Company number: 3475146

Annual Report & Accounts 2017

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Key Financial Information

Financial Highlights

Significant improvement on all fronts:

- Revenue on continuing operations up 15% to £60.2m (2016: £52.4m)
- A significant transformation of the business from loss in 2016 to profit in 2017
- Underlying* operating profit of £2.7m (2016: loss £0.2m)
- Underlying* profit before taxation of £2.5m (2016: loss £0.4m) and reported profit for the year of £0.3m (2016: loss £5.2m)
- Successful equity raise and refinancing in February 2017
- Net borrowings** £0.2m at September and falling (2016: £9.9m)

Operational Highlights

- Group Board changes:
  - Mark Wheeler, Global COO, appointed to Group Board
  - Dave Webster stepped down as NED, replaced by John Horgan
  - Peter Collini joined as NED
  - Colin Davies resigned as NED after many years' service
  - David Kilgour's appointment as CFO effective today, succeeding Hugh Cawley who stands down
- Strategy refreshed and clearly articulated, focusing on the Group's expertise: Claims and Dispute Resolution and Expert Witness Support Services
- Following the disposals of Driver Trett South Africa (pty) Ltd and initiate Consulting Ltd ('Initiate'), Group now comprises core businesses only
- Continuing progress on developing the global Diales brand
- Europe & Americas ('EuAm')
  - Excellent performance across the whole of the UK market
  - Netherlands and Germany another strong year
- Africa, Middle East and Asia Pacific ('AMEA')
  - Singapore significantly outperformed expectations
  - Excellent performance across the Middle East region following major restructuring
  - Aged debt collection in Oman progressing well

Start to new financial year

- Positive start to the year and continued strong cash collection in line with management expectations
- Strong pipeline of opportunities across the Global business

** Underlying figures 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*

Chairman's Statement

INTRODUCTION

I am pleased to report that our performance in the second half of this financial year has continued to build on the progress we made in the first half. The Company has returned to pre-tax profit and since the end of the period has moved to a net cash positive position while demand for our services continues to be strong across the globe. A number of the strategic initiatives that we undertook to deliver at the time of the equity raise have been delivered on time or even ahead of schedule. We have streamlined our operations, including the disposal of our business in South Africa to local management and the sale of Initiate in the UK, and have increased the number of experts we employ around the world. There has been a transformation in the performance of the business in the course of the last twelve months, which is now well positioned to make the most of the opportunities that lie ahead. The result for the year as a whole, with an underlying* profit before tax from continuing operations of £2.5m (2016: loss £0.4m) from revenue at £60.2m (2016: £52.4m) is clearly pleasing in the context of exceeding the market expectations. By the close of this year, we had progressed to a position where the net profit after tax was again positive, even after taking account of all the significant costs associated with the financial restructuring.

Both major regions reported good progress. Revenue in Europe and Americas 'EuAm' grew by 13.5% to £26.0m, with a 22% improvement in underlying* profitability to £2.3m (2016: £1.9m). The growth in APAC, the Middle East and Africa 'AMEA' was even greater at 16% to £34.2m and this latter region's profitability improved significantly recording a profit of £2.2m against a loss of £1.1m in the prior period. The conclusion of the business disposals in the year means that the shape of the Group is now largely as our strategy requires and we can move forward with renewed confidence to develop the business, particularly through our expert witness brand, Diales.

FINANCIAL RESULTS

Continuing Group revenue for the year was £60.2m (2016: £52.4m) and underlying* profit before tax was £2.5m (2016: loss £0.4m). The underlying* continuing earnings per share were 5.8p (2016: loss of 1.0p). The reported profit for the year was £0.3m (2016: loss £5.2m), after taking into account the net loss on the discontinued operation of £1.0m (2016: £1.8m) and highlighted exceptional items relating to restructuring costs of £0.6m (2016: £0.2m) and costs associated with the disposal of a subsidiary of £0.4m (2016: £nil). In the prior year there were also exceptional costs associated with severance of £1.4m and a goodwill impairment charge of £0.4m. Profit before tax also reflects a share based payment charge of £0.2m (2016: £1.1m).

Net borrowings** at the close of the year were better than anticipated, standing at just £0.2m (2016: £9.9m), reflecting significant progress made since the equity raise and refinancing in February/March of the year. In completing the equity raise, the support of existing shareholders together with the entry onto the register of a number of new institutional investors enabled us to raise £8.5m before expenses through the issue of 21,235,662 shares at 40 pence per share. The combination of markedly improved trading since that time and our relentless focus on reducing the cash tied up in debtors, particularly in the Middle East, has combined with the equity raised to virtually eliminate the debt at the period end and has restored the balance sheet to good health.

DIVIDEND

The Board do not recommend the payment of a dividend for 2017 (2016: £nil).

STRATEGY

The Group's strategy remains to focus on those areas of expertise where we have a particularly strong position, in claims and dispute resolution and in expert witness work, and to consolidate the Group's position as one of the pre-eminent firms in its areas of expertise. Concentration on this clearly articulated aim has demonstrably so far delivered rapidly improved revenue growth and better profitability leading to the generation of more attractive returns for shareholders. We see no reason currently to amend our objective or our strategy, although of course this remains under continual review.

BOARD

The composition of the Board has altered markedly during the year as previously announced, to suit the changing circumstances of the Group.

Dave Webster stood down at the time of the refinancing from his role as a non-executive director and we welcomed John Horgan as his replacement. John is proving to be a significant asset to the Board not least in his role as Chairman of the Remuneration Committee. We also welcomed Peter Collini as a non-executive director. Peter has now assumed the role of Chairman of the Audit Committee and we are already benefiting from his expertise. Colin Davies stepped down not only as Chairman of the Audit Committee but also from the Board at the end of October 2017 and we are grateful to him for his years of excellent service to the Group. We were also delighted to welcome Mark Wheeler, the Group COO, to the Board providing his invaluable operational insights to its deliberations. And finally, Hugh Cawley, with the turnaround now firmly entrenched, has stepped down upon signature of these accounts, to be replaced by David Kilgour, who we are happy to welcome to the team.

I should like to place on record our thanks to all the

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Chairman's Statement continued

retiring members of the Board for their service and dedication and to wish them well in their future endeavours.

OUTLOOK

The first two months of the current financial year have shown a continuation of the positive trading and improvements that we enjoyed in the latter part of last year. In a professional services business like ours, it is notoriously difficult to predict activity levels but your Board will continue to monitor costs and margins to ensure that the Company deals appropriately with the fluctuations in activity that are a feature of our business. Nonetheless, your Board is confident that we can continue to build on the exceptional progress we have made so far. There is no question that in every significant respect the Company is in a far better state than it was a year ago.

I take this opportunity to thank all of the staff of Driver Group in every part of the business for the loyalty, hard work and support that they have shown during what has been a year of very significant change. Under the leadership of Gordon Wilkinson they have all contributed to turning round the company's fortunes and my Board colleagues join me in thanking them most sincerely. Finally I should like to thank again both our more longstanding and new shareholders for their continuing support throughout the year. Your Board will continue to do all it can to reward the confidence you have shown in us.

