INTERIM REPORT 2016

Driver Group plc is a specialist provider of consultancy, advisory and project management services to the construction and engineering industries and its shares are quoted on AIM, the London Stock Exchange's specialist market for growing companies.

Key Points (for the six months ended 31 March 2016)

- Revenue up by 32% to £27.9m (2015: £21.1m)
- Gross Margin up £0.9m to £4.9m (2015: £4.0m)
- Underlying* loss before tax of £1.5m (2015: Underlying* loss before tax of £0.5m). Reported loss before tax of £3.4m (2015: loss of £2.1m)
- As a result of the loss for the period the directors do not propose an interim dividend (2015: 0.6 pence per share)
- Headcount increased by 17% to 541 (2015: 461)
- Utilisation levels reduced by 4 percentage points to 69% primarily due to due Middle East, Africa and UK (2015: 73%)
- Asia Pacific turned to profit in the period of £0.2m (2015: loss of £0.4m)
- Mainland Europe offices returned a profit of £0.2m compared to a broadly breakeven position in 2015

* *Underlying figures are stated before the share-based payment costs and amortisation of intangible assets and exceptional items (note 6).*

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INTRODUCTION

During the last six months the Group has undergone profound change both in terms of management, cost control and strategic direction. After a reasonable start to the year revenues in December were poor and although only 4% below plan at that stage resulted in a significant shortfall against planned profit. The Board however at that time remained confident that the shortfall could be recovered over the year. I should say that the nature of our core business, like many professional services, is such that long term revenue forecasting is extremely challenging. With the exception of our project and programme management businesses our assignments tend to be relatively short in duration – a matter of weeks rather than months – so more precise forecasting will always be a matter of reviewing best information available. While revenues improved in the last month of the second quarter resulting in the highest ever recorded sales figure and the best monthly cash collection for a very long time, it nonetheless became evident by early May that the likely outturn for the full year would be significantly below plan not least because our review of all aged debt indicated the need to provide for £0.5m in respect of amounts deemed unlikely to be recovered in the Gulf and we therefore announced this news to the market on 10 May 2016.

To redress the situation the Group clearly needed to reduce its cost base significantly relative to the planned scale of the business and took action to address this during January, February and March. Dave Webster retired as Group Chief Executive to become a non-executive director and Gordon Wilkinson who had previously run our newly acquired Initiate business has taken on the role of Group Chief Executive. An extensive internal business review was conducted and is indeed ongoing which has already resulted in a programme to remove costs of approximately £0.2m per month. Much of this came from a detailed examination of all employees worldwide, releasing those non-fee earners whose roles could be discontinued or carried out elsewhere and the release of those fee earners whose earnings performance did not merit their retention. This will not mean that we will see the same saving every month because when we do need to hire good quality staff to meet demand for our services we will do so. But carefully managing the "bench" – the number of fee earners who at any one time do not have fee earning projects to work on - is the fundamental key to success in all professional services businesses and by doing so in Driver Group we can ensure that we have a permanent beneficial impact on the bottom line of the business. I am grateful to Gordon Wilkinson as well as to Mark Wheeler and David Brodie-Stedman the Chief Operating Officers of our Europe and Americas business and our Asia Pacific, Middle East and Africa operations respectively who are carrying out this difficult exercise with determination and integrity.

FINANCIAL RESULTS

Revenue for the first half of the financial year was £27.9m, an increase of 32% on the first half of 2015 (£21.1m). This includes £5.9m of growth in the AMEA Region and £0.9m of growth from a 6 month trading period of Initiate compared to 4 months post acquisition in 2015. Gross Profit grew by £0.9m to £4.9m when compared to the first half of 2015 (£4.0m). Administrative expenses (excluding cost of share options, exceptional items (note 6) and amortisation of intangible assets) increased by £2m to £6.5m when compared to the first half of 2015 (£4.5m). This includes the effect of an additional £0.5m bad debt provision, the addition of Initiate and increased business support in relation to the growth of the business over the second half of 2015.

