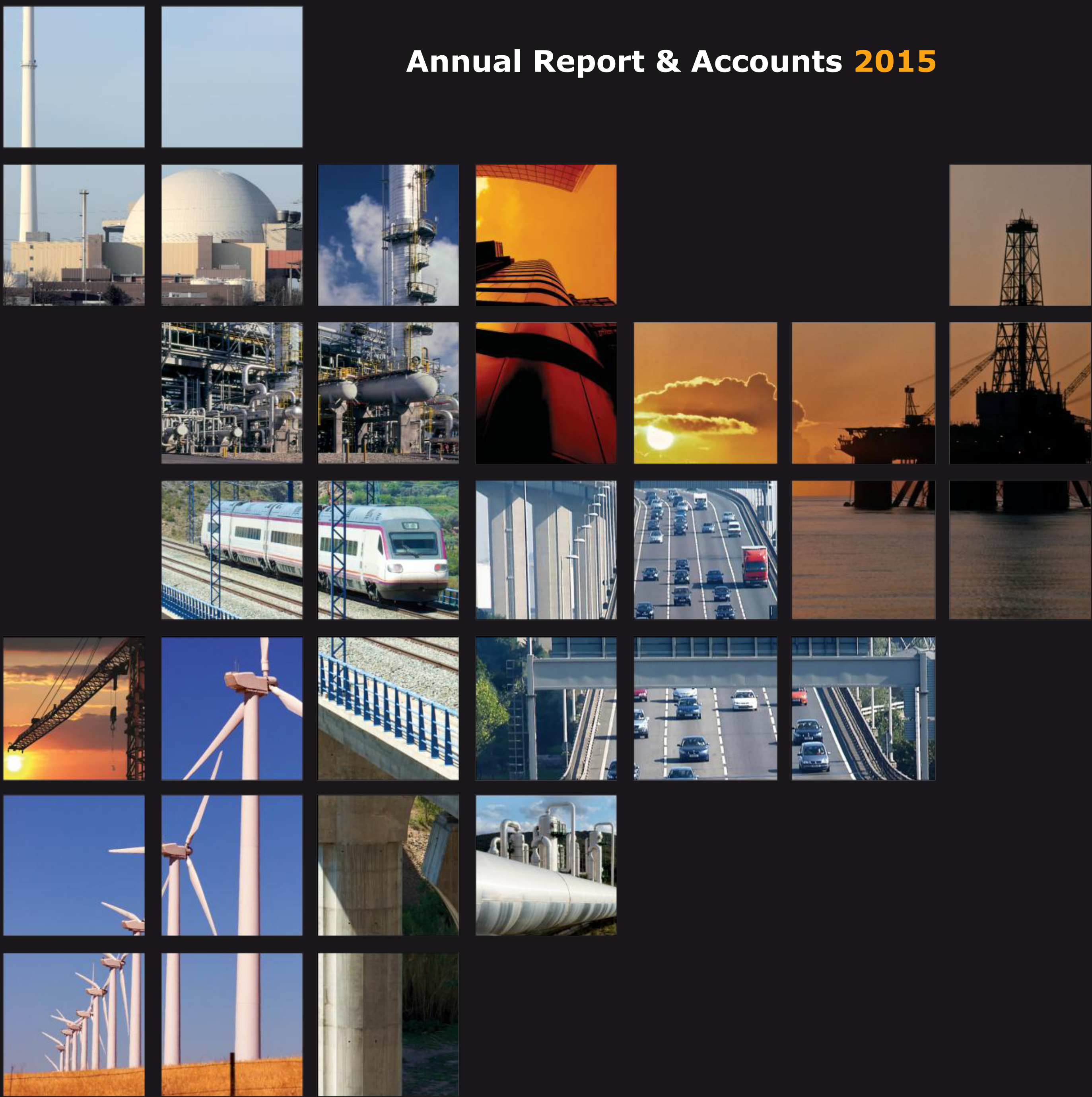
driver group plc

Company number: 3475146

Annual Report & Accounts 2015



Contents | **Page**

Key Financial Information

Financial Highlights

- Revenue and profits in line with guidance given in pre close trading update of 6 October
- Revenue up 23% to £48m (2014: £39.1m)
  - Half 2 revenue up 38% to £26.8m (2014: £19.4m)
- Underlying* operating profit of £1.2m (2014: £3.5m)
  - Half 2 underlying* operating profit of £1.6m (2014: £2.1m)
- Underlying* profit before taxation of £1.1m (2014: Profit £3.5m) and reported loss before taxation of £1.9m (2014: Profit £3.1m)
- Underlying* Earnings Per Share* 3.2p (2014: 11.2p)
- Dividend maintained at 1.65p per share (2014: 1.65p)

Operational Highlights

- 1 year in to 4 Year Strategic Plan
  - platform for delivery in place; progressing well
- Group Board changes
  - Steve Norris appointed as Non-Executive Chairman in February 2015
  - Bob Laslett appointed as Non-Executive Director in June 2015
- Acquisition of initiate Consulting Limited ('Initiate') in December 2014
  - programme and project management services to infrastructure clients
- Headcount up 41% to 518 (2014: 368) and on track for 2018 target of over 700
  - organic headcount growth 26% to 463 (2014: 368)
  - Staff speak 33 different languages
- Asia Pacific, Middle East & Africa ('AMEA')
  - reorganised to support significant growth opportunities
  - regional oil & gas disputes team established in Singapore
  - created critical mass - headcount increased by 56% to 234 (2014: 150)
  - benefits of investments materialising in second half performance
    - strengthened multinational client base
    - H2 revenue up 34% on prior year period led by organic growth in UAE and Africa
    - record revenues in each of the months of June to September
- Europe & Americas ('EuAm')
  - offices opened in Canada and France
  - H2 revenue up 11% on prior year period led by organic growth across the regions disputes services

Start to new financial year

- New £10m banking facility agreed with HSBC to support working capital requirements in Strategic Growth Plan through to December 2018
- Q1 predicted to be in line with expectations for double digit revenue growth in 2015-16

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

Chairman's Statement

INTRODUCTION

It has been a year of change and transition for Driver Group as the business put in place from top to bottom the platform necessary to take it to the next stage of its development. I joined Driver in December 2014 as part of the acquisition of Initiate and was appointed Chairman in February 2015. I came to the Group part way through the process of change at what was a challenging time and with difficulties in terms of forecasting when the benefits of these changes would accrue to revenue and profits. However, the latter part of the year saw the business begin to deliver these benefits and regain to some extent the key metrics of prior year performance.

I have met many staff across the two regions of our operations and, as would be expected, within Initiate and I have also attended corporate events where I met some of our clients. I am very encouraged by what I have found. Driver Group has very good people and excellent clients and has made significant progress in the year while gaining market share in key industries and geographies.

The results in the UK and Europe demonstrate good progress with our most established businesses continuing to perform strongly, particularly the UK disputes business. AMEA did place a stress on the Group in the first half whilst implementing the investment and change, but second half results show significant growth coming through with utilisation levels and gross margins getting closer to prior years. AMEA had a strong end to the year with revenue in each of the months June through September hitting record levels.

FINANCIAL RESULTS

Revenue for the year was £48.0m (2014: £39.1m) and Underlying* operating profit was £1.2m (2014: £3.5m). The underlying earnings per share was 3.2p (2014: 11.2p). After exceptional costs relating to severance payments of £0.5m and acquisition and integration costs of £1.6m (including a cost of £1.5m of deferred consideration dependent on future employment), share based payment charge of £0.5m and amortisation of intangible assets of £0.2m the operating loss before taxation was £1.9m (2014: Profit £3.1m).

Net borrowings** at the year-end was slightly better than expected at £2.5m (2014: net borrowings of £0.2m). The cash outflow was as a result of increases in working capital requirements due to the growth in revenues, the acquisition of Initiate, the additional costs of fee earners recruited to create the critical mass in AMEA ahead of their deployment, the costs of restructuring the AMEA region, putting in place the business support units and the payment of staff bonuses.

DIVIDEND

The Board, having considered the strong finish to the year and with confidence taken from this and trading in Q1 and visibility in the current financial year, proposes to maintain the dividend at the same level as 2014. The proposed final dividend for 2015 is 1.05p (2014: 1.05p) giving a full year dividend of 1.65p (2014: 1.65p) to be paid on 8 April 2016 to shareholders on the register at the close of business on 29 March 2016.

STRATEGY

In late 2014, the Board under its previous Chairman, undertook a review of the business and the medium term landscape. The main output of this review was to transition the company from the recovery model that it had adopted in the wake of the global economic crisis to an aggressive development and growth model to capitalise on the increasing global infrastructure spend and the significant opportunities in AMEA. The acquisition of Initiate, creation of an Executive Board, recruitment of a Chief Operating Officer for AMEA and the invitation for me to Chair the Group was a part of the outcome of this review. With these key events and one year in to the Plan we are making good progress; further details on this can be found in the CEO's Review.

BOARD

During the year there were a number of changes to the Board, reflective of the Group's new approach and to help drive forward the new strategy. In December 2014 I joined the Board and was subsequently appointed Chairman in February 2015 following Alan McClue's retirement from the Board. In June 2015 we were delighted to appoint Bob Laslett to the Board as Non-Executive Director.

OUTLOOK

We had a relatively strong second half to the year and Q1 of 2015-16 looks to be continuing in this vein. There are opportunities for growth across the three operating areas of the Group and we are well positioned to capitalise on these. However, the Group will continue to be cautious in its forecasting due to the inherent short term visibility of secured work in our core disputes business.

We have excellent and committed staff, a high quality client base and a clear focus on business development, staff utilisation, margins and cash generation, therefore the Board looks to the future with confidence.

Steven Norris
Non-Executive Chairman

** Underlying figures are from continuing operations and are stated before the share-based payment costs, exceptional items and amortisation of intangible assets*
***Net (borrowings) / cash consists of cash and cash equivalents, bank loans and finance leases*

Strategic Report - Chief Executive's Review

INTRODUCTION

Financial year 2014-15 was the first year of the Four Year Growth Targets & Strategic Plan (the "Plan"), which aims to double revenue and increase profit percentage. The year was one of investment and restructuring, particularly in the first 8 months through to May 2015, when we put in place the foundations of the Plan. There are four main areas where we see future growth and we have now positioned the Group to capitalise on these:

- Become the global market leader in the provision of commercial and dispute resolution services to all industries. To achieve this we need to provide critical mass across AMEA with technical staff prepared to travel around the region in order to serve the multinational construction and engineering organisations whilst optimising utilisation levels. This year we have recruited a Chief Operating Officer, put in place a business support unit and reorganised the region to give us the capability to do this. We have increased our headcount by 56% to 234 with the recruitment of 84 people. In mainland Europe, again we need to serve our multinational clients wherever they operate in the world and have sufficient local presence to work with them in their own country; so we opened an office in France to add to those in Germany, Netherlands and UK. We now have over 500 people of various nationalities speaking 33 languages across our 27 offices.