Steven Norris
Non-Executive Chairman
11 December 2017

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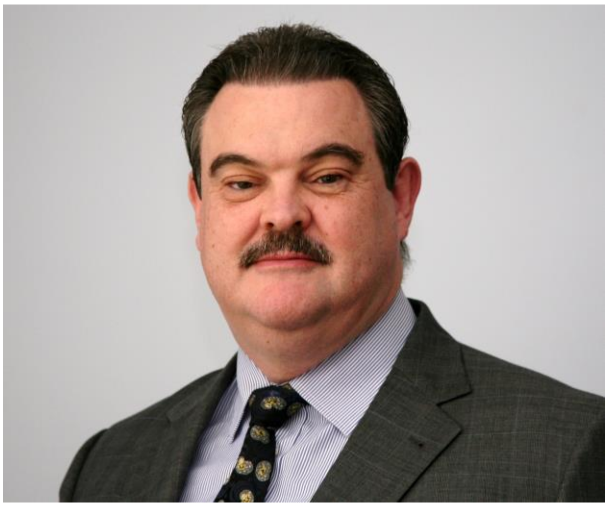
Strategic Report – Chief Executive's Review



INTRODUCTION

After a very challenging year in 2016, I am pleased to report that our efforts to stabilise the business and return it to profit have come to fruition ahead of plan and have delivered a very successful outturn for the financial year 2017.

At the end of the 2016 financial year we addressed a number of significant challenges facing the business including: adjusting the cost base; the restructure or closure of a number of under-performing offices; re-focusing the business on its core offering of construction claims, dispute resolution, and the provision of expert witness services; and establishing effective cash collection procedures.

We continued to build on this in the financial year 2017. The Hong Kong and Australia businesses were restructured which saw the Asia Pacific region return to profit by the end of H1. A review of the cost base has continued with headcount reduced by 10% to 461 (2016: 515). The South African subsidiary was disposed of early in H2 and, along with the sale of the Initiate business at the end of H2, this completed the restructure required to return the Group to profit, and leaves the business well placed for profitable growth in future years.

A successful equity raise of £8.5m, before associated legal and professional fees, in February 2017 provided the necessary strength to the balance sheet and significantly lowered the Group's borrowings. However, when combined with the very significant improvements we have made in our cash collection procedures and the inroads we have made in collecting some very old debts, our overall debtor and cash position has improved greatly.

We took the decision at the beginning of the 2017 financial year to simplify our operating model and operate the business as one global region. This has given us much greater transparency, improved our overall integration and most importantly, enabled us to respond to clients in an efficient manner by ensuring we get the right resources in the right location to meet our clients' expectations. It has also enabled us to improve our overall utilisation levels as we look to get greater efficiencies across the globe.

We have continued our efforts to strengthen our Diales brand (our expert witness services brand) with the appointment of Regional Heads in our key markets. The Diales brand is a central part of our strategy to increase margin and utilisation, by securing the best work in the market place, with an increasing portfolio of blue chip and magic circle clients. We continue to set a market leading standard in the global provision of multi-disciplinary teams and skills to meet our clients' needs in the areas of expert witness, arbitration and dispute resolution. The positive review of our expert services from the High Court in the recent Riva v Foster and Partners case is an excellent example of how our expert team adds value to our clients' business.

These results attest to that achievement and the prudent measures that your Board has taken over the last 12 months to get the business's fundamentals right, and they provide solid foundations for future growth.

FINANCIAL PERFORMANCE HIGHLIGHTS

Revenue from continuing operations grew by 15% to £60.2m (2016: £52.4m). The resultant Gross Margin increased by £4.0m to £14.8m (2016: £10.8m).

AFRICA, MIDDLE EAST AND ASIA PACIFIC

The South African business presented a number of challenges specific to that market and the constraints imposed by government upon ownership and management, which prevented effective bidding for most of the key projects that the business needed to target. The disposal during the year to the local management team, allows the local business to develop, and at the same time a continuing collaboration will allow us to deliver our expert services within the African market, whenever opportunities arise.

Strong performances in the UAE and Qatar have meant that the Middle East region as a whole has performed very well. The revised cash procedures that were implemented in April 2016 have led to a significant improvement in our monthly cash collections and we have also benefited from the collection of a number of older debts, which had previously proved problematic. We would expect to see a lowering of our bad debt provisions in future years as a more selective approach to clients and engagements is linked to improved cash collections.

During the summer, we appointed John Brells as leader of the Asia Pacific region. The region has seen wide fluctuations in recent years, with poor results in Hong Kong and Australia, contrasted with a stable business in Malaysia and growth in Singapore. Despite a slow start in H1, performance in Singapore has been exceptional, and the pipeline of expert appointments in the oil and gas arena looks set to continue into 2018.

The Board consider that the appointment of John will give a greater local focus on the management of the region overall, to build on our success in Singapore.

EUROPE AND AMERICAS

Performance in the UK has been particularly good, achieving record breaking revenue and profit levels for the year. We have seen negligible Brexit trading effect, our market has remained quite stable since the results of the referendum were announced last year. The future effect on the domestic market is more difficult to predict; however, we see no reasons to be concerned at present.

Our joint venture business in Canada has been impacted this year by a change in management, to reflect the revised strategy of the business. Although a poor year overall, the performance in Ontario which was particularly disappointing, has masked excellent growth in our Vancouver based operation. We anticipate the business in Canada is set for a much improved performance in 2018.

The Netherlands and Germany businesses, which are now effectively run as one operation, and France have also performed well, and will continue steady and planned growth into 2018. The opportunities in northern Germany are focused on heavy engineering and we intend to forge stronger links between this business and our operations in oil and gas in the North East of England and in Asia Pacific to provide a global solution to clients in this significant sector.

INITIATE

At the end of the 2017 financial year we disposed of initiate Consulting Ltd by way of a sale to the PDSI Group of companies.

DRIVER GROUP BOARD

Earlier this year, I gave a commitment to shareholders to strengthen our Group Board and improve our overall Corporate Governance.

I am delighted to report that those changes have taken place with the appointment of John Horgan and Peter Collini as Non-Executive Directors during 2017. They both bring a wealth of experience and talent to our board.

John, in his capacity as Chair of the Remuneration Committee, has with his committee reviewed the remuneration and bonus provisions of the Executive for the coming year and Peter as Chair of the Audit Committee has overseen the completion of our 2017 accounts.

Finally, as previously announced, David Kilgour today officially joins the Board as Group CFO, succeeding Hugh Cawley. We are delighted to have someone of David's ability and experience to help us take the next step in our development.

OUTLOOK

The enquiry rate globally is showing no signs of abating.