The Group reported an underlying* loss before tax of £1.5m (2015: £0.5m). After the cost of share options, exceptional items (note 6) and amortisation of intangible assets of £1.9m (2015: £1.6m) the pre-tax loss for the period was £3.4m (2015: £2.1m).

The Group's effective tax rate from continuing operations is 2% (2015: 4%) reflecting losses incurred which have arisen in overseas operations which have lower tax rates. Underlying loss per share before share option costs, exceptional items and amortisation of intangible assets was 4.7p (2015: 1.4p). After share option costs, exceptional items and amortisation of intangible assets the loss per share was 10.9p (2015: 6.8p). Net assets reduced to £8.6m (2015: £12.0m).

The Group's net borrowings position increased from £2.5m in September 2015 to £6.8m at March 2016. Net cash outflow from operations was £3.3m (2015: £1.0m). This included a net outflow from an increase in trade and other receivables of £0.2m (2015: £0.3m) and a net cash outflow from a decrease in trade and other payables (£0.8m), principally arising from the payment of £1.4m of deferred consideration from the acquisition of Initiate partially offset by other increases (2015: net cash inflow from an increase in trade and other payables £1.2m). Acquisition of fixed assets was £0.5m (2015: £0.2m).

Trade and other receivables increased by £0.2m over the first half to £16.8m (30 September 2015: £16.6m). Trade and other payables remained constant over the period at £9.5m (30 September 2015: £9.5m).

DIVIDEND

As a result of the trading results the Board do not recommend the payment of an interim dividend (2015: 0.6p).

TRADING PERFORMANCE

As a result of the ambitious growth plans set last year head count increased by 17% to 541 (2015: 461) and Group revenue increased by 32% to £27.9m (2015: £21.1m). The increase in headcount has had an impact on utilisation levels which dropped 4 percentage points to 69% (2015: 73%) and the increased cost of the business has impacted on the underlying loss for the half year.

In APAC, Middle East and Africa revenue has increased by £5.9m to £13.9m (2015: £8.0m), but despite this growth AMEA reported an underlying loss of £0.8m compared to an underlying loss of £0.5m in 2015 arising from the increased cost base.

In Europe and Americas revenue was steady at £10.9m (2015: £10.9m). However costs in the period increased and the underlying profit for the period reduced to £0.1m (2015: £0.9m).

The Initiate business acquired in December 2014 reported revenue of £3.2m compared to £2.2m for the

**Underlying figures are stated before the share-based payment costs and amortisation of intangible assets and exceptional items (note 6).*

Chairman's Statement continued

4 months' trading from December 2014 to March 2015. However, investment in staff to develop this business led to the business reporting an underlying loss of £0.1m compared to a profit of £0.2m in 2015.

OUTLOOK

The challenge for Driver Group is to grow its business but on the basis that in future the "bench" is much more tightly controlled. The board has therefore now set itself the goal of building on our recent cost reduction exercise to produce steady profitable performance for the foreseeable future based on the simple principles of control of costs and efficient cash collection against a background of further organic expansion in those markets where we see potential for growth. We are unlikely to be opening any new office locations in the near future and will be examining the viability of all those where we do currently operate both at home and abroad. This should ensure that all offices are net producers of profits for the Group. Our overall aim is to reduce debt and consolidate client relationships worldwide. We have negotiated adequate cash resources with our bankers HSBC, to enable us to carry out this plan. We will not pay an interim dividend this year and will only look to reinstate a dividend when the board believes that it is prudent to do so having regard to our then debt position.

After a disappointing half year I should end on a positive note. What is enormously encouraging about Driver Group is the quality of our people. We are among the world leaders in dispute resolution and are increasing our work with leading "Magic Circle" law firms in all regions. Our quantity surveying, project and programme management capability has meant we can work with both public and private sector clients on major civil engineering projects anywhere in the world and add real value. We have been through a tough time but I look forward to the future reassured by the existence of great quality people who I thank for their hard work on your behalf and of a global civil engineering market to which we can profitably sell our high quality comprehensive services.

