – asset	-	-	80	80
Trade and other payables	-	-	(6,862)	(6,862)
Derivative financial instrument – liability	-	-	(23)	(23)
Bank loans	-	(1,563)	-	(1,563)
Finance lease creditor	(31)	-	-	(31)
	(31)	1,104	2,557	3,630

Interest rates on bank loans are disclosed in note 16.

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.

	2014 £000
Impact on Income Statement and Equity	
1% increase in base rate of interest	**(24)**
2% increase in base rate of interest	**(47)**

(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 14.

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.

22 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – continued

(e) Capital management - continued

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

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

Capital includes share capital, share premium, merger reserve, translation reserve, capital redemption reserve, other reserve, own shares and retained earnings reserve (note 23). 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).

23 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 Consult (Oman) LLC, Trett Consulting (India) Ltd and in 2013 Driver Group Africa (pty) Ltd. During the year the non-controlling interest of Driver Group Africa (pty) Ltd was acquired by the Group (note 21).

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 2014 was 596,677 (2013: 1,125,000).

24 RELATED PARTY TRANSACTIONS

Other than the transactions with Directors noted in the Directors' Remuneration Report (page 14), 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 2014.

25 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.

25 ACCOUNTING ESTIMATES AND JUDGEMENTS - continued

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

Receivables impairment provisions
The amounts presented in the Consolidated Statement of Financial Position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the present value of estimated future cash flows. At the Statement of Financial Position date a £666,000 (2013: £745,000) 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 Manager's assessment of the contract terms, the time incurred and the performance obligations achieved and remaining.

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 21.

Share Based Payments
The Group operates an equity-settled share-based compensation plan as detailed in note 19. Employee services received and the corresponding increase in equity are measured by reference to the fair value of the equity instruments as at the date of grant. Key estimates include the number of future staff leavers on the basis of past experience and the likelihood of specific vesting conditions being met.

26 POST BALANCE SHEET EVENTS

On 08 December 2014 the Group acquired initiate Consulting Limited ("Initiate"). Initiate are capital investment consultants providing development, project and construction management services to the infrastructure market in the UK. The consideration for the acquisition is being satisfied by way of an initial cash payment of £1.5m satisfied out of the Company's existing financial resources, and by the issue of 1,594,274 new ordinary shares in the Group (the "Consideration Shares") with a fair value of £1.6m. There is a further £2.185m additional cash payment, which is deferred over a 2 year period and is conditional on key individuals remaining in employment. At the date of the acquisition, Initiate had net assets of £1.2m including net cash of £1.2m. The intangible assets arising on the acquisition have yet to be calculated.

The acquisition enables the Group to immediately provide development and project management services on significant aviation, highway and rail projects across the UK and creates the opportunity to leverage existing project and dispute & advisory services in to this sector and to Initiate's client base. This is an excellent strategic fit for the Group, in a sector experiencing significant growth, for example through the Government's £375bn National Infrastructure Plan. Over the medium term, Driver Group will look to develop the Initiate offering to other regions where infrastructure-spend is at significant levels.

For the year ended 30 April 2014, Initiate reported turnover of £7.48m and operating profit of £0.73m. Given the complementary nature of the two businesses, the acquisition provides the Group with synergistic benefits. It fits perfectly with the Group's stated strategy of developing complementary service offerings that allow for leverage of the existing business and is expected to provide strong growth opportunities for the Company.

Driver Group plc (Company) Balance Sheet

At 30 September 2014

Company number: 3475146

	Notes	2014 £000	2014 £000	2013 £000	2013 £000
FIXED ASSETS					
Tangible assets	28		**2,214**		2,033
Investments	29		**6,976**		6,521
			9,190		8,554
CURRENT ASSETS					
Debtors	30	**3,016**		1,505	
Cash at bank and in hand		**103**		880	
		3,119		2,385	
CREDITORS					
Amounts falling due within one year	31	**(1,174)**		(3,570)	
NET CURRENT ASSETS / (LIABILITIES)			**1,945**		(1,185)
TOTAL ASSETS LESS CURRENT LIABILITIES			**11,135**		7,369
CREDITORS					
Amounts falling due after more than one year	32		**(1,250)**		(1,000)
NET ASSETS			**9,885**		6,369
CAPITAL RESERVES					
Called up share capital	35		**111**		106
Share premium	36		**2,702**		2,649
Merger reserve	36		**1,493**		1,493
Revaluation reserve	36		**1,213**		1,095
Capital redemption reserve	36		**18**		18
Profit and loss account	36		**4,455**		1,250
Own shares	37		**(107)**		(242)
SHAREHOLDERS' FUNDS	38		**9,885**		6,369

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

Damien McDonald
Finance Director
08 December 2014

The notes on pages 49 to 55 form part of the Financial Statements.