The business has been transformed over the last 18 months and we believe we are well positioned to take full advantage of those changes. We are confident we will continue to deliver a sustainable and profitable business for the coming year and beyond, and deliver on-going success for all our stakeholders.

Gordon Wilkinson
Chief Executive Officer
11 December 2017

Strategic Report – Description of the Business

Driver Group has been providing consultancy services to the engineering and construction industries since 1978. The company now has almost 400 permanent members of staff, with offices across 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.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks are outlined below and the main uncertainties centre on the impacts upon our business of the various economic environments in which we operate.

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 a term loan of £5.0m repayable over the period from 30 June 2018 to 28 February 2020 and a revolving credit facility of £3.0m repayable on 28 February 2020. With the £3.0m revolving credit facility undrawn and cash balances of £4.93m the Group had access to £7.93m of available funds at 30 September 2017. The Group's facilities with the bank are secured by means of debentures over the Group's assets and a legal charge over the land and building at Haslingden.

REPUTATION RISK

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

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; Malaysian Ringgit ("MYR"), Singapore Dollars ("SGD"), Hong Kong Dollars ("HKD") and Australian Dollars ("AUD") from its Asia Pacific operations and Canadian Dollars ("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 2017 are shown in note 23 to the accounts.

As a consequence of the earnings generated in the Middle East, Canada, Asia Pacific 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 and Euro. 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 OF THE YEAR

Over the past year, the key financial metrics we have concentrated upon have been profit before tax and net borrowings**, which will ultimately depend respectively upon inter alia the utilisation rates of chargeable staff and the effectiveness of our collection of the monies that are owed to us. We also look of course at underlying* profit before tax which we consider helpful to present as it more accurately reflects the underlying, sustainable results of the Group. Revenue for the year for the continuing businesses was 15.0% higher than the prior year at £60.227m, (2016: £52.385m), but more significantly the Profit before Tax (from continuing operations) climbed from a loss of £3.500m to a profit of £1.233m.

Both continuing geographic segments saw improvements in their performance. Europe and Americas (EuAm) segmental profit, at £2.331m, was 21.7% better than prior year. This included a marked improvement in the UK, which proved once more to be the primary driver of the region's revenue and profit, with just short of 70% of revenue coming through there. A strong performance from Driver Project Services complemented the increased emphasis on claims and dispute services and expert witness work. Contributions from the Netherlands and France, both of which turned in profit contributions similar to the prior year, were important in demonstrating and developing the European business's capability. Results from the Africa, Middle East and Asia Pacific business (AMEA) turned in the year from a segmental loss of some £1.089m to a profit of £2.161m, not least as a result of dismantling the regional overhead and dispersing the retained management into the constituent territories. Significant progress was made in developing the business further in the UAE and in Qatar. Our business in Singapore, from the experts we are fortunate now to have there, all but doubled in revenue and more than tripled in profitability, such that Singapore is now one of the major drivers of profit in the Group. Progress has also been made in improving the fortunes of our Australian business. The segmental results for the year are disclosed in note 2.

It is worthy of note that utilisation of chargeable staff across the business for the year as a whole stood at 76.2%, as against 71.0% in the prior year, with a degree of variability throughout the year ranging from a low of 69.1% to a high of 85.7%. This overall increase in utilisation is clearly a significant factor in the improved results for 2017 and is one of the businesses' key performance indicators. Significant costs classified as exceptional in the year related primarily to the refinancing (£0.634m) and to the disposal of the subsidiary in South Africa (£0.449m). Severance costs this year have not been categorised as exceptional (2016: £1.365m).

By the end of the year, net borrowings** had reduced from £9.907m to just £0.178m, bank borrowings having reached nearly £12 million just before the equity raise. In the period between the equity raise and the end of the year, net borrowing** was reduced by £1.965m through trading cash flow and by £3.095m through a reduction in debtors outstanding. The most significant cash inflow was of course from the equity raise, the net cash proceeds of which, at £8.110m, enabled the group to eradicate creditor stretch (£0.953m) and to settle the outstanding balance for the Initiate acquisition (£0.760m). Since the end of September 2017, net borrowing has been eliminated altogether.

After a net interest charge of £0.261m (2016: £0.217m) the underlying* profit before tax from continuing operations was £2.486m (2016: loss of £0.373m) and the reported profit for the year was £0.295m (2016: loss £5.233m).

The Board has decided to dispose of the property in Haslingden and this is being actively marketed for sale. The funds received from any sale will be used to repay some of the Group's borrowings that are secured against the property.

TAXATION

The Group showed a tax credit of £0.038m (2016: credit £0.067m). The tax charge includes the effects of expenses not deductible for tax purposes and profit made in countries where the effective tax rate is nil, consequently, the effective tax rate for the year was negative 3% (2016: negative 2%).

EARNINGS PER SHARE

Underlying* continuing basic earnings per share were 5.8 pence (2016: loss per share 1.0 pence). The basic earnings per share were 0.7 pence (2016: loss per share 16.8 pence).

CASH FLOW

There was a net cash inflow from operating activities of £2.183m (2016: outflow of £5.463m), reflecting the reported profit for the year of £0.295m (2016: loss of £5.233m) after depreciation and amortisation of £1.222m (2016: £0.726m) and the share based payment charge of £0.170m (2016: £1.141m). Within that, a reduction year on year of £0.833m in trade and other receivables (2016: increase of £4.184m), against a background of significant growth in revenue, was more than offset by the decrease in creditors of £1.378m (2016: increase of £0.434m). Net tax paid in the year was £0.029m (2016: £0.098m).

There was a net cash outflow from investing activities of £0.251m (2016: £0.714m) principally comprising net capital expenditure of £0.264m (2016: £0.728m).

Net cash flow from financing activities was of course hugely influenced by the refinancing and equity raise in February/March of 2017, and comprised a net

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repayment of borrowings of £2.123m (2016: net proceeds drawdown of £4.071m), net proceeds from the issue of new shares of £8.110m (2016: nil) and interest payments of £0.262m (2016: £0.231m). Although there was no equivalent in 2017, in 2016 there were also outflows in respect of the repurchase of share options, £0.462m, and a dividend paid of £0.320m.

DIVIDENDS

The Directors do not propose the payment of a dividend for the year (2016: nil).

On behalf of the Board

Hugh Cawley
Finance Director
11 December 2017

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

Directors

Steven Norris (aged 72)
Non-Executive Chairman

Steve was a Member of Parliament from 1983 – 1997 serving 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 UK, Soho Estates and Virtus Data Centres. He is a Partner in Norris McDonough LLP and a member of the Board of Cubic Corporation Inc. Steve is Chairman of the National Infrastructure Planning Association and a Commissioner of the Independent Transport Commission. He served on the Treasury's HS2 Growth Task Force and is an Honorary Fellow of the Association for Project Management, a Companion of the Institution of Civil Engineers, a Fellow of the Royal Institution of Chartered Surveyors and an Honorary Life Member of the Railway Civil Engineers Association.