Steven Norris
Non-Executive Chairman
23 May 2016

Consolidated Income Statement

Interim report for the six months ended 31 March 2016

	6 months ended 31 March 2016 £000 Unaudited	6 months ended 31 March 2015 £000 Unaudited	Year ended 30 September 2015 £000 Audited
REVENUE	**27,901**	21,112	47,950
Cost of sales	**(22,960)**	(17,118)	(37,380)
GROSS PROFIT	**4,941**	3,994	10,570
Administrative expenses	**(8,411)**	(6,114)	(12,508)
Other operating income	**119**	88	170
Operating (loss)/profit before share-based payment costs, amortisation of intangible assets and exceptional items	**(1,414)**	(457)	1,155
Share-based payment charge and associated costs	**(730)**	(264)	(510)
Exceptional items (note 6)	**(1,086)**	(1,221)	(2,173)
Amortisation of intangible assets	**(121)**	(90)	(240)
OPERATING LOSS	**(3,351)**	(2,032)	(1,768)
Finance income	**7**	5	9
Finance costs	**(103)**	(41)	(104)
LOSS BEFORE TAXATION	**(3,447)**	(2,068)	(1,863)
Tax credit/(expense) (note 2)	**63**	80	(96)
LOSS FOR THE PERIOD	**(3,384)**	(1,988)	(1,959)
Loss attributable to non-controlling interests	**(1)**	(2)	-
Loss attributable to equity shareholders of the parent	**(3,383)**	(1,986)	(1,959)
	(3,384)	(1,988)	(1,959)
Basic and diluted loss per share attributable to equity shareholders of the parent (pence) (note 5)	**(10.9)p**	(6.8)p	(6.5)p

Consolidated Statement of Comprehensive Income

Interim report for the six months ended 31 March 2016

	6 months ended 31 March 2016 £000 Unaudited	6 months ended 31 March 2015 £000 Unaudited	Year ended 30 September 2015 £000 Audited
LOSS FOR THE PERIOD	**(3,384)**	(1,988)	(1,959)
Other comprehensive income:			
Items that could subsequently be reclassified to the Income Statement:			
Exchange differences on translating foreign operations	**(72)**	(54)	(79)
Other comprehensive income for the year net of tax	**(72)**	(54)	(79)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	**(3,456)**	(2,042)	(2,038)
Total comprehensive income attributable to:			
Owners of the parent	**(3,455)**	(2,040)	(2,038)
Non-controlling interest	**(1)**	(2)	-
	(3,456)	(2,042)	(2,038)

Consolidated Statement of Financial Position

At 31 March 2016

	31 March 2016 £000 Unaudited	31 March 2015 £000 Unaudited	30 September 2015 £000 Audited
NON-CURRENT ASSETS			
Goodwill	**4,856**	4,650	4,838
Intangible assets	**722**	816	842
Property, plant and equipment	**2,959**	2,531	2,676
Deferred tax asset	**18**	22	35
	8,555	8,019	8,391
CURRENT ASSETS			
Trade and other receivables	**16,760**	13,931	16,554
Cash and cash equivalents	**1,085**	1,750	1,111
Current tax receivable	**78**	187	-
	17,923	15,868	17,665
TOTAL ASSETS	**26,478**	23,887	26,056
CURRENT LIABILITIES			
Borrowings	**(780)**	(6)	(479)
Trade and other payables	**(9,490)**	(8,394)	(9,537)
Current tax payable	**(127)**	(294)	(209)
	(10,397)	(8,694)	(10,225)
NON-CURRENT LIABILITIES			
Borrowings	**(7,115)**	(3,002)	(3,100)
Deferred tax liabilities	**(331)**	(194)	(352)
Trade and other payables	**-**	-	(317)
	(7,446)	(3,196)	(3,769)
TOTAL LIABILITIES	**(17,843)**	(11,890)	(13,994)
NET ASSETS	**8,635**	11,997	12,062
SHAREHOLDERS' EQUITY			
Share capital	**125**	125	125
Share premium	**4,704**	4,704	4,704
Merger reserve	**1,493**	1,493	1,493
Currency reserve	**(464)**	(367)	(392)
Capital redemption reserve	**18**	18	18
Retained earnings	**2,865**	6,131	6,219
Own shares	**(107)**	(107)	(107)
TOTAL SHAREHOLDERS' EQUITY	**8,634**	11,997	12,060
NON-CONTROLLING INTEREST	**1**	-	2
TOTAL EQUITY	**8,635**	11,997	12,062