- Become the global market leader in the provision of quantum, planning and technical expert witnesses. We are achieving this through DIALES providing over 40 internationally renowned experts who can use the support of the global footprint of offices, staff, cultures and languages to provide their expertise locally.

  Provide a credible programme and project management offering in the infrastructure sector that can serve as the medium to longer term growth opportunity for the Group. Driver serves governments in Africa and Oman and the acquisition of Initiate in December 2014 provides this expertise in the UK. We will now use this capability to develop the offering across the Group's global footprint starting at first in the Middle East.

- Leverage our commercial, dispute, expert, programme and project management skills to provide a complete cradle to grave service to clients and stakeholders with capital spend programmes across all industries.

As part of the Plan I proposed changes to the Group Board to include more experience, knowledge and connections in the markets where the Group sees its growth coming from. Consequently Steve Norris was invited to become Chairman and Bob Laslett was appointed as an additional non-executive Board member.

The reported loss for the year before taxation was £1.9m (2014: Profit £3.1m) but this largely reflected the acquisition of Initiate and other exceptional items. This year has in fact been a story of two halves. The first half saw significant investment and restructuring of the business which resulted in a loss for the period but in the second half, particularly in the final four months from June to September, we started to see some of the benefits of that restructuring coming through. June was a record month for revenues, prior to the inclusion of the additional revenue from Initiate, and in AMEA revenue records were bettered in each of the final four months of the year. This performance plus Initiate resulted in second half revenue increasing 38% compared to the prior year period, with growth of 34% in AMEA and 11% in Europe & Americas.

We have increased our headcount by 150 (41%) to 518. Of this, 95 (26%) were recruited and 55 (15%) are within the acquired Initiate business. We spent over £0.5m on the costs of recruitment and during the year put in place our in-house recruitment team with the aim of saving costs and having a more efficient recruitment solution for the future. We are on course for our target of over 700 people by 2018.

Our people have achieved an awful lot through the course of the year. They are a highly motivated and dedicated group of people with very high technical capabilities. On behalf of the Board I would like to thank them for all of their efforts and loyalty.

FINANCIAL PERFORMANCE

Revenue was up 23% at £48.0m (2014: £39.1m) as a result of the acquisition of Initiate (£5.4m), organic growth in AMEA (£2m) and Europe & Americas (£1.5m). Underlying* operating profit reduced to £1.2m (2014: £3.5m) largely down to the increased investment in the first 8 months in AMEA, some £0.35m of bad debt provisions in Europe and £0.25m adverse FX impact in the second half of the year. Virtually all of the revenue growth came through in the second half with revenue in this period up 38% at £26.8m (2014: £19.4m). This was also reflected in the profits, with second half underlying* operating profit of £1.6m (2014: £2.1m), a significant improvement on the first half.

AMEA had a slow start to the year where some commissions completed early coinciding with others having delayed starts, there was significant investment in putting in place the COO and a business support unit necessary for our longer term growth plans and we recruited 84 fee earners to create critical mass ahead of the ability to deploy them.

AMEA posted revenue up 11% at £20.3m (2014: £18.3m). The region had a strong second half performance and revenue increased by 55% on that in the first half and 34% compared to the second half of 2014 at £12.4m (2014: £9.2m). Profits reflected the investments made in the region with full year underlying* operating profit of £0.8m (2014: £2.9m) due to first half losses of £0.5m (2014: profit of £1.3m). Second half underlying* operating profit was £1.3m after the impact of adverse FX movements of £0.25m (2014: £1.6m). Had it not been for this FX movement second half profits would have been broadly the same as 2014.

Europe & Americas revenue was £22.2m, up 7% (2014: £20.8m) and underlying* operating profit of £2.1m after bad debt provisions of £0.35m (2014: £2.4m).

Initiate was acquired in December 2014 and delivered revenue of £5.4m and underlying* operating profit of £0.4m.

KEY PERFORMANCE INDICATORS

We measure financial and operational KPIs. It is particularly relevant this year to see the transition of some headline KPIs from H1 to H2 as the impact of our investment and then the start of the benefits coming through can be seen. The solid second half performance is reflected in the increase in utilisation levels from 73% in the first half to 79% in the second half (2014: 79%) and average fee rates increased by 5% in the year. These in turn resulted in gross margin increasing from 19% in the first half of the year to 25% in the second half (2014: 26%) and underlying* operating profit percentage increasing from -2% in the first half to 6% in the second half (2014: 9%)

There has been an increase in overhead across the Group which has come from two areas, the first being a reallocation of overhead from what in prior years was allocated in cost of sales – and the second being the increase to support the Plan through to 2018. Total overhead in the second half was 18% (2014: 16%). We ought to see the overhead percentage reduce through this period as revenues increase.

TRADING: AMEA

Revenues in the first half of the year were 12% down on those in 2014 as a result of delayed projects in Oman and Singapore and the early conclusion of a large commission in Qatar. The investment in establishing critical mass, recruitment of a COO, putting in place the business support unit and increasing the profile of the business across the region started to yield benefits in June, with record revenues in the month subsequently bettered in each of the succeeding months of July, August and September resulting in a strong Q4 trading performance. This growth has been driven from the United Arab Emirates, South Africa and our regional Oil & Gas offering based out of Singapore. We have secured some quality commissions, particularly on major infrastructure and oil & gas projects and have been appointed by clients that include leading global law firms, multinational organisations and government bodies. As a result second half revenues were up 55% on those in the first half and up 34% on the same period in 2014.

Gross margin for the year was low for the reasons previously mentioned, at 22% but in the second half of the year was up 28% on the same period for 2014 and was broadly at the same percentage level at 26% (2014: 27%). Utilisation levels were again low as we worked to deploy the additional staff and ran at 74% for the year (2014: 81%) with low levels in the first half and 76% in the second half. We were able to increase fee rates across the region with the exception of Qatar where pricing is coming under pressure as competition seeks to establish itself in the market. Underlying* operating profit margin was low at 4% for the year for reasons previously mentioned but in the second improved to 10%.

Construction and infrastructure spend in the Middle East remains strong and is expected to spread across the AMEA Region over the next decade at unprecedented levels reaching 60% of global spend. With our platform now in place to support our growth plans the Company is now well positioned to capitalise on this opportunity. Oil and gas prices have impacted future construction and infrastructure spending to some extent, however we have not experienced any adverse impact on our disputes business which generates the majority of revenues in this sector and we anticipate this will remain the case in the short to medium term.

TRADING: EUROPE & AMERICAS

The region as a whole performed broadly as expected with revenue up 7% as did the new offices in Canada (opened at the start of the year with our Joint Venture partner MHPM) and France (opened in April 2015) with the Canada office reporting an underlying* operating profit and France a small loss as we build momentum. The French office will serve us very well in support of the multinational French construction and engineering firms as we can work alongside them in their local headquarters and serve them globally through our international footprint; we are already seeing this work and the team have fitted in very well with the wider Group. Along with our German and Dutch offices we expect this model to provide growth for us in the coming years. The UK disputes business is well established as the market leader and delivered a very strong performance both in the domestic market and from international work secured from the UK.

Our project services business in London and the South East has not performed as well as expected with revenue and utilisation levels dropping. This has been highlighted in previous updates where we stated our intention to recruit a leader in this area. We have recently made this appointment and expect the business to recover during Q2 and Q3 of the new financial year.

Gross margin over the year was 24% which is up two points on 2014 mainly due to the UK disputes business. Utilisation across the region remained the same as 2014 at 77% with increases in the disputes business offsetting reductions in the project services business.

We are experiencing slight pressure on our rates in the project services business but across the disputes business there is no such pressure and we have been able to increase these rates in the UK. Our euro denominated fees have been adversely affected by strong sterling.

Profits were adversely affected by bad debt on a small number of accounts, the most notable being a c.£0.2m receivable due from Sahaviriya Steel Industries UK who were put in to liquidation shortly after close of our financial year. We have provided in full for all of these receivables in the sum of approximately £0.35m. Underlying* operating profit margin reduced to 9% (2014: 11%) as a result of this and the project services business in London and the South East but offset by a very strong performance in the UK's disputes business. Had it not been for the bad debt provision profits in the region would have been in line with prior year, but this serves as a cautionary note particularly for our project services business in the oil & gas and associated industries.

TRADING: INITIATE

Initiate traded broadly as expected, although revenues were marginally impacted in Q4 on the Network Rail account due to the effect of changes in the procurement of services in that organisation.

Gross margin was as expected at 18% and underlying* operating profit margin was 7%. Utilisation levels were strong at 88%. We are looking to improve gross margins as we develop the service in the Middle East and leverage the more profitable elements of the business across the UK. This may come at the expense of an increased overhead in the short term as we are currently considering how best to strengthen the leadership team to maximise the opportunities we see available to us over the medium term.

Initiate's project delivery and project management services to the infrastructure sector will continue to be developed with existing clients such as Transport for London, Network Rail and Heathrow Airport. There are also new opportunities through High Speed 2 and Highways England and we have been appointed on the Department for Transport Framework for Programme and Project Management for rail related work. In the Middle East the Initiate offering will be delivered through the Driver brand and we will continue to focus on the rail and aviation sector which is buoyant across the region. Whilst we did not secure any work in the current financial year, we have commenced business development activity in the region and anticipate to secure commissions in the coming year.

OUTLOOK

Looking ahead to 2015-16, given the revenue growth and profits in H2 of 2014-15, the strong performance in Q4 and the opportunities developing in our pipeline I am confident of maintaining double digit revenue growth in 2015-16.

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 400 members of staff, with offices across Africa, Asia Pacific, Canada, 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 specialisms include commercial and contract management, planning, programming and scheduling, and dispute resolution support services.

INITIATE

Initiate are capital investment consultants providing development, project and construction management services to the infrastructure market in the UK and overseas.

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 £3.0m renewable annually and a term loan of £3.0m repayable on 15 December 2017. With an overdraft availability of £0.63m and cash balances of £1.11m the Group had access to £1.74m of available funds at 30 September 2015. 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.

On 1 December 2015 the Group signed new banking facilities with HSBC Bank plc in replacement of the facilities with The Royal Bank of Scotland plc. The new facilities consisted of a £7m term loan repayable on 30 November 2018 and a £3m overdraft facility.

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.

UTILISATION RISK

Utilisation risk is attributable to the number of hours billed by staff and sub consultants generating revenue against the costs of their services. The Group manages the risk by monitoring expected revenue across the Group and employing flexible mobile staff and managing peak workloads through the use of sub consultants.