Gordon Wilkinson (aged 54)
Chief Executive Officer

Gordon's initial consultancy experience was gained with KPMG from 1989 to 2000 where he progressed to become a full equity partner, responsible for a number of business units in the Consulting Division. More recently he was a Director at AECOM where he was Head of the Global Consulting and Cost Management Businesses. Prior to AECOM he was a Director at Arup and a member of Arup's UKMEA Board with responsibility for the UKMEA Consulting division.

Hugh Cawley (aged 60)
Finance Director

A Chartered Accountant and member of the Institute for Turnaround, in his career to date he has specialised in working with public companies facing major strategic challenge or undergoing significant corporate change. His public company executive roles have included spells with S Daniels PLC, Dawson Holdings PLC and office2office PLC.

Hugh is also a founding member of the advisory board of the Confucius Institute for Business at the University of Leeds.

Mark Wheeler (aged 50)
Chief Operating Officer

Mark is an Engineer and Surveyor with over 25 years' engineering experience within the construction industry, including major civil engineering, building and power projects.

He specialises in providing expert services support, quantum and technical reports for support in construction dispute resolution. This is achieved by means of litigation, adjudication, arbitration or mediation. He acts as an expert witness in both technical and quantum disputes and has cross examination experience.

Mark also has experience in working with a wide range of contracts, including JCT, FIDIC and the NEC3 form. He regularly advises on the practical application and use of NEC3.

Colin Davies (aged 60)
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.

John Horgan (aged 67)
Non-Executive Director

John is a Non-Executive Director to AECOM EMIA and was formerly the Deputy CEO for AECOM's business in Europe, the Middle East, Africa and India. He previously served as Managing Director for Europe, Middle East and India for URS and prior to that was Managing Director of International Operations. He has held Managing Director level positions in UK companies for more than three decades.

John was formerly Chief Executive Officer of the consulting engineering firm Cameron Taylor, a URS legacy company. John has overseen a diverse range of structural engineering projects in his 40-year career, from designing North Sea oil rigs to heritage work for the Crown Estate, as well as numerous industrial and residential projects for developer clients. He has a keen interest in the conservation of historic buildings. John has a BSc in civil engineering from Lanchester Polytechnic and is a fluent French speaker.

Peter Collini (aged 51)
Non-Executive Director

Peter, ACA, is a corporate finance professional with extensive experience leading significant international transactions. He set up Riverhill Partners, an independent advisory practice, in 2005 and advises public, private equity and state owned businesses.

Peter was a Managing Director at Deutsche Bank's Investment Bank, a chartered accountant practising tax with PwC and holds an MA in Engineering from Oxford University.

Company Secretary and Advisers

COMPANY SECRETARY	**Thomas Ferns**
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REGISTERED NUMBER	3475146
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BANKERS	**HSBC Bank plc** 1 Forest Green, Caxton Road, Fulwood, Preston PR2 9LJ
SOLICITORS	**Haynes and Boon LLP** 9-13 St Andrew Street London, EC4M 7JR
NOMINATED ADVISERS	**Nplus 1 Singer Advisory LLP** 29 Ludgate Hill London, EC2N 2AX
BROKERS	**Nplus 1 Singer Advisory LLP** One Bartholomew Lane London, EC2N 2AX
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 2017.

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:

S J Norris
G Wilkinson
H C L Cawley
M Wheeler (appointed 17 May 2017)
C E Davies (resigned 31 October 2017)
D J Webster (resigned 17 February 2017)
J B G Horgan (appointed 17 February 2017)
P M Collini (appointed 17 May 2017)

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

	30 September 2017 Ordinary 0.4p Shares	30 September 2016 Ordinary 0.4p Shares
S J Norris	237,562	187,562
G Wilkinson	650,000	400,000
H C L Cawley	46,191	21,191
M Wheeler	300,000	-
C E Davies	100,000	100,000
J B G Horgan	50,000	-
P M Collini	50,000	-
D J Webster	2,627,788	2,852,088
R C Laslett	-	110,000
D McDonald	-	110,000

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. These targets have not been met.

On 8 December 2015 Mr Wilkinson was granted new options over 800,000 shares exercisable at £nil consideration. These options were contingent on the purchase of Driver Group plc shares by Mr Wilkinson and the future performance of the company. The options over 200,000 shares vested immediately if Mr Wilkinson also purchased 200,000 shares on his own accord before 30 September 2016. The 600,000 performance options would have vested should the company have achieved specified underlying earnings per share targets for the year ending 30 September 2018 as follows: 200,000 shares if earnings per share were between 20.0 pence and 24.99 pence, a further 200,000 shares if earnings per share were between 25.0 pence and 29.99 pence and a further 200,000 shares if earnings per share were 30.0 pence or higher.

On 22 September 2016 the above 800,000 options for Mr Wilkinson were modified with 1,300,000 options plus potential performance related options exercisable at £nil consideration. The options are conditional on the purchase of Driver Group plc shares by Mr Wilkinson and the future performance of the company. The options over 400,000 shares vest immediately if Mr Wilkinson also purchases 400,000 shares on his own accord. The 900,000 performance options will vest if the company achieves specified profit before exceptional costs and tax "PBET" as follows: 300,000 shares if PBET for the year ended 30 September 2017 is equal to or exceeds £2,400,000; a further 300,000 shares if PBET for the year ended 30 September 2018 is equal to or exceeds £3,000,000; and a further 300,000 shares if PBET for the year ended 30 September 2019 is equal to or exceeds £3,700,000. In addition to these options, Mr Wilkinson can also exercise a further 50,000 shares per year for each additional £500,000 profit by which the above PBET thresholds are exceeded. On 30 September 2016 Mr Wilkinson purchased 400,000 shares and the profit target for September 2017 has been met but he has not yet exercised any of the above share options. During the year Mr Wilkinson purchased a further 250,000 shares.

During the year Mr Cawley purchased a further 25,000 shares.

During the year Mr Wheeler exercised 400,000 share options, of which, 200,000 were at £nil consideration and 200,000 were at 21.5 pence per share. Mr Wheeler also sold 100,000 shares in the year.

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. These targets have not been met.

During the prior year Mr Webster was granted 600,000 shares as part of his settlement arrangement when he stepped down as Group Chief Executive. During the year Mr Webster purchased 359,700 shares and sold 584,000 shares.

During the year Mr Horgan and Mr Collini both

Report of the Directors continued

purchased 50,000 shares each.

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 2017, the Trust owned 158,677 (2016: 396,677) shares which it acquired at an average of 73p per share (note 12).

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:

Hugh Cawley
Finance Director
11 December 2017

Corporate Governance

For the year ended 30 September 2017

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 2016 to 16 February 2017 the Board consisted of two Executive Directors, Gordon Wilkinson and Hugh Cawley and three Non-Executive Directors, Steven Norris, Colin Davies and David Webster. On 17 February 2017 David Webster resigned and John Horgan was appointed as a Non-Executive Director. On 17 May 2017 Mark Wheeler was appointed as Chief Operating Officer and Peter Collini was appointed as a Non-Executive Director. On 31 October 2017 Colin Davies resigned from the Board. The Board now consists of three Executive Directors, Gordon Wilkinson, Hugh Cawley and Mark Wheeler, and three Non-Executive Directors, Steven Norris, John Horgan and Peter Collini.