Consolidated Cashflow Statement
Interim report for the six months ended 31 March 2016

	6 months ended 31 March 2016 £000 Unaudited	6 months ended 31 March 2015 £000 Unaudited	Year ended 30 September 2015 £000 Audited
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss after taxation	**(3,384)**	(1,988)	(1,959)
Adjustments for:			
Depreciation	**230**	155	357
Amortisation	**121**	90	240
Exchange adjustments	**67**	(5)	(5)
Finance income	**(7)**	(5)	(9)
Finance expense	**103**	41	104
Tax (credit)/expense	**(63)**	(80)	96
Equity settled share-based payment cost	**730**	264	510
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS	**(2,203)**	(1,528)	(666)
Increase in trade and other receivables	**(225)**	(346)	(2,968)
(Decrease)/increase in trade and other payables	**(760)**	1,241	2,865
CASH USED BY OPERATIONS	**(3,188)**	(633)	(769)
Tax paid	**(109)**	(363)	(491)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**(3,297)**	(996)	(1,260)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	**7**	5	9
Acquisition of property, plant and equipment	**(501)**	(192)	(532)
Acquisition of intangible assets	**-**	-	(41)
Acquisition of subsidiary net of cash acquired	**-**	(344)	(344)
Proceeds from the disposal of property, plant and equipment	**-**	80	80
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(494)**	(451)	(828)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid	**(103)**	(41)	(104)
Repayment of borrowings	**(41)**	(4)	(33)
Proceeds of borrowings	**4,089**	1,743	1,926
Repurchase of share options	**(381)**	-	-
Proceeds from sale of shares	**-**	401	401
Dividends paid to equity shareholders of the parent	**-**	-	(505)
Payment of dividends to non controlling interests	**-**	(10)	(10)
NET CASH INFLOW FROM FINANCING ACTIVITIES	**3,564**	2,089	1,675
Net increase / (decrease) in cash and cash equivalents	**(227)**	642	(413)
Effect of foreign exchange on cash and cash equivalents	**(67)**	6	5
Cash and cash equivalents at start of period	**694**	1,102	1,102
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**400**	1,750	694

Consolidated Statement of Changes in Equity

Interim report for the six months ended 31 March 2016

For the six months ended 31 March 2016 (Unaudited):

	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 2015	**125**	**4,704**	**1,493**	**(374)**	**6,219**	**(107)**	**12,060**	**2**	**12,062**
Loss for the period	-	-	-	-	(3,383)	-	(3,383)	(1)	(3,384)
Other comprehensive income for the period	-	-	-	(72)	-	-	(72)	-	(72)
Total comprehensive income for the period	**-**	**-**	**-**	**(72)**	**(3,383)**	**-**	**(3,455)**	**(1)**	**(3,456)**
Dividends	-	-	-	-	(320)	-	(320)	-	(320)
Share-based payment	-	-	-	-	730	-	730	-	730
Repurchase of share options	-	-	-	-	(381)	-	(381)	-	(381)
CLOSING BALANCE AT 31 MARCH 2016	**125**	**4,704**	**1,493**	**(446)**	**2,865**	**(107)**	**8,634**	**1**	**8,635**

For the six months ended 31 March 2015 (Unaudited):

	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 2014	111	2,702	1,493	(295)	8,173	(107)	12,077	12	12,089
Loss for the period	-	-	-	-	(1,986)	-	(1,986)	(2)	(1,988)
Other comprehensive income for the period	-	-	-	(54)	-	-	(54)	-	(54)
Total comprehensive income for the period	**-**	**-**	**-**	**(54)**	**(1,986)**	**-**	**(2,040)**	**(2)**	**(2,042)**
Dividends	-	-	-	-	(320)	-	(320)	(10)	(330)
Share-based payment	-	-	-	-	264	-	264	-	264
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 31 MARCH 2015	**125**	**4,704**	**1,493**	**(349)**	**6,131**	**(107)**	**11,997**	**-**	**11,997**