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"), Kuwaiti Dinar ("KWD") 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 Canadian Dollar ("CAD") generated in Canada. 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, QAR, SGD, AUD and HKD 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 23 to the accounts.

As a consequence of the earnings generated in the Middle East, Canada, 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 Canadian 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 23 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. The first half of 2015 was a period of investment with the acquisition of Initiate and the restructuring of the business under three new Chief Operating Officers leading Asia Pacific, Middle East & Africa, Europe & Americas and Initiate, consequently the first half of 2015 reported a loss for the period. We are therefore pleased to report that despite the first half loss the full year result for 2015 was an underlying* operating profit and another record year in terms of revenue. As a result of the investments made in the first half of the year overall utilisation reduced by 2.8 points to 76.0% (2014: 78.8%).

Revenue increased by 23% to £48.0m (2014: £39.1m) which included revenue from Initiate of £5.4m and underlying* operating profit for the year ended 30 September 2015 was £1.2m (2014: £3.5m). Reported operating loss was £1.8m (2014: profit £3.1m).

After a net interest charge of £0.1m (2014: £0.1m) the underlying* profit before tax was £1.1m (2014: £3.5m) and reported loss before tax was £1.9m (2014: profit £3.1m).

The Group's results include a share based payment cost in the year of £0.5m (2014: £0.3m) in relation to the Group's share option scheme (note 11) and an amortisation cost for intangible assets of £0.2m (2014: £0.1m) arising from the acquisition of Initiate in December 2014 and of contracts in Hong Kong during the prior year. Exceptional costs of £2.2m related to severance costs of £0.5m and acquisition and integration costs of £1.6m, including a cost of £1.5m in respect of deferred consideration dependent on future employment.

In the prior year the Board took the decision to close the Houston office, which lost money throughout the prior year and consequently the Americas segment has been presented as a discontinued operation in the 2014 accounts with a loss on discontinued operation, net of tax of £0.3m in 2014.

The Europe & Americas business segment revenue grew by £1.5m to £22.2m although underlying* operating profit reduced by £0.4m to £2.1m, after exceptional items of £0.1m (2014: nil) operating profit reduced by £0.4m to £2.0m. The Asia Pacific / Middle East / Africa segment revenue increased by £2.0m to £20.3m although underlying* operating profit reduced by £2.1m to £0.8m as a result of the investment in the growth of this region. After exceptional items of £0.5m (2014: nil) and amortisation of intangible assets of £0.1m (2014: £0.1m) operating profit reduced by £2.5m to £0.2m. Initiate, which was acquired in December 2014, reported revenue of £5.4m and an underlying* profit of £0.4m. After exceptional items of £1.6m (including a cost of £1.5m in respect of deferred consideration dependant on future employment) and amortisation of goodwill of £0.2m operating loss was £1.4m. Reflecting the growth of the business, underlying* unallocated corporate costs increased by £0.3m to £2.1m. After a share option cost of £0.5m (2014: £0.3m) the reported unallocated costs were £2.6m (2014: £2.1m). These segmental results for the year are disclosed in note 2.

TAXATION

The Group had a tax charge of £0.1m (2014: £0.4m). The tax charge includes the effects of expenses not deductible for tax purposes and losses made in countries where the effective tax rate is nil, consequently, the effective tax rate for the year was negative 5% (2014: 14%).

EARNINGS PER SHARE

Underlying* earnings per share was 3.2 pence (2014: 11.2 pence). The basic loss per share was 6.5 pence (2014: profit per share 8.6 pence) and diluted earnings per share was 6.1 pence (2014: profit per share 7.8 pence).

CASH FLOW

There was a cash outflow from operations before changes in Working Capital of £0.7m (2014: inflow of £3.3m). This reflected the reported operating loss of £1.8m (2014: profit of £3.1m) before depreciation and amortisation of £0.6m (2014: £0.3m) and the share based payment charge of £0.5m (2014: £0.3m). The outflow from increased receivables of £3.0m (2014: £2.1m) resulting from the growth in revenue in the second half of the year was offset by an inflow from increased payables of £2.9m (2014: outflow of £1.1m). Net tax paid in the year was £0.5m (2014: £0.2m).

There was a net cash outflow from investing activities of £0.8m (2014: £0.8m) principally consisting of net capital spend of £0.5m (2014: £0.4m) and acquisition of subsidiary £0.3m (2014: acquisition of non-controlling interest £0.2m).

Net cashflow from financing activities was an inflow of £1.7m (2014: outflow of £0.6m). This included dividend paid of £0.5m (2014: £0.4m), proceeds from sale of shares £0.4m (2014: £0.2m), interest paid of £0.1m (2014: £0.1m) and net proceeds from borrowings of £1.9m (2014: £0.3m).

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

The Company had net borrowings at the end of the year of £2.5m compared to £0.2m at 30 September 2014.

DIVIDENDS

The Directors have proposed a final dividend in respect of the current financial year of 1.05p per share (2014: 1.05p) 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 £320,000 (2014: £320,000). The final dividend will be paid on 8 April 2016 to shareholders on the register at the close of business on 29 March 2016.

There were dividends of £505,000 (2014: £420,000) paid by the Company during the year, including an interim dividend of 0.6p (£183,000).

On behalf of the Board

Damien McDonald
Finance Director
7 December 2015

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

Directors

Steven Norris (aged 70)
Non-Executive Chairman

Steve was Member of Parliament from 1983 – 1997. He served as Parliamentary Private Secretary in the Departments of Environment, Trade and Industry and the Home Office before becoming Minister for Transport in 1992. He is Chairman of BNP Paribas Real Estate, Soho Estates, London Resort Company Holdings and Virtus Data Centres. He is Deputy Chairman of Optare plc and a member of the Board of Cubic Corporation Inc. Steve is Chairman of the National Infrastructure Planning Association. He is an Honorary Fellow of the Association for Project Management and a Companion of the Institution of Civil Engineers.

David Webster (aged 48)
Chief Executive Officer

David has over 32 years' experience in the construction industry, initially training as a quantity surveyor he worked with various construction companies for 17 years before moving into professional services in 2000. David has a BSc in Quantity Surveying and an MSc in Construction Law and Dispute Resolution. He is a Fellow of the Chartered Institution of Civil Engineering Surveyors.

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 and was actively involved in its first acquisition in 2007.

As CEO, David is responsible for all aspects of the Group's business and strategy and he has led the Group to become the global business it is today through a number of strategic acquisitions alongside substantial organic growth.

Damien McDonald (aged 42)
Finance Director

A Chartered Accountant with over 20 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 58)
Non-Executive Director

Colin, a Chartered Certified Accountant, started his early career with Grant Thornton in corporate reconstruction before moving into private equity with a regional development fund. In 1992 he became Corporate Finance Director of Graystone plc and subsequently led a management buyout of the engineering division in 1995 as Chief Executive of Hallmark Industries.

Following his exit from Hallmark Industries he has been involved in several private equity transactions including Floors 2 Go, Interlink Foods, Mount Engineering and Access Intelligence. He has acted as a non-executive director of several Aim Listed companies.

He continues to be an investor in and non-executive director of several private companies.

Bob Laslett (aged 69)
Non-Executive Director

Bob is an international businessman with experience in the management of global enterprises. A Chartered Engineer with over 40 years' experience in project management and project planning working on major offshore oil and gas, energy, process, shipbuilding and infrastructure projects. Bob has worked with and advised many major companies. His unique business and project management experience has been used in managing and supporting some mega M&A projects in the oil and gas sector such as the formation of TNK-BP in Russia and the acquisition of Germany's largest oil company, Veba Oel by BP.

Bob was founder (1987) and CEO of global management consultancy Chaucer Group handing over control through an MBO to his sons and the top management in early 2014. Bob was founder (1978) and Managing Director of ONSTREAM, selling the company in 1985 to Monaco based Single Buoy Moorings.

He is a Non-Executive Director of Silverbug Limited, Managing Director of Laslett & Co Limited and Laslett Farms Limited, Chairman of Margate Football Club, Margate Football Club Community Trust and President of Margate Cricket Club. He was formerly a Director of Wolverhampton Wanderers Football Club. He is an Honorary Fellow of the Association for Project Management, a Fellow of the Energy Institute, Fellow of the Association of Cost Engineers, Fellow of the Chartered Management Institute, Fellow of the Royal Society of Arts and a Member of the Institute of Engineering and Technology.

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	**HSBC Bank plc** 1 Forest Green, Caxton Road, Fulwood, Preston PR2 9LJ
SOLICITORS	**Rosenblatt Solicitors** 9-13 St Andrew Street London, EC4A 3AF
NOMINATED ADVISERS	**Panmure Gordon (UK) Limited** One New Change London, EC4M 9AF
BROKERS	**Panmure Gordon (UK) Limited** One New Change London, EC4M 9AF
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 2015.

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 23.

DIRECTORS

The Directors during the year under review were:

W A McClue (resigned 25 February 2015)
S J Norris (appointed 9 December 2014)
D J Webster
D P McDonald
C E Davies
R C Laslett (appointed 3 June 2015)

The beneficial interests of the Directors in office during the year in the issued share capital of the Company were as follows:

	30 September 2015 Ordinary 0.4p Shares	30 September 2014 Ordinary 0.4p Shares
W A McClue	347,500	942,500
S J Norris	187,562	-
D J Webster	2,052,088	2,002,088
D P McDonald	110,000	10,000
C E Davies	100,000	100,000
R C Laslett	210,000	-

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. During the year Mr McClue also purchased an additional 30,000 shares into his SIPP.

On 27 March 2015 Mr Norris was granted new options over a maximum of 600,000 shares exercisable at 63.5p per share. These options are conditional on the future performance of the Company. The options will vest on the following basis should the Company achieve specified underlying earnings per share in any financial year up to and including the year ended 30 September 2017. The earnings per share targets are as follows: 20 pence per share 200,000 shares, 25 pence per share 400,000 shares and 30 pence per share 600,000 shares.

On 9 December 2014 Mr Webster was granted new options over a maximum of 1,250,000 shares exercisable at £nil consideration. These options are conditional on the future performance of the Company. The options will vest on the following basis should the Company achieve specified underlying earnings per share in any financial year up to and including the year ended 30 September 2017. The earnings per share targets are as follows: 20 pence per share 415,000 shares, 25 pence per share 830,000 shares and 30 pence per share 1,250,000 shares. During the year Mr Webster purchased 50,000 shares.

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. On 9 December 2014 Mr McDonald exercised these options and transferred the shares into his SIPP.

On 9 December 2014 Mr McDonald was granted new options over a maximum of 300,000 shares exercisable at £nil consideration. These options are conditional on the future performance of the Company. The options will vest on the following basis should the Company achieve specified underlying earnings per share in any financial year up to and including the year ended 30 September 2017. The earnings per share targets are as follows: 20 pence per share 100,000 shares, 25 pence per share 200,000 shares and 30 pence per share 300,000 shares.