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 2016 and 30 September 2017 the Remuneration Committee consisted of Steve Norris and Colin Davies with the addition of John Horgan as Chairman and Peter Collini on 22 September 2017. The Directors' Remuneration Report on page 16 contains a detailed description of remuneration and applicable policies.

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

The Audit Committee consisted of Colin Davies and Steven Norris until the 22 September 2017, at which time Peter Collini was appointed as Chairman and John Horgan was also appointed. 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 2017

The members of the Remuneration Committee are now John Horgan (Chairman), Steven Norris and Peter Collini who are 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 2017

	Salary, fees and car allowance £	Bonus £	Overseas expenses £	Benefits £	Cash Compensation for loss of office £	Share Compensation for loss of office £	Pension[1] £	Total Remuneration £
Gordon Wilkinson[1][3][10]	**365,873**	**151,250**	**-**	**707**	**-**	**-**	**33,867**	**551,697**
Hugh Cawley[2]	**202,000**	**-**	**-**	**-**	**-**	**-**	**9,500**	**211,500**
Mark Wheeler[4]	**111,546**	**40,000**	**-**	**2,410**	**-**	**-**	**3,994**	**157,950**
Colin Davies	**28,000**	**-**	**-**	**-**	**-**	**-**	**-**	**28,000**
Steven Norris	**57,875**	**-**	**-**	**-**	**-**	**-**	**-**	**57,875**
John Horgan[5]	**18,625**	**-**	**-**	**-**	**-**	**-**	**-**	**18,625**
Peter Collini[6]	**11,429**	**-**	**-**	**-**	**-**	**-**	**-**	**11,429**
David Webster[7]	**10,892**	**-**	**1,129**	**-**	**32,558**	**-**	**-**	**44,579**
Damien McDonald[8]	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Bob Laslett[9]	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**806,240**	**191,250**	**1,129**	**3,117**	**32,558**	**-**	**47,361**	**1,081,655**

DIRECTORS' REMUNERATION 2016

	Salary, fees and car allowance £	Bonus £	Overseas expenses £	Benefits £	Cash Compensation for loss of office £	Share Compensation for loss of office £	Pension[1] £	Total Remuneration £
Gordon Wilkinson[1][3]	209,173	-	-	232	-	-	18,665	228,070
Hugh Cawley[2]	22,189	-	-	-	-	-	1,044	23,233
Mark Wheeler[4]	-	-	-	-	-	-	-	-
Colin Davies	28,000	-	-	-	-	-	-	28,000
Steven Norris	51,500	-	-	-	-	-	-	51,500
John Horgan[5]	-	-	-	-	-	-	-	-
Peter Collini[6]	-	-	-	-	-	-	-	-
David Webster[7]	163,559	-	111,306	1,122	201,743	360,000	-	837,730
Damien McDonald[8]	119,328	-	-	2,416	65,010	-	31,602	218,356
Bob Laslett[9]	20,604	-	-	-	-	-	-	20,604
Total	614,353	-	111,306	3,770	266,753	360,000	51,311	1,407,493

(1) Gordon Wilkinson was appointed to the board as Chief Executive Officer on 2 March 2016.
(2) Hugh Cawley was appointed as Group Finance Director effective 22 September 2016. In December 2017 Hugh will be resigning from the board but will retain his contractual entitlements to June 2018.
(3) Share option charge in respect of options held by directors is £118,000 (2016: £336,000).
(4) Mark Wheeler was appointed as Chief Operating Officer on 17 May 2017.
(5) John Horgan was appointed as a Non-Executive Director on 17 February 2017
(6) Peter Collini was appointed as a Non-Executive Director on 17 May 2017.
(7) David Webster resigned as a Non-Executive Director on 17 February 2017.
(8) Damien McDonald resigned from his role of Group Finance Director on 22 September 2016.
(9) Bob Laslett resigned from the role of Non-Executive Director on 1 June 2016.
(10) During the year Gordon Wilkinson was paid a bonus of £190,000 (2016: £nil) which is subject to a retention clause to 31 December 2018. An amount of £71,250 has been recognised as an expense in these financial statements and in the above figure with respect to this payment.

For the year to 30 September 2017, 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 or where there is a contractual obligation.

On behalf of the Board

John Horgan
Chairman of the Remuneration Committee
11 December 2017

Statement of Directors' Responsibilities

In respect of the Report of the Directors and the Financial Statements for the year ended 30 September 2017

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 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DRIVER GROUP PLC

OPINION

We have audited the financial statements of Driver Group plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2017 which comprise 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, the Parent Company statement of financial position, the Parent Company statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies.

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 the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *the Financial Reporting Standard in the United Kingdom and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2017 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

The Group has various sources of revenue which have different revenue recognition policies depending on when the relevant criteria for recognition have been met, in line with the Group's revenue accounting policy shown in note 1 to the financial statements. There could be the potential for management override in relation to this.

Specifically our identified risk is in relation to cut off around year end, given that this involves a higher level of judgement by management to determine whether revenue should be recognised before or after the year end.

How We Addressed the Key Audit Matter

We obtained assurance over revenue being recognised in accordance with the Group's accounting policies and with appropriate treatment of cut off by:

- Reviewing a sample of items to assess the Group's authorisation control over revenue being recognised in line with Group policy, to ensure this was operating appropriately. This included agreement of a sample of sales to underlying supporting documentation.

- Reviewing a sample of sales items to supporting documentation around the year end to ensure cut off had been treated correctly, including agreeing a sample of sales back to the original contracts and payment from the customer.

KEY AUDIT MATTERS – continued

Trade Receivables Recoverability
As described in note 27 (critical accounting estimates and judgements), management estimate the provision required for doubtful receivables. As at 30 September 2017, as shown in note 14, the Group held trade receivables of £16,130k (2016: £17,233k).

Judgement is required to assess the appropriate level of provisioning for receivables which may not be recoverable. Such judgements include management's expectations of future payment based on the relevant circumstances of each customer.

Given the higher level of judgement involved by management, this is a significant audit risk.

How We Addressed the Key Audit Matter
We obtained assurance over management's judgements applied in calculating the value of receivables provisions by:

- Reviewing management's policy for providing against aged receivables;
- For significant UK components we reviewed a sample of balances for the level of cash received post year end against the year-end receivables in each entity, or other supporting documentation where this was still outstanding, and reviewed the level of receivables held in line with payment history and the current provision in place;
- For significant foreign components we set the recoverability of trade receivables as a significant risk to the component audit teams to ensure specific procedures were performed in this area. We then discussed these matters with the component audit teams and reviewed the component auditor's working papers on receivables to ensure a sample of items had been tested in line with the work on the UK subsidiaries noted above.
- For certain non-significant components, we reviewed a sample of the aged receivables to payment to verify the recoverability of these balances post year end.