Consolidated Statement of Changes in Equity (continued)

Interim report for the six months ended 31 March 2016

For the year ended 30 September 2015 (Audited):

	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 2014	111	2,702	1,493	(295)	8,173	(107)	12,077	12	12,089
Loss 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 shareholders of the parent

(1) 'Other reserves' combines the translation reserve, capital redemption reserve and other reserves.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

The consolidated interim financial information has been prepared in accordance with the accounting policies that are expected to be adopted in the Group's full financial statements for the year ending 30 September 2016 which are not expected to be significantly different to those set out in note 1 of the Group's audited financial statements for the year ended 30 September 2015. The financial information in this interim report is in compliance with the recognition and measurement principles of IFRS as adopted by the European Union (EU) but does not include all disclosures that would be required under IFRSs. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of this financial information. The financial information for the half years ended 31 March 2016 and 31 March 2015 does not constitute statutory accounts within the meaning of Section 434(3) of the Companies Act 2006 and is unaudited but has been reviewed by our auditors.

The comparative financial information for the year ended 30 September 2015 included within this report does not constitute the full statutory accounts for that period. The statutory Annual Report and Financial Statements for 2015 have been filed with the Registrar of Companies. The Independent Auditor's Report on that Annual Report and Financial Statements for 2015 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the interim consolidated financial statements.

2 TAXATION

The tax credit on the loss for the half-year ended 31 March 2016 is based on the estimated tax rates in the jurisdictions in which the Group operates, for the year ending 30 September 2016.

3 DIVIDEND

In view of the trading loss, the directors do not propose an interim dividend for the half-year ended 31 March 2016 (2015: 0.6 pence per share).

4 SUMMARY SEGMENTAL ANALYSIS

REPORTABLE SEGMENTS

For management purposes, the Group is organised into three operating divisions: EuAm (Europe & Americas), AMEA (APAC, Middle East & Africa) 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.

Segment information about these reportable segments is presented below.

Six months ended 31 March 2016

	Europe & Americas £000	APAC, Middle East & Africa £000	Initiate £000	Eliminations £000	Unallocated £000	Consolidated £000
Total external revenue	10,886	13,853	3,162	-	-	27,901
Total inter-segment revenue[(2)]	198	77	-	(275)	-	-
Total revenue	11,084	13,930	3,162	(275)	-	27,901
Segmental profit/(loss)	90	(755)	(110)	-	-	(775)
Unallocated corporate expenses[(1)]	-	-	-	-	(638)	(638)
Share-based payment cost	-	-	-	-	(730)	(730)
Exceptional items (note 6)	(70)	-	(428)	-	(589)	(1,087)
Amortisation of intangible assets	-	(23)	(98)	-	-	(121)
Operating profit/(loss)	20	(778)	(636)	-	(1,957)	(3,351)
Finance income	-	-	-	-	7	7
Finance expense	-	-	-	-	(103)	(103)
Profit/(loss) before tax	20	(778)	(636)	-	(2,053)	(3,447)
Taxation	-	-	-	-	63	63
Profit/(loss) for the period	20	(778)	(636)	-	(1,990)	(3,384)

(1) Unallocated costs represent Directors' remuneration, administrative staff, corporate head office costs and expenses associated with AIM.

(2) Inter-segment revenue is charged at prevailing market rates.