During the year Mr Laslett purchased 210,000 shares.

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 2015, the Trust owned 596,677 (2014: 596,677) shares which it acquired at an average of 73p per share (note 11).

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
7 December 2015

Corporate Governance
For the year ended 30 September 2015

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

THE BOARD AND COMMITTEES

From 1 October 2014 to 8 December 2014 the Board consisted of two Executive Directors, David Webster and Damien McDonald and two Non-Executive Directors, W Alan McClue and Colin Davies. From 9 December 2014 to 25 February 2015 the Board consisted of two Executive Directors and three Non-Executive Directors following the appointment to the Board of Steven Norris. W Alan McClue resigned from the Board on 25 February 2015. Bob Laslett was appointed to the Board as Non-Executive Director on 3 June 2015. The Board now consists of two Executive Directors and three Non-Executive Directors.

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

Between 1 October 2014 and 25 February 2015 the Remuneration Committee consisted of W Alan McClue and Colin Davies. From 26 February 2015 the Committee consisted of Steven Norris and Colin Davies. From 3 June 2015 Bob Laslett also joined the Committee. 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.

Between 1 October 2014 and 25 February 2015 the Audit Committee consisted of W Alan McClue and Colin Davies. From 26 February 2015 the Committee consisted of Colin Davies and Steven Norris. 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 2015

The members of the Remuneration Committee are Steven Norris, Colin Davies and Bob Laslett who are all 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 £	Overseas expenses £	Benefits £	Total 2015 £	Pension[1] 2015 £	Total Remuneration 2015 £	Total 2014 £	Pension 2014 £	Total Remuneration 2014 £
David Webster[3]	335,169	7,000	46,523	1,084	**389,776**	**21,250**	**411,026**	289,262	20,191	309,453
Damien McDonald[1][3]	91,638	12,000	-	3,488	**107,126**	**44,216**	**151,342**	99,227	41,085	140,312
William Alan McClue[1][2][3]	-	-	-	-	**-**	**25,644**	**25,644**	50,000	-	50,000
Colin Davies	25,000	-	-	-	**25,000**	**-**	**25,000**	18,000	-	18,000
Steven Norris[4]	35,030	-	-	-	**35,030**	**-**	**35,030**	-	-	-
Bob Laslett[5]	10,284	-	-	-	**10,284**	**-**	**10,284**	-	-	-
Total	**497,121**	**19,000**	**46,523**	**4,572**	**567,216**	**91,110**	**658,326**	456,489	61,276	517,765

(1) Pension includes salary sacrifice with the director voluntarily reducing salary and bonus in exchange for a higher company pension contribution.
(2) W Alan McClue resigned from the role of Chairman on 25 February 2015.
(3) Share option charge in respect of options held by directors is £Nil (2014: £1,790).
(4) Steven Norris was appointed to the board as Non-Executive Director on 9 December 2014.
(5) Bob Laslett was appointed to the board as Non-Executive Director on 3 June 2015.

For the year to 30 September 2015, the remuneration of Non-Executive Directors was set by the Board and consisted of an annual fee paid in equal monthly instalments.

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

Steven Norris
Chairman of the Remuneration Committee
7 December 2015

Statement of Directors' Responsibilities

In respect of the Report of the Directors and the Financial Statements for the year ended 30 September 2015

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, 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 IFRSs 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 2015

TO THE MEMBERS OF DRIVER GROUP PLC

We have audited the Financial Statements of Driver Group plc for the year ended 30 September 2015 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 2015 and of the Group's loss for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company's Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the 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

7 December 2015

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 2015

	Notes	2015 £000	2014 £000
REVENUE	2	**47,950**	39,078
Cost of Sales		**(37,380)**	(29,336)
GROSS PROFIT		**10,570**	9,742
Administrative expenses		**(12,508)**	(6,773)
Other operating income		**170**	160
Operating profit before share-based payment costs, amortisation of intangible assets and exceptional items		**1,155**	3,521
Exceptional items	5	**(2,173)**	-
Share-based payment charges and associated costs	20	**(510)**	(293)
Amortisation of intangible assets	14	**(240)**	(99)
OPERATING (LOSS)/PROFIT	2, 4	**(1,768)**	3,129
Finance income		**9**	8
Finance costs	6	**(104)**	(78)
(LOSS)/PROFIT BEFORE TAXATION	2	**(1,863)**	3,059
Tax expense	7	**(96)**	(443)
(LOSS)/PROFIT FROM CONTINUING OPERATIONS		**(1,959)**	2,616
Loss on discontinued operation, net of tax	8	**-**	(314)
(LOSS)/PROFIT FOR THE YEAR		**(1,959)**	2,302
Profit attributable to non-controlling interests from continuing operations		**-**	9
Profit attributable to non-controlling interests from discontinued operations		**-**	-
(Loss)/Profit attributable to equity shareholders of the parent from continuing operations		**(1,959)**	2,607
Profit attributable to equity shareholders of the parent from discontinued operations		**-**	(314)
		(1,959)	2,302
Basic earnings per share attributable to equity shareholders of the parent (pence)	11	**(6.5)p**	8.6p
Diluted earnings per share attributable to equity shareholders of the parent (pence)	11	**(6.1)p**	7.8p
Basic earnings per share attributable to equity shareholders of the parent (pence) from continuing operations	11	**(6.5)p**	9.7p
Diluted earnings per share attributable to equity shareholders of the parent (pence) from continuing operations	11	**(6.1)p**	8.9p

The notes on pages 23 to 59 form part of these Financial Statements.

Consolidated Statement of Comprehensive Income

For The Year Ended 30 September 2015

	Notes	2015 £000	2014 £000
(LOSS)/PROFIT FOR THE YEAR		**(1,959)**	2,302
Other comprehensive income:			
Items that could subsequently be reclassified to the Income Statement:			
Exchange differences on translating foreign operations		**(79)**	(116)
OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX		**(79)**	(116)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(2,038)**	2,186
Total comprehensive income attributable to:			
Owners of the parent		**(2,038)**	2,177
Non-controlling interest		**-**	9
		(2,038)	2,186

The notes on pages 23 to 59 form part of these Financial Statements.

Consolidated Statement of Financial Position

At 30 September 2015

Company Number 3475146

	Notes	2015 £000	2015 £000	2014 £000	2014 £000
NON-CURRENT ASSETS					
Goodwill	13	**4,838**		3,407	
Property, plant and equipment	12	**2,676**		2,527	
Intangible assets	14	**842**		96	
Deferred tax asset	19	**35**		22	
			8,391		6,052
CURRENT ASSETS					
Trade and other receivables	15	**16,554**		12,768	
Cash and cash equivalents	18	**1,111**		1,430	
Current tax receivable		**-**		77	
			17,665		14,275
TOTAL ASSETS			**26,056**		20,327
CURRENT LIABLITIES					
Borrowings	17	**(479)**		(338)	
Trade and other payables	16	**(9,537)**		(6,003)	
Current tax payable		**(209)**		(444)	
			(10,225)		(6,785)
NON-CURRENT LIABILITIES					
Borrowings	17	**(3,100)**		(1,259)	
Deferred tax liabilities	19	**(352)**		(194)	
Trade and other payables	16	**(317)**		-	
			(3,769)		(1,453)
TOTAL LIABILITIES			**(13,994)**		(8,238)
NET ASSETS			**12,062**		12,089
SHAREHOLDERS' EQUITY					
Share capital	20		**125**		111
Share premium	24		**4,704**		2,702
Merger reserve	24		**1,493**		1,493
Currency reserve	24		**(392)**		(313)
Capital redemption reserve	24		**18**		18
Retained earnings	24		**6,219**		8,173
Own shares	24		**(107)**		(107)
TOTAL SHAREHOLDERS' EQUITY			**12,060**		12,077
NON-CONTROLLING INTEREST	24		**2**		12
TOTAL EQUITY			**12,062**		12,089

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

Damien McDonald
Finance Director

7 December 2015

The notes on pages 23 to 59 form part of these Financial Statements.

Consolidated Cashflow Statement
For The Year Ended 30 September 2015

	Notes	2015 £000	2014 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit for the year		**(1,959)**	2,302
Adjustments for:			
Depreciation	12	**357**	215
Amortisation	14	**240**	99
Exchange adjustments		**(5)**	(34)
Finance income		**(9)**	(11)
Finance expense		**104**	78
Tax expense		**96**	330
Equity settled share-based payment charge	20	**510**	293
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS		**(666)**	3,272
Increase in trade and other receivables		**(2,968)**	(2,069)
Increase /(decrease) in trade and other payables		**2,865**	(1,141)
CASH (USED IN)/GENERATED FROM OPERATIONS		**(769)**	62
Tax paid		**(491)**	(243)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		**(1,260)**	(181)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**9**	11
Acquisition of property, plant and equipment		**(532)**	(432)
Acquisition of intangible assets		**(41)**	(155)
Acquisition of non-controlling interest		**-**	(206)
Acquisition of subsidiary net of cash acquired	22	**(344)**	-
Proceeds from the disposal of property, plant & equipment		**80**	2
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(828)**	(780)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(104)**	(78)
Repayment of borrowings		**(33)**	(563)
Proceeds of borrowings		**1,926**	238
Proceeds from sale of own shares	24	**-**	135
Proceeds from sale of shares		**401**	58
Dividends paid to equity shareholders of the parent	10	**(505)**	(420)
Payment of dividends to non controlling interests		**(10)**	(8)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		**1,675**	(638)
Net decrease in cash and cash equivalents		**(413)**	(1,599)
Effect of foreign exchange on cash and cash equivalents		**5**	34
Cash and cash equivalents at start of period		**1,102**	2,667
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18	**694**	1,102

The notes on pages 23 to 59 form part of these Financial Statements.

Consolidated Statement of Changes in Equity

For The Year Ended 30 September 2015

	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 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 interest (note 22)	-	-	-	-	19	-	19	(225)	(206)
Proceeds from sale of own shares	-	-	-	-	-	135	135	-	135
Issue of share capital	5	53	-	-	-	-	58	-	58
CLOSING BALANCE AT 30 SEPTEMBER 2014	**111**	**2,702**	**1,493**	**(295)**	**8,173**	**(107)**	**12,077**	**12**	**12,089**
(Loss)/Profit for the year	-	-	-	-	(1,959)	-	(1,959)	-	(1,959)
Other comprehensive income for the year	-	-	-	(79)	-	-	(79)	-	(79)
Total comprehensive income for the year	-	-	-	(79)	(1,959)	-	(2,038)	-	(2,038)
Dividends	-	-	-	-	(505)	-	(505)	(10)	(515)
Share-based payment	-	-	-	-	510	-	510	-	510
Issue of share capital	8	393	-	-	-	-	401	-	401
Shares issued as part of the consideration in a business combination	6	1,609	-	-	-	-	1,615	-	1,615
CLOSING BALANCE AT 30 SEPTEMBER 2015	**125**	**4,704**	**1,493**	**(374)**	**6,219**	**(107)**	**12,060**	**2**	**12,062**

* 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 24.