OUR APPLICATION OF MATERIALITY

Group materiality FY 2017:

£480,000

Group materiality FY 2016:

£425,000

Basis for materiality:

0.75% of revenue

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Our determination of materiality increased from FY 2016 with the increased revenue of the Group. We consider revenue to be the most significant and consistent determinant of the Group's financial performance, given the significant fluctuations in profit/loss over recent years.

We agreed with the Audit Committee that we would report to the committee all individual audit differences identified during the course of our audit in excess of £9,600 (2016: £8,500). We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

There were no misstatements identified during the course of our audit that were individually, or in aggregate, considered to be material in terms of their absolute monetary value or on qualitative grounds.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

Our Group audit scope focused on the Group's principal operating locations being the United Kingdom, United Arab Emirates, Oman, Qatar and Singapore. The operations in the United Kingdom were subject to a full scope audit while the significant components in United Arab Emirates, Oman, Qatar and Singapore were audited with a full scope to component materiality. The United Arab Emirates, Oman and Qatar components were audited by BDO member firms.

Together with the Parent Company and its Group consolidation, which was also subject to a full scope audit, these locations represent the principal business units of the Group and account for 78% of the Group's revenue, 89% of the Group's total assets and 85% of the Group's gross profit.

Whilst materiality for the financial statements as a whole was £480,000, each component of the Group was audited to a lower level of materiality.

Audits of the components were performed at a materiality level calculated by reference to a proportion of Group materiality appropriate to the relative scale of the business concerned.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT - continued

With regards to the audit of overseas significant audit components, the Responsible Individual and senior members of the Group audit team were involved at all stages of the audit process, directing the planning and risk assessment work. As key subsidiaries, the Responsible Individual visited the United Arab Emirates and Oman audit teams at the planning and risk assessment stage, including meeting with local management. For significant components, involvement included calls with the overseas component auditors at both the planning and completion stage, as well as throughout the audit. Reviews of the component auditor working papers were also completed for significant components in United Arab Emirates, Oman, and Singapore. Working papers in respect of the Key Audit Matters listed above were reviewed for the Qatar component.

The remaining components of the Group were considered non-significant and these components were principally subject to analytical review procedures by the Group audit team.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the report of the directors' for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the report of the directors' have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the report of the directors.

We have nothing to report in respect of the following matters in relation to which 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS – continued

that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

11 December 2017

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 2017

	Notes	2017 £000	2016 £000 Restated**
REVENUE	2	**60,227**	52,385
Cost of Sales		**(45,391)**	(41,547)
GROSS PROFIT		**14,836**	10,838
Administrative expenses		**(13,485)**	(14,318)
Other operating income		**143**	197
Underlying* operating profit/(loss)		**2,747**	(156)
Exceptional items	5	**(1,083)**	(1,959)
Share-based payment charges and associated costs	19	**(170)**	(1,141)
Amortisation of intangible assets	13	**-**	(27)
OPERATING PROFIT/(LOSS)	2, 4	**1,494**	(3,283)
Finance income		**1**	14
Finance costs	6	**(262)**	(231)
PROFIT/(LOSS) BEFORE TAXATION	2	**1,233**	(3,500)
Tax expense	7	**38**	67
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	2	**1,271**	(3,433)
Loss on discontinued operation, net of tax	21	**(976)**	(1,800)
PROFIT/(LOSS) FOR THE YEAR		**295**	(5,233)
Profit/(loss) attributable to non-controlling interests from continuing operations		**4**	(3)
Loss attributable to non-controlling interests from discontinued operations		**-**	-
Profit/(loss) attributable to equity shareholders of the Parent from continuing operations		**1,267**	(3,430)
Loss attributable to equity shareholders of the Parent from discontinued operations		**(976)**	(1,800)
		295	(5,233)
Basic earnings/(loss) per share attributable to equity shareholders of the Parent (pence)	10	**0.7p**	(16.8)p
Diluted earnings/(loss) per share attributable to equity shareholders of the Parent (pence)	10	**0.6p**	-
Basic earnings/(loss) per share attributable to equity shareholders of the Parent (pence) from continuing operations	10	**2.9p**	(11.0)p
Diluted earnings/(loss) per share attributable to equity shareholders of the Parent (pence) from continuing operations	10	**2.8p**	-

The notes on pages 27 to 64 form part of these Financial Statements.

**Restated to reflect discontinued operations

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

Consolidated Statement of Comprehensive Income

For The Year Ended 30 September 2017

	2017 £000	2016 £000
PROFIT/(LOSS) FOR THE YEAR	**295**	(5,233)
Other comprehensive income:		
Items that could subsequently be reclassified to the Income Statement:		
Exchange differences on translating foreign operations	**(18)**	(49)
OTHER COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX	**(18)**	(49)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**277**	(5,282)
Total comprehensive income attributable to:		
Owners of the Parent	**273**	(5,279)
Non-controlling interest	**4**	(3)
	277	(5,282)

The notes on pages 27 to 64 form part of these Financial Statements.

Consolidated Statement of Financial Position

For The Year Ended 30 September 2017

Company Number 3475146

	Notes	2017 £000	2017 £000	2016 £000	2016 £000
NON-CURRENT ASSETS					
Goodwill	12	**2,969**		3,456	
Property, plant and equipment	11	**950**		2,927	
Intangible assets	13	**-**		621	
Deferred tax asset	18	**58**		21	
			3,977		7,025
CURRENT ASSETS					
Trade and other receivables	14	**18,859**		20,346	
Derivative financial asset	23	**531**		454	
Cash and cash equivalents	17	**4,932**		555	
Asset held for sale	22	**1,614**		-	
			25,936		21,355
TOTAL ASSETS			**29,913**		28,380
CURRENT LIABLITIES					
Borrowings	16	**(527)**		(3,352)	
Trade and other payables	15	**(8,352)**		(8,593)	
Derivative financial liability	23	**(12)**		(1,395)	
Current tax payable		**(175)**		(49)	
			(9,066)		(13,389)
NON-CURRENT LIABILITIES					
Borrowings	16	**(4,583)**		(7,110)	
Deferred tax liabilities	18	**(127)**		(301)	
			(4,710)		(7,411)
TOTAL LIABILITIES			**(13,776)**		(20,800)
NET ASSETS			**16,137**		7,580
SHAREHOLDERS' EQUITY					
Share capital	19		**215**		127
Share premium	24		**11,475**		3,453
Merger reserve	24		**1,055**		1,702
Currency reserve	24		**(459)**		(441)
Capital redemption reserve	24		**18**		18
Retained earnings	24		**3,937**		2,829
Own shares	24		**(107)**		(107)
TOTAL SHAREHOLDERS' EQUITY			**16,134**		7,581
NON-CONTROLLING INTEREST	24		**3**		(1)
TOTAL EQUITY			**16,137**		7,580

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

Hugh Cawley
Finance Director
11 December 2017

The notes on pages 27 to 64 form part of these Financial Statements.