27 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% per annum on revaluation
Fixtures and fittings	- 10% - 33% per annum on cost
Computer equipment	- 25% per annum 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.

27 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 £3,150,000 (2013 profit: £51,000).

28 TANGIBLE FIXED ASSETS

	Land and buildings Long leasehold £000	Fixtures and fittings £000	Computer equipment £000	Total £000
COST OR VALUATION				
At 1 October 2013	2,000	330	749	3,079
Additions	-	2	108	110
Disposals	-	(77)	(478)	(555)
At 30 September 2014	2,000	255	379	2,634
DEPRECIATION				
At 1 October 2013	103	250	693	1,046
Charge for year	33	2	30	65
Disposals	-	(77)	(478)	(555)
Revaluation	(136)	-	-	(136)
At 30 September 2014	-	175	245	420
NET BOOK VALUE				
At 30 September 2014	2,000	80	134	2,214
At 30 September 2013	1,897	80	56	2,033

Included in computer equipment were assets with a net book value of £nil (2013: £nil) and a depreciation charge of £nil (2013: £9,000), 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 (2013: £100,000) and service charge totalled £32,000 (2013: £27,000).

Cost or valuation at 30 September 2014 is represented by:

	Land and buildings Long leasehold £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Valuation in 2014	2,000	-	-	2,000

On 01 October 2014 the long leasehold land and buildings were valued by Trevor Dawson, an independent firm of Chartered Surveyors, on 1 October 2014 at £2,000,000 and the Directors revalued the net book value accordingly at 30 September 2014.

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

	2014 £000	2013 £000
Gross cost	**919**	919
Depreciated historical cost	**787**	802

29 FIXED ASSET INVESTMENTS

	Shares in Group Undertakings £000
COST	
At 1 October 2013	6,521
Additional capital investment	455
At 30 September 2014	6,976
NET BOOK VALUE	
At 30 September 2014	6,976
At 30 September 2013	6,521

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%	
Driver Project Services Ltd	England and Wales	Construction consultancy services	100%	
Driver Consult (Oman) LLC	Oman	Construction consultancy services	65%	(3)
Driver Consult (UAE) LLC	Abu Dhabi	Construction consultancy services	49%	(4)
Driver Group Africa (pty) Ltd	South Africa	Construction consultancy services	100%	(1)
Driver Consult Qatar LLC	Qatar	Construction consultancy services	49%	(4)
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	Construction consultancy services	100%	(7)
Trett Consulting (India) Ltd	India	Dormant	70%	(5)
Driver Trett (Singapore) Pty Ltd	Singapore	Construction consultancy services	100%	
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%	(5)
Driver Trett (Malaysia) SDN BHD	Malaysia	Construction consultancy services	100%	(2)
Driver Trett Australia Pty Ltd	Australia	Construction consultancy services	100%	(6)
Driver Trett (Canada) Ltd	Canada	Construction consultancy services	100%	(8)

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

(1) 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 during the current year (note 21).
(2) Name changed during the prior year from "Trett Consulting" to "Driver Trett".
(3) The Company is entitled to 99% of the profits.
(4) The legal structure of the business provides the Company with effective 100% control and the business is therefore treated as a fully owned subsidiary
(5) The Company is entitled to 97% of the profits.
(6) Driver Trett Australia Pty Ltd was formed during the prior year.
(7) Trett Consulting (Hong Kong) Ltd changed its name to Driver Trett (Hong Kong) Ltd and began to trade from 01 October 2013.
(8) Driver Trett (Canada) Ltd was formed during the year

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. On 10 December 2013 the Trust disposed of 500,000 shares for net proceeds of £107,500. On 12 August 2014 the Trust disposed of 28,323 shares for net proceeds of £27,615. At 30 September 2014 the assets of the Trust comprised 596,677 (2013: 1,125,000) of the Company's own shares with a nominal value of £2,387 (2013: £4,500) and a market value of £656,345 (2013: £1,355,625). 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 19) 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.