The notes on pages 23 to 59 form part of these Financial Statements.

Summary of Significant Accounting Policies

For The Year Ended 30 September 2015

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 52 to 59.

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.

1 ACCOUNTING POLICIES - continued

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 five 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.

JOINT ARRANGEMENTS

The group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The group classifies its interests in joint arrangements as either:
- Joint ventures: where the group has rights to only the net assets of the joint arrangement
- Joint operations: where the group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:
- The structure of the joint arrangement
- The legal form of joint arrangements
- The contractual terms of the joint arrangement agreement
- Any other facts and circumstances (including any other contractual arrangements).

The Group has deemed that it has a joint arrangement in Canada, this has been accounted for as a joint operation. The Group accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Details of the Group's accounting estimates and judgements are included in note 27.

1 ACCOUNTING POLICIES - continued

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. The following standards have been adopted for the first time this year:

- IFRS 10 Consolidated Financial Statements (EU adopted). Enhanced definition of control but impact is not significant.
- IFRS 11 Joint Arrangements (EU adopted) impacts the accounting for JOs and JVs.
- IFRS 12 Disclosure of Interests in Other Entities (EU adopted).

These have not had a material impact to 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 the Group has not yet been assessed by management.
- IFRS 15 Revenue from Contracts with Customers (not EU adopted). Potential impact on Group: Management are considering impact on changes to accounting for revenue.

2 SEGMENTAL ANALYSIS

REPORTABLE SEGMENTS

During the period there has been a change in the reportable segments. This is due to a change in how the Group is structured and how information is presented to the chief operating decision maker. Comparative segmental analysis has been restated to reflect this change.

For management purposes, the Group is organised into three operating divisions: Europe & Americas (EuAm), APAC, Middle East & Africa (AMEA) and initiate. These divisions are the basis on which the Group is structured and managed, based on its geographic structure. In EuAm and AMEA the key service provisions are: quantity surveying, planning / programming, quantum and planning experts, dispute avoidance / resolution, litigation support, contract administration and commercial advice / management. In initiate the key service provisions are capital investment consultancy providing development, project and contracting management services to the infrastructure market in the UK. In September 2014 the Group closed its USA operations based in Houston and the Americas division, represented then only by the US, was consequently disclosed as discontinued.

Segment information about these reportable segments is presented below.

Year ended 30 September 2015

	Continuing Operations					
	Europe & Americas £000	APAC, Middle East & Africa £000	initiate £000	Eliminations £000	Unallocated[1] £000	Consolidated £000
Total external revenue	22,243	20,333	5,374	-	-	47,950
Total inter-segment revenue	508	200	-	(708)	-	-
Total revenue	22,751	20,533	5,374	(708)	-	47,950
Segmental profit/(loss)	2,087	781	399	-	-	3,267
Unallocated corporate expenses[1]	-	-	-	-	(2,112)	(2,112)
Share-based payment charge	-	-	-	-	(510)	(510)
Exceptional items (note 5)	(81)	(460)	(1,617)	-	(15)	(2,173)
Amortisation of intangible assets	-	(77)	(163)	-	-	(240)
Operating profit/(loss)	2,006	244	(1,381)	-	(2,637)	(1,768)
Finance income	-	-	-	-	9	9
Finance expense	-	-	-	-	(104)	(104)
Profit/(loss) before taxation	2,006	244	(1,381)	-	(2,732)	(1,863)
Taxation	-	-	-	-	(96)	(96)
Profit/(loss) for the year	2,006	244	(1,381)	-	(2,828)	(1,959)
OTHER INFORMATION						
Non current assets	7,556	471	2	-	362	8,391
Reportable segment assets	13,335	10,744	577	-	1,400	26,056
Capital additions[2]	111	333	-	-	70	514
Depreciation and amortisation	105	208	163	-	121	597

Inter-segment sales are charged at prevailing market rates.

No client had revenue of 10% or more of the Group's revenue in the year to 30 September 2015.

2 SEGMENTAL ANALYSIS – continued

Year ended 30 September 2014 - restated

	Continuing Operations						Discontinued
	Europe & Americas £000	APAC, Middle East & Africa £000	initiate £000	Eliminations £000	Unallocated(1) £000	Consolidated £000	Americas
Total external revenue	20,780	18,298	-	-	-	39,078	513
Total inter-segment revenue	1,469	196	-	(1,775)	-	(110)	110
Total revenue	22,249	18,494	-	(1,775)	-	38,968	623
Segmental profit/(loss)	2,446	2,880	-	-	-	5,326	(430)
Unallocated corporate expenses(1)	-	-	-	-	(1,805)	(1,805)	-
Share-based payment charge	-	-	-	-	(293)	(293)	-
Exceptional items (note 5)	-	-	-	-	-	-	-
Amortisation of intangible assets	-	(99)	-	-	-	(99)	-
Operating profit/(loss)	2,446	2,781	-	-	(2,098)	3,129	(430)
Finance income	-	-	-	-	8	8	3
Finance expense	-	-	-	-	(78)	(78)	-
Profit/(loss) before taxation	2,446	2,781	-	-	(2,168)	3,059	(427)
Taxation	-	-	-	-	(443)	(443)	113
Profit/(loss) for the year	2,446	2,781	-	-	(2,611)	2,616	(314)
OTHER INFORMATION							
Non current assets	4,214	329	-	-	1,500	6,043	9
Reportable segment assets	9,691	8,742	-	-	1,817	20,250	77
Capital additions(2)	245	122	-	-	110	477	-
Depreciation and amortisation	71	175	-	-	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.

Notes to the Financial Statements continued

For The Year Ended 30 September 2015

2 SEGMENTAL ANALYSIS – continued

Geographical information:

	External revenue by location of customers	
	2015	**2014**
	£000	**£000**
UK	**21,368**	15,047
UAE	**7,040**	4,413
South Africa	**4,894**	2,854
Oman	**4,306**	4,821
Qatar	**1,650**	3,451
Netherlands	**1,381**	1,613
Germany	**1,161**	1,339
Australia	**1,006**	1,048
Kuwait	**748**	-
Malaysia	**654**	350
Hong Kong	**648**	673
Azerbaijan	**562**	355
Canada	**511**	4
Other countries	**2,021**	3,623
	47,950	39,591

Reconciliation to total Group revenue

	2015	**2014**
	£000	**£000**
Total external revenue from continuing operations	**47,950**	39,078
Total external revenue from discontinued operations	**-**	513
Total external revenue for the Group	**47,950**	39,591

Notes to the Financial Statements continued

For The Year Ended 30 September 2015

3 EMPLOYEES

Staff costs including Directors' remuneration:

	2015 £000	2014 £000
Wages and salaries	**27,109**	21,258
Social security costs	**1,370**	1,238
Other pension costs	**637**	507
Share based payment charges and associated costs	**510**	293
	29,626	23,296

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

	2015	2014
By role:		
Directors	**5**	4
Fee-earners	**274**	222
Administration	**65**	55
	344	281

KEY MANAGEMENT AND DIRECTORS' REMUNERATION

Key management consists of the statutory Executive Directors of the Company plus a further 4 (2014: 5) key business unit senior personnel.

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

	2015 £000	2014 £000
Remuneration	**1,557**	1,338
Social security costs	**125**	127
Short term benefits	**1**	2
Money purchase pension contributions	**115**	115
	1,798	1,582
Share based compensation (note 20)	**134**	21
Total key management compensation	**1,932**	1,603

The Executive Directors' remuneration is shown below:

	2015 £000	2014 £000
Emoluments	**567**	456
Money purchase pension contributions	**91**	61
Gain on share options	**83**	1,942
Total remuneration	**741**	2,459

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

	2015 £000	2014 £000
Emoluments	**390**	289
Money purchase pension contributions	**21**	20
Gain on share options	**-**	1,387
Total remuneration	**411**	1,696

The number of Directors to whom retirement benefits are accruing:

	2015	2014
Money purchase pension schemes	**3**	3

4 PROFIT FROM OPERATIONS

Profit from operations includes the following significant expenses:

	2015 £000	2014 £000
Depreciation and amounts written off property, plant and equipment – owned assets	**357**	215
Audit services:		
- statutory audit of parent	**7**	7
- statutory audit of subsidiaries	**70**	55
- audit regulatory reporting – interim review	**8**	7
Tax services:		
- compliance	**15**	12
- other services - iXBRL	**5**	5
Operating lease rentals – land and buildings	**870**	1,007
Exchange loss/(profit)	**65**	(34)

5 EXCEPTIONAL ITEMS

	2015 £000	2014 £000
Severance costs (1)	**526**	-
Acquisition and integration costs (2)	**1,647**	-
	2,173	-

(1) Severance costs include redundancy, ex-gratia, other discretionary payments and associated legal costs.
(2) Acquisition and integration costs include contingent consideration being a cost of £1.5m in respect of deferred consideration dependent on future employment, legal and professional fees associated with the acquisition of Initiate and office restructuring costs (note 22).

6 FINANCE EXPENSE

	2015 £000	2014 £000
Bank interest	**99**	76
Finance lease interest	**5**	2
	104	78

7 TAXATION

Analysis of the tax charge

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

	2015 £000	2014 £000
Current tax:		
UK corporation tax on profit for the year	**-**	-
Non-UK corporation tax	**103**	488
Adjustments to the prior period estimates	**15**	(34)
	118	454
Deferred tax:		
Deferred tax expense for the year	**(22)**	(124)
Tax on profit	**96**	330

	2015 £000	2014 £000
Current tax:		
From continuing operations	**118**	454
From discontinued operation	**-**	-
	118	454
Deferred tax:		
From continuing operations	**(22)**	(11)
From discontinued operation	**-**	(113)
	(22)	(124)
Tax on profit	**96**	330

7 TAXATION – continued

Factors affecting the tax charge

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

	2015 £000	2014 £000
(Loss)/profit from continuing operations	**(1,863)**	3,059
Loss from discontinued operation	**-**	(427)
(Loss)/profit before tax	**(1,863)**	2,632
Expected tax (credit)/charge based on the standard average rate of corporation tax in the UK of 20.5% (2014: 22.0%)	**(382)**	579
Effects of:		
Expenses not deductible	**405**	19
Deferred tax on intangibles	**(31)**	-
Deferred tax on share-based payment	**53**	10
Foreign tax rate difference	**(69)**	(131)
Adjustment to prior period estimates	**15**	(34)
Utilisation of losses	**(33)**	(9)
Share options exercised	**(239)**	(429)
Unprovided losses	**377**	325
Tax expense for the year	**96**	330

8 DISCONTINUED OPERATION – PRIOR YEAR

During the prior year, the Directors made the decision to discontinue the trade of Trett Texas LLC.