Consolidated Cashflow Statement

For The Year Ended 30 September 2017

	Notes	2017 £000	2016 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) for the year		**295**	(5,233)
Adjustments for:			
Depreciation	11	**601**	503
Amortisation	13	**621**	223
Impairment of goodwill	12	**-**	1,400
Exchange adjustments		**51**	249
Loss on disposal of subsidiary		**796**	-
Finance income		**(1)**	(14)
Finance expense		**262**	231
Tax (credit)/expense		**(38)**	(115)
Equity settled share-based payment charge	19	**170**	1,141
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS		**2,757**	(1,615)
Decrease/(increase) in trade and other receivables		**833**	(4,184)
(Decrease)/increase in trade and other payables		**(1,378)**	434
CASH GENERATED/(USED) IN OPERATIONS		**2,212**	(5,365)
Tax paid		**(29)**	(98)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		**2,183**	(5,463)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**1**	14
Acquisition of property, plant and equipment		**(264)**	(728)
Disposal of subsidiary net of cash acquired	21	**12**	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(251)**	(714)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(262)**	(231)
Repayment of borrowings		**(7,123)**	(91)
Proceeds of borrowings		**5,000**	4,162
Repurchase of share options		**-**	(462)
Proceeds from issue of new shares		**8,560**	-
Costs directly attributable to the issue of new shares		**(450)**	-
Dividends paid to equity shareholders of the Parent	9	**-**	(320)
NET CASH INFLOW FROM FINANCING ACTIVITIES		**5,725**	3,058
Net increase/(decrease) in cash and cash equivalents		**7,657**	(3,119)
Effect of foreign exchange on cash and cash equivalents		**(51)**	(249)
Cash and cash equivalents at start of period		**(2,674)**	694
CASH AND CASH EQUIVALENTS AT END OF PERIOD	17	**4,932**	(2,674)

The notes on pages 27 to 64 form part of these Financial Statements.

Consolidated Statement of Changes in Equity

For The Year Ended 30 September 2017

	Share capital £000	Share premium £000	Merger reserve £000	Other reserves[(2)] £000	Retained earnings £000	Own shares £000	Total[(1)] £000	Non-controlling interest £000	Total Equity £000
OPENING BALANCE AT 1 OCTOBER 2015	**125**	**3,095**	**3,102**	**(374)**	**6,219**	**(107)**	**12,060**	**2**	**12,062**
Loss for the year	-	-	-	-	(5,230)	-	(5,230)	(3)	(5,233)
Other comprehensive income for the year	-	-	-	(49)	-	-	(49)	-	(49)
Total comprehensive income for the year	-	-	-	(49)	(5,230)	-	(5,279)	(3)	(5,282)
Dividends	-	-	-	-	(320)	-	(320)	-	(320)
Share-based payment	-	-	-	-	1,141	-	1,141	-	1,141
Transfer on impairment of goodwill	-	-	(1,400)	-	1,400	-	-	-	-
Issue of share capital	2	358	-	-	-	-	360	-	360
Repurchase of share options	-	-	-	-	(381)	-	(381)	-	(381)
CLOSING BALANCE AT 30 SEPTEMBER 2016	**127**	**3,453**	**1,702**	**(423)**	**2,829**	**(107)**	**7,581**	**(1)**	**7,580**
Profit for the year	-	-	-	-	291	-	291	4	295
Other comprehensive income for the year	-	-	-	(18)	-	-	(18)	-	(18)
Total comprehensive income for the year	-	-	-	(18)	291	-	273	4	277
Transfer on disposal of Initiate	-	-	(647)	-	647	-	-	-	-
Share-based payment	-	-	-	-	170	-	170	-	170
Issue of share capital	88	8,472	-	-	-	-	8,560	-	8,560
Costs directly attributable to the issue of new shares	-	(450)	-	-	-	-	(450)	-	(450)
CLOSING BALANCE AT 30 SEPTEMBER 2017	**215**	**11,475**	**1,055**	**(441)**	**3,937**	**(107)**	**16,134**	**3**	**16,137**

(1) Total equity attributable to the equity holders of the Parent

(2) 'Other reserves' combines the translation reserve and capital redemption reserve. The movement in the current and prior year relates to the translation of foreign currency equity balances and foreign currency non-monetary items. Explanatory details for these reserves are disclosed in note 24.

The notes on pages 27 to 64 form part of these Financial Statements.

Summary of Significant Accounting Policies

For The Year Ended 30 September 2017

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 parts of the Companies Act 2006 applicable to those companies reporting under IFRS.

The Company has elected to prepare its financial statements in accordance with FRS 102. These are provided on pages 57 to 64.

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 over the investee, either directly or indirectly, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns, 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.

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. 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.

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 using the exchange rates at each month end. 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.

1 ACCOUNTING POLICIES - continued

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. This number is reviewed annually. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The cost of the share options is recognised as an employee expense with a corresponding increase in equity.

TAXATION

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates 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. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. 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.

1 ACCOUNTING POLICIES - continued

TAXATION - continued

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.

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

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. Any issue costs for

1 ACCOUNTING POLICIES - continued

FINANCIAL LIABLITIES - continued
Loans - continued

such borrowings are expensed to the Income Statement.

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 to hedge our exposure to foreign currency movements. 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 assets are 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 IFRS 10 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; or
- 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; and
- 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.

ASSETS HELD FOR SALE
Assets held for sale are stated at fair value less costs to sell. Assets are assigned to this category when the key provisions of IFRS 5 have been met such as; management are committed to a plan to sell and the asset is being actively marketed; the asset is available for immediate sale and the sale is highly probable within 12 months of classification as held for sale.

STANDARDS ADOPTED FOR THE FIRST TIME

The Group has not adopted any standards or interpretations in advance of the required implementation dates.

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 October 2016. None of the amendments to standards that are effective from that date had a significant effect on the Group's financial statements.

1 ACCOUNTING POLICIES - continued

STANDARDS ADOPTED FOR THE FIRST TIME – continued

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: is effective for periods commencing on or after 1 January 2018. IFRS 9 is a replacement for IAS 39 Financial Instruments and covers three distinct areas. Phase 1 contains new requirements for the classification and measurement of financial assets and liabilities. Phase 2 relates to the impairment of financial assets and requires the calculation of impairment on an expected loss basis rather than the current incurred loss basis. Phase 3 relates to less stringent requirements for general hedge accounting. The potential impact on the Group has not yet been assessed by management.
- IFRS 15 Revenue from Contracts with Customers: is effective for periods commencing 1 January 2018. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction contracts. It is effective for periods commencing 1 January 2018. The standard establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a service and thus has the ability to direct the use and obtain the benefits from the good or service. The potential impact on the Group has not yet been assessed by management.
- IFRS 16 Leases: is effective for periods beginning on or after 1 January 2019. IFRS 16 replaces IAS 17 Leases and provides a single lessee accounting model, requiring lessees to recognise related right of use lease assets and lease liabilities for all applicable leases on to the statement of financial position. The presentation and timing of income and expense recognition in the income statement will also change. The potential impact on the Group has not yet been assessed by management.