30 DEBTORS

Amounts falling due within one year:

	2014 £000	2013 £000
Trade debtors	**13**	15
Amounts owed by Group undertakings	**2,801**	1,273
Prepayments and accrued income	**202**	217
	3,016	1,505

31 CREDITORS

Amounts falling due within one year:

	2014 £000	2013 £000
Bank loan and overdrafts (note 33)	**-**	563
Trade creditors	**349**	224
Other creditors	**20**	67
Social security and other taxes	**550**	452
Accrued expenses	**255**	491
Amounts owed to Group undertakings	**-**	1,773
	1,174	3,570

32 CREDITORS

Amounts falling due after more than one year:

	2014 £000	2013 £000
Bank loan (note 33)	**1,250**	1,000
	1,250	1,000

33 BANK LOAN AND OVERDRAFTS

An analysis of the maturity of loans is given below:

	2014 £000	2013 £000
Amounts falling due within one year or on demand:		
Bank loans and overdrafts	**-**	563
Finance lease	**-**	-
	-	563
Amounts falling due between one and two years:		
Bank loan	**-**	1,000
Amount falling due between two and five years:		
Bank loan	**1,250**	-
	1,250	1,000

As at 30 September 2014 the banking facilities with the Royal Bank of Scotland (RBS) consisted 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

As at 30 September 2014 the Company had access to cash balances of £1,430,000 in addition to the unutilised overdraft facility of £2,422,000. 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 £1,713,000.

On 5 December 2014 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	£3,000,000	2.0% over base rate
Revolving Credit Facility repayable on 15 December 2017	£3,000,000	2.0% above base rate

The Group borrowings have been secured to fund the growth plans of the business and are subject to a leveraged EBITDA covenant.

34 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 £199,000 (2013: £230,000) would arise.

35 CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal Value:	2014 £000	2013 £000
50,000,000	Ordinary	0.4p	**200**	200

Allotted, issued and fully paid:

Ordinary shares of 0.4p each	2014 Number:	2014 £000	2013 Number:	2013 £000
At beginning of the year	**26,379,416**	**106**	26,379,416	106
Issued during the year	**1,375,000**	**5**	-	-
At end of the year (note 10)	**27,754,416**	**111**	26,379,416	106

Information relating to the Company's share option scheme is detailed in note 19 of the Consolidated Group Accounts.

36 RESERVES

	Share Premium £000	Merger reserve £000	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss account £000
At 1 October 2013	2,649	1,493	1,095	18	1,250
Profit for the year	-	-	-	-	3,150
Dividends	-	-	-	-	(420)
Share based payment costs	-	-	-	-	2
Investment in subsidiary - share options	-	-	-	-	291
Proceeds from sale of own shares	53	-	-	-	-
Investment in subsidiary - acquisition of non-controlling interest	-	-	-	-	164
Reserves transfer	-	-	(18)	-	18
Revaluation of land and buildings	-	-	136	-	-
At 30 September 2014	2,702	1,493	1,213	18	4,455

37 OWN SHARES

	£000
At 1 October 2013 (note 29)	242
Sale of own shares	(135)
At 30 September 2014 (note 29)	107

38 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £000	2013 £000
Profit for the financial year	**3,150**	51
Dividends	**(420)**	(295)
Share based payment costs	**2**	210
Investments in subsidiary – share options	**291**	43
Proceeds from sale of own shares	**135**	507
Proceeds from sale of shares	**58**	-
Investment in subsidiary – acquisition of non-controlling interest	**164**	-
Revaluation of land and buildings	**136**	-
Net addition to shareholders' funds	**3,516**	516
Opening shareholders' funds – equity	**6,369**	5,853
Closing shareholders' funds - equity	**9,885**	6,369

39 COMMITMENTS

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

	Land and buildings	
	2014 £000	2013 £000
Due:		
Not later than one year	**-**	35
Later than one year and not later than five years	**-**	-
Later than five years	**236**	
	236	35

The charge to the Income Statement for the lease will be borne by Driver Consult Ltd.

40 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption included in FRS8 and has not disclosed transactions with other wholly owned members of the Group headed by Driver Group plc. Transactions with Directors are disclosed on page 14.

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