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

Result of discontinued operation

	2015 £000	2014 £000
Revenue	**-**	513
Expenses other than finance costs	**-**	(943)
Finance costs	**-**	3
Loss before tax	**-**	(427)
Tax	**-**	113
Loss for the year	**-**	(314)

Earnings per share from discontinued operation

	2015 £000	2014 £000
Basic loss per share	**-**	(1.1)p
Diluted loss per share	**-**	(1.1)p

Result of discontinued operation

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

	2015 £000	2014 £000
Operating activities	**-**	(8)
Investing activities	**-**	-
Financing activities	**-**	(3)
Net cash from discontinued operation	**-**	(11)

9 (LOSS)/PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the Parent Company is not presented as part of these Financial Statements. The Parent Company's loss for the financial period was £1,735,000 (2014: profit £3,150,000). The Company has elected to prepare the parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

10 DIVIDENDS

	2015 £000	2014 £000
The aggregate amount of equity dividends comprises:		
Final dividend paid in respect of prior year	**322**	261
Interim dividend paid in respect of the current year (0.6p)	**183**	159
Aggregate amount of dividends paid in the financial year	**505**	420
Equity dividends proposed for approval at Annual General Meeting (not recognised at year end)		
Final dividend for 2015: 1.05p (2014: 1.05p)	**320**	285

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

11 EARNINGS PER SHARE

	2015 £000	2014 £000
Profit for the financial year attributable to equity shareholders	**(1,959)**	2,293
Share-based payment charges and associated costs (note 20)	**510**	293
Exceptionals (note 5)	**2,173**	-
Amortisation of intangible assets	**240**	99
Loss from discontinued operation	**-**	314
Adjusted continuing profit for the financial year before share-based payments, amortisation of intangible assets and exceptional items from continuing operations	**964**	2,999
Weighted average number of shares:		
- Ordinary shares in issue	**30,401,519**	27,379,416
- Shares held by EBT	**(596,677)**	(703,613)
- Vested options with nominal consideration	**272,997**	136,392
Basic weighted average number of shares	**30,077,839**	26,812,195
Effect of Employee share options	**2,149,588**	2,546,314
Diluted weighted average number of shares	**32,227,427**	29,358,509
Basic earnings per share	**(6.5)p**	8.6p
Diluted earnings per share	**(6.1)p**	7.8p
Adjusted continuing earnings per share before share-based payments, amortisation of intangible assets and exceptional items	**3.2p**	11.2p
Basic earnings per share from continuing operations	**(6.5)p**	9.7p
Diluted earnings per share from continuing operations	**(6.1)p**	8.9p

12 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 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
COST					
At 1 October 2014	1,987	910	766	37	3,700
Additions	-	82	232	200	514
Additions acquired through business combination	80	-	-	-	80
Disposals	(80)	(25)	(5)	(15)	(125)
Foreign exchange movement	-	17	6	(2)	21
At 30 September 2015	1,987	984	999	220	4,190
DEPRECIATION					
At 1 October 2014	274	458	429	12	1,173
Charge for year	33	120	167	37	357
Disposals	-	(18)	(5)	(7)	(30)
Foreign exchange movement	-	12	4	(2)	14
At 30 September 2015	307	572	595	40	1,514
NET BOOK VALUE					
At 30 September 2015	1,680	412	404	180	2,676
At 30 September 2014	1,713	452	337	25	2,527

Included in Motor Vehicles are assets held under finance leases with a net book value of £171,000 (2014: £14,000) and a depreciation charge of £34,000 (2014: £6,000).

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 (2014: £100,000) and service charge income totalled £36,000 (2014: £32,000).

13 GOODWILL

	£000
COST	
At 1 October 2014	3,407
Additions	1,431
At 30 September 2015	4,838

The addition in the year relates to the acquisition of Initiate (note 22).

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;

	2015 £000	2014 £000
Europe & Americas	**3,407**	3,407
Initiate	**1,431**	-
	4,838	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	-	21% – 34%
Growth rate	-	2%
Discount rate	-	18% (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%	(1)
Driver Consult (UAE) LLC	Abu Dhabi	Construction consultancy services	49%	(2)
Driver Group Africa (pty) Ltd	South Africa	Construction consultancy services	100%	
Driver Consult Qatar LLC	Qatar	Construction consultancy services	49%	(2)
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%	
Trett Consulting (India) Ltd	India	Dormant	70%	(3)
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	Dormant	100%	
Trett Consulting LLC	Qatar	Construction consultancy services	49%	(3)(6)
Driver Trett (Malaysia) SDN BHD	Malaysia	Construction consultancy services	100%	
Driver Trett Australia Pty Ltd	Australia	Construction consultancy services	100%	
Driver Trett (Canada) Ltd	Canada	Construction consultancy services	100%	(7)
initiate Consulting Ltd	England and Wales	Construction consultancy services	100%	(4)
Driver Trett France SAS	France	Construction consultancy services	100%	(5)

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

13 GOODWILL - continued

(1) The Company is entitled to 99% of the profits.
(2) The legal structure of the business provides the Company with effective 100% control and the business is therefore treated as a fully owned subsidiary
(3) The Company is entitled to 97% of the profits.
(4) initiate Consulting Limited was acquired on 8 December 2014 (note 22).
(5) Driver Trett France SAS was formed during the year.
(6) Trett Consulting LLC was liquidated on 14 May 2015.
(7) During the year Driver Trett Canada have entered into a joint operation with MHPM partners limited to provide consultancy services. This operation contributed £62,000 (2014: £nil) to net margin during the financial period.

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 2015 the assets of the Trust comprised 596,677 (2014: 596,677) of the Company's own shares with a nominal value of £2,387 (2014: £2,387) and a market value of £411,707 (2014: £656,345). 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 20) 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.

14 INTANGIBLE ASSETS

	£000
Net book value at 30 September 2014	96
Additions in the year	980
Amortisation	(240)
Foreign exchange movement	6
Net book value at 30 September 2015	842

On 8 December 2014 the Group acquired initiate Consulting Limited ("Initiate"). As part of the acquisition intangible assets relating to customer relationships were acquired with a fair value of £0.98m (note 22).

These customer relationships acquired with Initiate are being amortised over their useful economic life which has been deemed as 5 years.

15 TRADE AND OTHER RECEIVABLES

Amounts falling due within one year:

	2015 £000	2014 £000
Trade receivables	**13,630**	11,396
Other receivables	**757**	368
Prepayments	**1,263**	685
Accrued income	**904**	319
	16,554	12,768

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 £257,000 (2014: £243,000) due after 1 year.

15 TRADE AND OTHER RECEIVABLES - continued

As at 30 September 2015 trade receivables of £4,675,000 (2014: £3,971,000) 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 2015	Current (not yet overdue)	Debt age – "days overdue" 0-30 days	31-60 days	Over 60 days	Total
Trade receivables					
Value (£'000)	8,955	1,512	726	2,437	13,630
%	66%	11%	5%	18%	100%

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%

As at 30 September 2015 trade receivables of £893,000 (2014: £666,000) 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 23.

16 TRADE AND OTHER PAYABLES:

Amounts payable within one year:

	2015 £000	2014 £000
Trade payables	**3,422**	2,185
Social security and other taxes	**2,012**	1,103
Other payables	**441**	409
Accrued expenses	**3,662**	2,306
	9,537	6,003

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

Included within trade payables is £39,000 (2014: £24,000) payable between 3 and 12 months with the remainder due within 3 months.

Amounts payable over one year:
Included within amounts payable over one year is £317,000 (2014: £nil) of accrued contingent consideration (note 22).

17 BORROWINGS

An analysis of the maturity of loans is given below:

	2015 £000	2014 £000
Current:		
Bank loan and overdraft	**417**	328
Finance lease	**62**	10
	479	338
Non-current falling due between one and two years:		
Bank loan	**3,000**	-
Finance lease	**38**	9
Non-current falling due between two and five years:		
Bank loan	**-**	1,250
Finance lease	**62**	-
	3,100	1,259

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

As at 30 September 2015 the banking facilities with the Royal Bank of Scotland (RBS) consisted 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.

As at 30 September 2015 the Company had access to cash balances of £1,111,000 in addition to the unutilised overdraft facility of £632,000. 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 £1,680,000.

On 1 December 2015 the Group signed new banking facilities with HSBC Bank plc in replacement of the facilities with The Royal Bank of Scotland plc. The new facilities consisted of a £7m term loan repayable on 30 November 2018 and a £3m overdraft facility. Both facilities have a margin of 1.75% with the term loan based on LIBOR and the overdraft based on Base Rate.

18 CASH AND CASH EQUIVALENTS

	2015 £000	2014 £000
Cash at bank	**1,111**	1,430
Bank overdraft (note 17)	**(417)**	(328)
	694	1,102

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, Canadian Dollars and Kuwaiti Dinar.

19 DEFERRED TAXATION

Deferred tax is calculated at 20% (2014: 20%)

Deferred tax liability

	2015 £000	2014 £000
At the beginning of the year	**194**	308
Credit for the year recognised in Income Statement	**(22)**	(114)
Deferred tax on intangible asset arising on business combination	**186**	-
Temporary differences on property	**(6)**	-
At end of year	**352**	194

Deferred tax asset

	2015 £000	2014 £000
At beginning of year	**22**	12
Deferred tax movement	**13**	10
At end of year	**35**	22

The elements of the deferred tax balances are as follows:

	Assets 2015 £000	Assets 2014 £000	Liabilities 2015 £000	Liabilities 2014 £000
Temporary differences on property	**-**	-	**(166)**	(172)
Capital allowances difference to depreciation	**-**	-	**(31)**	(22)
Deferred tax on intangible asset	**-**	-	**(155)**	-
Other short term temporary differences	**35**	22	**-**	-
	35	22	**(352)**	(194)

The Group had taxable losses of £5,974,000 (2014: £3,685,000) carried forward at the year end. No deferred tax asset has been recognised in relation to these.

20 CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal Value:	2015 £000	2014 £000
50,000,000	Ordinary	0.4p	**200**	200

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	2015 £000	2014 £000
31,101,190	Ordinary	0.4p	**125**	111

Ordinary shares of 0.4p each	2015 Number:	2015 £000	2014 Number:	2014 £000
At beginning of the year	**27,754,416**	**111**	26,379,416	106
Issued during the year	**3,346,774**	**14**	1,375,000	5
At end of the year	**31,101,190**	**125**	27,754,416	111

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. 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.

20 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.