4 SUMMARY SEGMENTAL ANALYSIS - continued

Six months ended 31 March 2015

	Europe & Americas £000	APAC, Middle East & Africa £000	Initiate £000	Eliminations £000	Unallocated £000	Consolidated £000
Total external revenue	10,912	7,980	2,220	-	-	21,112
Total inter-segment revenue[2]	333	88	-	(421)	-	-
Total revenue	11,245	8,068	2,220	(421)	-	21,112
Segmental profit/(loss)	941	(506)	193	-	-	628
Unallocated corporate expenses[1]	-	-	-	-	(1,085)	(1,085)
Share-based payment cost	-	-	-	-	(264)	(264)
Exceptional items (note 6)	(57)	(441)	(723)	-	-	(1,221)
Amortisation of intangible assets	-	(37)	(53)	-	-	(90)
Operating profit/(loss)	884	(984)	(583)	-	(1,349)	(2,032)
Finance income	-	-	-	-	5	5
Finance expense	-	-	-	-	(41)	(41)
Profit/(loss) before tax	884	(984)	(583)	-	(1,385)	(2,068)
Taxation	-	-	-	-	80	80
Profit/(loss) for the period	884	(984)	(583)	-	(1,305)	(1,988)

Year ended 30 September 2015

	Europe & Americas £000	APAC, Middle East & Africa £000	Initiate £000	Eliminations £000	Unallocated £000	Consolidated £000
Total external revenue	22,243	20,333	5,374	-	-	47,950
Total inter-segment revenue[2]	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 cost	-	-	-	-	(510)	(510)
Exceptional items (note 6)	(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 tax	2,006	244	(1,381)	-	(2,732)	(1,863)
Taxation	-	-	-	-	(96)	(96)
Profit/(loss) for the period	2,006	244	(1,381)	-	(2,828)	(1,959)

(1) Unallocated costs represent Directors' remuneration, administrative staff, corporate head office costs and expenses associated with AIM.

(2) Inter-segment revenue is charged at prevailing market rates.

Notes to the Interim Financial Statements (continued)

5 EARNINGS PER SHARE

	6 months ended 31 March 2016 £000	6 months ended 31 March 2015 £000	Year ended 30 September 2015 £000
Loss for the financial period attributable to equity shareholders	(3,383)	(1,986)	(1,959)
Share-based payments cost and associated costs	730	264	510
Exceptional items (note 6)	1,086	1,221	2,173
Amortisation of intangible assets	121	90	240
Adjusted (loss) / profit for the financial period before share-based payments costs, amortisation of intangible assets and exceptional items	(1,446)	(411)	964
Weighted average number of shares:			
- Ordinary shares in issue	31,101,190	29,701,848	30,401,519
- Shares held by EBT	(596,677)	(596,677)	(596,677)
- Vested options with minimal consideration	409,602	272,997	272,997
Basic and diluted weighted average number of shares	30,914,115	29,378,168	30,077,839
Basic and diluted loss per share	(10.9)p	(6.8)p	(6.5)p
Adjusted (loss) / profit per share before share-based payment cost, amortisation of intangible assets and exceptional items	(4.7)p	(1.4)p	3.2p

Notes to the Interim Financial Statements (continued)

6 EXCEPTIONAL ITEMS

Exceptional items are operating costs that are not expected to be incurred every year and due to their nature and amount are disclosed separately.

	6 months ended 31 March 2016 £000	**6 months ended 31 March 2015 £000**	**Year ended 30 September 2015 £000**
Severance costs[1]	652	497	526
Acquisition and integration costs[2]	434	724	1,647
	1,086	1,221	2,173

(1) Severance costs include redundancy, payment in lieu of notice, ex-gratia, other discretionary payments and associated legal costs.

(2) Acquisition costs include legal and professional fees, office and restructuring costs and post combination employment costs relating to the Initiate acquisition in December 2014.

INDEPENDENT REVIEW REPORT TO DRIVER GROUP PLC

INTRODUCTION

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2016 which comprises the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the set of financial statements.

DIRECTORS' RESPONSIBILITIES

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

OUR RESPONSIBILITY

Our responsibility is to express to the company a conclusion on the set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market, and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the set of financial statements in the half-yearly financial report for the six months ended 31 March 2016 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

BDO LLP
Chartered Accountants and Registered Auditors
Manchester, United Kingdom

23 May 2016

BDO LLP is limited liability partnership registered in England and Wales (with registered number OC 305127)

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