Options totalling 5,270,000 shares were granted during the year. These options were granted with an exercise price of between nil p and 65.5p with a vesting period of between 2 and 5 years. Some options are conditional on profit targets and in addition are forfeited if the employee leaves the Group before the options vest. The share options have been valued based on market value on the date of grant. Detail of these options are shown in the table below.

During the year 1,752,500 options were exercised at a weighted average exercise price of 23p per share.

At 30 September 2015 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 64 employees (2014: 22):

Year of grant	Vesting period	Exercise price per 0.4p share (pence)	2015 Number	2014 Number
2011	23-01-2011 to 01-10-2014	21.5p	**600,000**	2,102,500
	11-07-2011 to 01-10-2014	34.25p	**-**	50,000
	28-09-2011 to 01-10-2014	22.5p	**-**	150,000
2012	28-06-2012 to 01-10-2014	53.5p	**-**	50,000
2014	10-10-2013 to 10-10-2013	Nilp	**136,392**	136,392
	10-10-2013 to 01-10-2014	Nilp	**136,605**	136,605
	10-10-2013 to 01-10-2015	Nilp	**136,605**	136,605
	10-10-2013 to 01-10-2016	Nilp	**247,284**	247,284
2015	01-10-2014 to 01-10-2016	Nilp	**154,000**	-
	01-10-2014 to 01-10-2017	Nilp	**570,000**	-
	13-11-2014 to 01-10-2016	Nilp	**400,000**	-
	13-11-2014 to 01-10-2017	Nilp	**800,000**	-
	13-11-2014 to 01-10-2018	Nilp	**400,000**	-
	09-12-2014 to 01-10-2017	Nilp	**1,550,000**	-
	18-03-2015 to 01-10-2017	Nilp	**40,000**	-
	18-03-2015 to 01-10-2020	65.5p	**160,000**	-
	26-03-2015 to 01-10-2017	63.5p	**600,000**	-
	17-08-2015 to 01-10-2017	Nilp	**20,000**	-
	29-09-2015 to 01-01-2017	Nilp	**238,000**	-
	29-09-2015 to 01-06-2017	Nilp	**60,000**	-
	29-09-2015 to 01-10-2017	Nilp	**53,000**	-
			6,301,886	3,009,386

	2015		2014	
	Options	Weighted average exercise price per share (pence)	Options	Weighted average exercise price per share (pence)
Outstanding at 1 October	**3,009,386**	**18p**	4,252,500	17p
Granted during the year	**5,270,000**	**2p**	656,886	Nilp
Forfeited during the year	**(225,000)**	**Nilp**	(25,000)	54p
Exercised during the year	**(1,752,500)**	**23p**	(1,875,000)	9p
Outstanding at 30 September	**6,301,886**	**4p**	3,009,386	18p
Exercisable at 30 September	**872,997**	**14.8p**	136,392	Nilp

The options outstanding at 30 September 2015 had an exercise price between nil p and 65.5p and a weighted average remaining contractual life of 3.36 years.

The Group recognised a charge of £510,000 (2014: £293,000) relating to equity settled share options.

The directors' interests in share options are shown on page 13 in the Report of the Directors.

21 LEASES

Finance leases

The Group has entered into leases for motor vehicles which are 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 2015 was £170,791 (2014: £14,249).

Future lease payments are due as follows:

	Minimum lease payments 2015 £000	Interest 2015 £000
Not later than one year	**62**	**2**
Later than one year and not later than five years	**100**	**2**
	162	**4**

The present values of future lease payments are analysed as:

	2015 £000	2014 £000
Current liabilities	**62**	10
Non-current liabilities	**100**	9
	162	19

Operating lease – lessee

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

	2015		2014	
	Land and buildings £000	Other leases £000	Land and buildings £000	Other leases £000
Due:				
Not later than one year	**985**	**19**	792	46
Later than one year and not later than five years	**1,744**	**2**	2,106	21
Later than five years	**399**	**-**	733	-
	3,128	**21**	3,631	67

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:

	2015 £000	2014 £000
Not later than one year	**34**	132
Later than one year and not later than five years	**-**	33
	34	165

22 ACQUISITIONS

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, which is being 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. The purchase agreement also included a two year earn-out payable to the sellers as contingent consideration if they remain with the Group for a two year period post acquisition. The Group has recognised £1.5m in the income statement, being the present value of the consideration payable having made a probability based assessment of the amount payable. The terms of the purchase agreement state that the total amount payable is £2.185m. The contingent consideration payable is linked to post combination employment and therefore has been charged to the income statement (note 5).

22 ACQUISITIONS – continued

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 service to other regions where infrastructure-spend is at significant levels, such as across the Middle East and Africa.

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.

Book and provisional fair value of assets and liabilities acquired:

	Book Value £000	Adjustments £000	Fair Value £000
Intangible assets – customer relationships	-	980	980
Cash and cash equivalents	1,156	-	1,156
Trade and other receivables	818	-	818
Property, plant and equipment	110	(30)	80
Trade and other payables	(656)	(331)	(987)
Tax liability	(177)	-	(177)
Deferred tax on intangible asset	-	(186)	(186)
NET ASSETS ACQUIRED	1,251	433	1,684

Fair value of consideration paid

	£000
Cash	1,500
Consideration shares issued	1,615
Total consideration	3,115
Goodwill	1,431

Acquisition costs of £0.143m arose as a result of the transaction. These have been recognised as exceptional costs in the Income Statement. The main factor leading to the recognition of goodwill is: the presence of certain intangible assets, such as the assembled workforce of the acquired entity, which does not qualify for separate recognition. The goodwill recognised will not be deductible for tax purposes.

The contribution to net profit of the Group was an underlying* profit of £0.399m. After exceptional items (note 5) and amortisation of intangible assets of £0.163m the contribution was a net loss of £1.381m. Group revenue includes £5.37m from the operations of Initiate.

Had Initiate been acquired for the whole financial year the contribution to revenue would have been approximately £6.57m. The contribution to underlying* operating profit would have been approximately £0.51m. After exceptional items and amortisation of intangible assets the contribution to net loss would have been approximately £1.63m.

Acquisitions - prior year

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 prior year. Deferred consideration of HK$0.5m (£0.04m) was paid on successful transfer of the contracts.

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

23 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	
	2015 £000	2014 £000	2015 £000	2014 £000
FINANCIAL ASSETS				
Cash and cash equivalents	**-**	-	**1,111**	1,430
Trade and other receivables	**-**	-	**15,274**	12,043
Derivative financial assets	**17**	40	**-**	-
TOTAL FINANCIAL ASSETS	**17**	40	**16,385**	13,473

	Financial liabilities at fair value through income statement		Financial liabilities at amortised costs	
	2015 £000	2014 £000	2015 £000	2014 £000
FINANCIAL LIABILITIES				
Trade and other payables	**-**	-	**9,701**	5,845
Loans and borrowings	**-**	-	**3,579**	1,597
Derivative financial liabilities	**153**	158	**-**	-
TOTAL FINANCIAL LIABILITIES	**153**	158	**13,280**	7,442

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.

23 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:

	2015 £000	**2014 £000**
Un-drawn borrowing facilities at 30 September	**632**	2,422
Cash and cash equivalents	**1,111**	1,430
Available funds	**1,743**	3,852

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 2015

	Due within 1 year £000	**Due between 1 and 5 years £000**	**Total £000**
Non-derivative financial liabilities			
Bank loans and overdrafts	**417**	**3,000**	**3,417**
Finance lease creditor	**62**	**100**	**162**
Trade and other payables	**9,701**	**-**	**9,701**
Total	**10,180**	**3,100**	**13,280**

30 September 2014

	Due within 1 year £000	**Due between 1 and 5 years £000**	**Total £000**
Non-derivative financial liabilities			
Bank loans and overdrafts	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

As at 30 September 2015 the banking facilities with the Royal Bank of Scotland (RBS) consisted 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.

As at 30 September 2015 the Company had access to cash balances of £1,111,000 in addition to the unutilised overdraft facility of £632,000. 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 £1,680,000.

On 1 December 2015 the Group signed new banking facilities with HSBC Bank plc in replacement of the facilities with The Royal Bank of Scotland plc. The new facilities consisted of a £7m term loan repayable on 30 November 2018 and a £3m overdraft facility. Both facilities have a margin of 1.75% with the term loan based on LIBOR and the overdraft based on Base Rate.

23 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, Hong Kong Dollar, Canadian Dollar and Kuwaiti Dinar. 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 15) and other payables (note 16) in respect of derivative financial instruments, being foreign currency forward contract arrangements:

	2015 £000	2014 £000
Asset	**17**	40
Liability	**(153)**	(158)
	(136)	(118)

The balances are all current with assets of £12,000 (2014: £38,000) and liabilities of £153,000 (2014: £103,000) maturing within 3 months and assets of £5,000 (2014: £2,000) maturing in 6 to 12 months and liabilities of £Nil (2014: £55,000).

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

FINANCIAL ASSETS 2015

	Cash and cash equivalents £000	Trade and other receivables £000
GBP	787	4,428
EUR	(75)	1,154
CAD	20	377
AED	249	3,094
OMR	91	2,946
KWD	-	374
USD	12	-
QAR	48	242
ZAR	85	1,805
SGD	(159)	187
MYR	64	280
HKD	(17)	104
AUD	6	283
Total	1,111	15,274

FINANCIAL LIABILITIES 2015

	Trade and other payables £000	Loans and borrowings £000
GBP	6,382	3,417
EUR	363	-
CAD	190	-
AED	672	-
OMR	746	158
KWD	56	-
USD	-	-
QAR	234	-
ZAR	780	4
SGD	39	-
MYR	60	-
HKD	45	-
AUD	134	-
Total	9,701	3,579

23 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – continued

(b) Foreign exchange risk - continued

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	-
	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	-
	5,845	1,597

The Group earns Euro revenues in Europe and also generates local currency revenues and costs in South Africa, Oman, the UAE, Qatar, Kuwait, Malaysia, Singapore, Australia, Hong Kong and Canada. 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, Hong Kong Dollar, Canadian Dollar, Kuwaiti Dinar, 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.

Notes to the Financial Statements continued

For The Year Ended 30 September 2015

23 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – continued

(b) Foreign exchange risk - continued

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	(108)	(198)	(81)	(148)
Sterling weakens relative to Euro	132	297	99	223
Sterling strengthens relative to US Dollar	(98)	(180)	(94)	(174)
Sterling weakens relative to US Dollar	120	270	116	260
Sterling strengthens relative to South African Rand	(61)	(112)	(44)	(81)
Sterling weakens relative to South African Rand	75	169	54	122
Sterling strengthens relative to Malaysian Ringgit	(6)	(12)	(4)	(9)
Sterling weakens relative to Malaysian Ringgit	8	18	6	14
Sterling strengthens relative to Singapore Dollar	32	58	26	48
Sterling weakens relative to Singapore Dollar	(39)	(88)	(33)	(73)
Sterling strengthens relative to Australian Dollar	(4)	(7)	(3)	(5)
Sterling weakens relative to Australian Dollar	5	11	3	7
Sterling strengthens relative to Hong Kong Dollar	39	71	33	60
Sterling weakens relative to Hong Kong Dollar	(47)	(107)	(39)	(89)
Sterling strengthens relative to Canadian Dollar	(5)	(10)	(4)	(8)
Sterling weakens relative to Canadian Dollar	7	15	6	13
Sterling strengthens relative to Kuwaiti Dinar	4	7	4	6
Sterling weakens relative to Kuwaiti Dinar	(5)	(11)	(4)	(9)

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.

23 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 2015

	Fixed rate £000	Floating rate £000	Non-interest bearing £000	Total £000
Cash and cash equivalents	-	1,111	-	1,111
Trade and other receivables	-	-	15,274	15,274
Derivative financial instrument – asset	-	-	17	17
Trade and other payables	-	-	(9,701)	(9,701)
Derivative financial instrument – liability	-	-	(153)	(153)
Bank loans and overdrafts	-	(3,417)	-	(3,417)
Finance lease creditor	(162)	-	-	(162)
	(162)	(2,306)	5,437	2,969

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 and overdrafts	-	(1,578)	-	(1,578)
Finance lease creditor	(19)	-	-	(19)
	(19)	(148)	6,080	5,913

Interest rates on bank loans are disclosed in note 17.

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.

	2015 £000
Impact on Income Statement and Equity	
1% increase in base rate of interest	**(66)**
2% increase in base rate of interest	**(133)**

(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 15.

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.

23 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 24). 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).

24 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.

Currency reserve
The currency 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 and Trett Consulting (India) Ltd.

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 2015 was 596,677 (2014: 596,677).

25 RELATED PARTY TRANSACTIONS

Other than the transactions with Directors noted in the Directors' Remuneration Report (page 15) and dividends paid to Directors, during the financial year, the Group had no transactions with other related parties as defined by IAS 24 'Related Party Disclosures'.

26 MAJOR SHAREHOLDERS

The major shareholders (more than 3%) as at 30 September 2015 are:

	Number of Shares 30 September 2015
Living Bridge	5,115,805
John P Mullen	2,059,436
David Webster	2,052,088
Close Asset Management	1,873,699
Hargreave Hale	1,814,740
Ennismore Fund Management	1,773,179
Unicorn Asset Management	1,626,936
City Financial	1,499,189
David P Law	1,184,600
Paul Battrick	951,700

27 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Impairment 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 13.

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 £893,000 (2014: £666,000) 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.

Share Based Payments
The Group operates an equity-settled share-based compensation plan as detailed in note 20. 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.

28 POST BALANCE SHEET EVENTS

There have been no significant events requiring disclosure since 30 September 2015.

Driver Group plc (Company) Balance Sheet

At 30 September 2015

Company number: 3475146

	Notes	2015 £000	2015 £000	2014 £000	2014 £000
FIXED ASSETS					
Tangible assets	30		**2,163**		2,214
Investments	31		**10,596**		6,976
			12,759		9,190
CURRENT ASSETS					
Debtors	32	**4,226**		3,016	
Cash at bank and in hand		**355**		103	
		4,581		3,119	
CREDITORS					
Amounts falling due within one year	33	**(3,852)**		(1,174)	
NET CURRENT ASSETS / (LIABILITIES)			**729**		1,945
TOTAL ASSETS LESS CURRENT LIABILITIES			**13,488**		11,135
CREDITORS					
Amounts falling due after more than one year	34		**(3,317)**		(1,250)
NET ASSETS			**10,171**		9,885
CAPITAL RESERVES					
Called up share capital	37		**125**		111
Share premium	38		**4,704**		2,702
Merger reserve	38		**1,493**		1,493
Revaluation reserve	38		**1,195**		1,213
Capital redemption reserve	38		**18**		18
Profit and loss account	38		**2,743**		4,455
Own shares	39		**(107)**		(107)
SHAREHOLDERS' FUNDS	40		**10,171**		9,885

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

Damien McDonald
Finance Director
7 December 2015

The notes on pages 52 to 59 form part of the Financial Statements.

29 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.

29 ACCOUNTING POLICIES – continued

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

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

Company Profit and Loss Account
As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these Financial Statements. The parent company's loss for the year was £1,735,000 (2014: profit £3,150,000).

Notes to the Financial Statements - Company continued

For The Year Ended 30 September 2015

30 TANGIBLE FIXED ASSETS

	Land and buildings Long leasehold £000	Fixtures and fittings £000	Computer equipment £000	Total £000
COST OR VALUATION				
At 1 October 2014	2,000	255	379	2,634
Additions	-	1	69	70
Disposals	-	-	-	-
At 30 September 2015	2,000	256	448	2,704
DEPRECIATION				
At 1 October 2014	-	175	245	420
Charge for year	33	23	65	121
Disposals	-	-	-	-
Revaluation	-	-	-	-
At 30 September 2015	33	198	310	541
NET BOOK VALUE				
At 30 September 2015	1,967	58	138	2,163
At 30 September 2014	2,000	80	134	2,214

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 (2014: £100,000) and service charge totalled £36,000 (2014: £32,000).

Cost or valuation at 30 September 2015 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:

	2015 £000	2014 £000
Gross cost	**919**	919
Depreciated historical cost	**772**	787

31 FIXED ASSET INVESTMENTS

	Shares in Group Undertakings £000
COST	
At 1 October 2014	6,976
Additional capital investment	3,620
At 30 September 2015	10,596
NET BOOK VALUE	
At 30 September 2015	10,596
At 30 September 2014	6,976

The movement in the year relates to the acquisition of Initiate, £3.1m (note 22) and investment in share options, £0.5m (note 20).

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

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

(1) The Company is entitled to 99% of the profits.
(2) The legal structure of the business provides the Company with effective 100% control and the business is therefore treated as a fully owned subsidiary
(3) The Company is entitled to 97% of the profits.
(4) initiate Consulting Limited was acquired on 8 December 2014 (note 22).
(5) Driver Trett France SAS was formed during the year.
(6) Trett Consulting LLC was liquidated on 14 May 2015.
(7) During the year Driver Trett Canada have entered into a joint operation with MHPM partners limited to provide consultancy services. This operation contributed £62,000 (2014: £nil) to net margin during the financial period.

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 2015 the assets of the Trust comprised 596,677 (2014: 596,677) of the Company's own shares with a nominal value of £2,387 (2014: £2,387) and a market value of £411,707 (2014: £656,345). 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 20) 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.

32 DEBTORS

Amounts falling due within one year:

	2015 £000	2014 £000
Trade debtors	**14**	13
Amounts owed by Group undertakings	**3,950**	2,801
Prepayments and accrued income	**262**	202
	4,226	3,016

33 CREDITORS

Amounts falling due within one year:

	2015 £000	2014 £000
Trade creditors	**287**	349
Other creditors	**-**	20
Social security and other taxes	**479**	550
Accrued expenses	**1,306**	255
Amounts owed to Group undertakings	**1,780**	-
	3,852	1,174

34 CREDITORS

Amounts falling due after more than one year:

	2015 £000	2014 £000
Bank loan (note 35)	**3,000**	1,250
Accrued expenses	**317**	-
	3,317	1,250

Accrued expenses relate to contingent consideration (note 22).

35 BANK LOAN AND OVERDRAFTS

An analysis of the maturity of loans is given below:

	2015 £000	2014 £000
Amounts falling due within one year or on demand:		
Bank loans and overdrafts	**-**	-
Finance lease	**-**	-
	-	-
Amounts falling due between one and two years:		
Bank loan	**-**	-
Amount falling due between two and five years:		
Bank loan	**3,000**	1,250
	3,000	1,250

As at 30 September 2015 the banking facilities with the Royal Bank of Scotland (RBS) consisted 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.

As at 30 September 2015 the Company had access to cash balances of £1,111,000 in addition to the unutilised overdraft facility of £632,000. 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 £1,680,000.

On 1 December 2015 the Group signed new banking facilities with HSBC Bank plc in replacement of the facilities with The Royal Bank of Scotland plc. The new facilities consisted of a £7m term loan repayable on 30 November 2018 and a £3m overdraft facility. Both facilities have a margin of 1.75% with the term loan based on LIBOR and the overdraft based on Base Rate.

36 DEFERRED TAX

No deferred tax has been recognised in respect to the land and buildings. If the Company's land and buildings were sold at their revalued amount an estimated tax liability of approximately £192,000 (2014: £199,000) would arise.

37 CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal Value:	2015 £000	2014 £000
50,000,000	Ordinary	0.4p	**200**	200

Allotted, issued and fully paid:

Ordinary shares of 0.4p each	2015 Number:	2015 £000	2014 Number:	2014 £000
At beginning of the year	**27,754,416**	**111**	26,379,416	106
Issued during the year	**3,346,774**	**14**	1,375,000	5
At end of the year	**31,101,190**	**125**	27,754,416	111

Information relating to the Company's share option scheme is detailed in note 20 of the Consolidated Group Accounts.

38 RESERVES

	Share Premium £000	Merger reserve £000	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss account £000
At 1 October 2014	2,702	1,493	1,213	18	4,455
Loss for the year	-	-	-	-	(1,735)
Dividends	-	-	-	-	(505)
Share based payment costs	-	-	-	-	5
Investment in subsidiary - share options	-	-	-	-	505
Proceeds from issue of new shares	393	-	-	-	-
Investment in subsidiary	1,609	-	-	-	-
Reserves transfer	-	-	(18)	-	18
At 30 September 2015	4,704	1,493	1,195	18	2,743

39 OWN SHARES

	£000
At 1 October 2014 and 30 September 2015	107

40 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £000	2014 £000
(Loss)/profit for the financial year	**(1,735)**	3,150
Dividends	**(505)**	(420)
Share based payment costs	**5**	2
Investments in subsidiary – share options	**505**	291
Proceeds from sale of own shares	**-**	135
Proceeds from sale of shares	**401**	58
Investment in subsidiary – initiate Consulting Limited	**1,615**	-
Investment in subsidiary – acquisition of non-controlling interest	**-**	164
Revaluation of land and buildings	**-**	136
Net addition to shareholders' funds	**286**	3,516
Opening shareholders' funds – equity	**9,885**	6,369
Closing shareholders' funds - equity	**10,171**	9,885

41 COMMITMENTS

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

	Land and buildings	
	2015 £000	**2014 £000**
Due:		
Not later than one year	**-**	-
Later than one year and not later than five years	**-**	-
Later than five years	**320**	236
	320	236

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

42 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 include amounts paid as dividends and transactions disclosed on page 15.

Driver Group plc

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

www.driver-group.com