2 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.

Year ended 30 September 2017

	Europe & Americas £000	APAC, Middle East & Africa £000	Eliminations £000	Unallocated[1] £000	Consolidated £000	Discontinued Initiate £000
Total external revenue	26,049	34,178	-	-	60,227	3,229
Total inter-segment revenue	601	-	(632)	-	(31)	31
Total revenue	26,650	34,178	(632)	-	60,196	3,260
Segmental profit/(loss)	2,331	2,161	-	-	4,492	2
Unallocated corporate expenses[1]	-	-	-	(1,745)	(1,745)	-
Share-based payment charge	-	-	-	(170)	(170)	-
Exceptional items (note 5)	-	(449)	-	(634)	(1,083)	(475)
Amortisation of intangible assets	-	-	-	-	-	(621)
Operating profit/(loss)	2,331	1,712	-	(2,549)	1,494	(1,094)
Finance income	-	-	-	1	1	-
Finance expense	-	-	-	(262)	(262)	-
Profit/(loss) before taxation	2,331	1,712	-	(2,810)	1,233	(1,094)
Taxation	-	-	-	38	38	118
Profit/(loss) for the year	2,331	1,712	-	(2,772)	1,271	(976)
OTHER INFORMATION						
Non current assets	3,241	541	-	195	3,977	-
Reportable segment assets	14,745	13,118	-	2,050	29,913	-
Capital additions[2]	39	150	-	78	267	-
Depreciation and amortisation	110	361	-	130	601	621

(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 2017.

Notes to the Financial Statements continued

For The Year Ended 30 September 2017

2 SEGMENTAL ANALYSIS – continued

Year ended 30 September 2016

	Europe & Americas £000	APAC, Middle East & Africa £000	Eliminations £000	Unallocated[1] £000	Consolidated £000	Discontinued Initiate £000
Total external revenue	22,945	29,440	-	-	52,385	5,876
Total inter-segment revenue	532	80	(612)	-	-	-
Total revenue	23,477	29,520	(612)	-	52,385	5,876
Segmental profit/(loss)	1,916	(1,089)	-	-	827	(52)
Unallocated corporate expenses[1]	-	-	-	(983)	(983)	-
Share-based payment charge	-	-	-	(1,141)	(1,141)	-
Exceptional items (note 5)	(535)	(504)	-	(920)	(1,959)	(1,600)
Amortisation of intangible assets	-	(27)	-	-	(27)	(196)
Operating profit/(loss)	1,381	(1,620)	-	(3,044)	(3,283)	(1,848)
Finance income	-	-	-	14	14	-
Finance expense	-	-	-	(231)	(231)	-
Profit/(loss) before taxation	1,381	(1,620)	-	(3,261)	(3,500)	(1,848)
Taxation	-	-	-	67	67	48
Profit/(loss) for the year	1,381	(1,620)	-	(3,194)	(3,433)	(1,800)
OTHER INFORMATION						
Non current assets	5,642	742	-	151	6,535	490
Reportable segment assets	9,955	14,779	-	2,738	27,472	908
Capital additions[2]	70	547	-	107	724	4
Depreciation and amortisation	118	291	-	120	529	197

[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 2016.

2 SEGMENTAL ANALYSIS – continued

Geographical information:

	External revenue by location of customers 2017 £000	2016 £000
UK	**20,517**	20,713
UAE	**11,723**	8,724
Oman	**6,778**	6,270
Singapore	**3,864**	1,689
Qatar	**3,378**	1,678
Netherlands	**2,630**	2,699
Germany	**2,111**	1,272
France	**1,806**	1,740
Kuwait	**1,783**	967
Malaysia	**1,487**	1,330
Saudi Arabia	**1,233**	1,481
Australia	**930**	924
Belgium	**837**	624
Hong Kong	**810**	1,123
Canada	**707**	540
South Africa	**643**	3,347
China	**486**	205
Italy	**401**	81
Vietnam	**209**	-
Egypt	**192**	18
South Korea	**29**	1,939
United States	**19**	367
Other countries	**883**	530
	63,456	58,261

Reconciliation to total Group revenue

	2017 £000	2016 £000
Total external revenue from continuing operations	**60,227**	52,385
Total external revenue from discontinued operation	**3,229**	5,876
	63,456	58,261

Geographical information of Non current assets

	2017 £000	2016 £000
UK	**3,408**	6,248
Oman	**204**	302
UAE	**164**	278
Singapore	**99**	53
Qatar	**20**	17
Malaysia	**19**	27
Kuwait	**16**	-
Hong Kong	**11**	22
Netherlands	**12**	13
France	**10**	13
Australia	**8**	9
Canada	**6**	9
South Africa	**-**	34
	3,977	7,025

Notes to the Financial Statements continued

For The Year Ended 30 September 2017

3 EMPLOYEES

Staff costs including Directors' remuneration:

	2017 £000	2016 £000
Wages and salaries	**39,110**	37,539
Social security costs	**1,545**	1,550
Other pension costs	**814**	818
Share based payment charges and associated costs	**170**	1,141
	41,639	41,048

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

	2017	2016
By role:		
Directors	**5**	5
Fee-earners	**328**	348
Administration	**75**	75
	408	428

KEY MANAGEMENT AND DIRECTORS' REMUNERATION

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

	2017 £000	2016 £000
Remuneration	**2,405**	1,721
Social security costs	**206**	114
Short term benefits	**3**	1
Money purchase pension contributions	**151**	76
Compensation for loss of office[1]	**33**	784
	2,798	2,696
Share based compensation (note 19)	**118**	597
Total key management compensation	**2,916**	3,293

Key management consists of the statutory Executive Directors of the Company plus a further 4 (2016: 3) Operational Directors who form part of the Global Management Board.

The Executive Directors' remuneration is shown below:

	2017 £000	2016 £000
Emoluments	**1,002**	729
Money purchase pension contributions	**47**	51
Compensation for loss of office[1]	**33**	627
Gain on share options	**143**	-
Total remuneration	**1,225**	1,407

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

	2017 £000	2016 £000
Emoluments	**518**	276
Money purchase pension contributions	**34**	-
Compensation for loss of office[1]	**-**	562
Total remuneration	**552**	838

The number of Directors to whom retirement benefits are accruing:

	2017	2016
Money purchase pension schemes	**3**	3

[1] £360,000 of David Webster's compensation in the prior year was settled by issue of 600,000 shares in Driver Group plc which at the time of issue had a market value of £225,000.

Notes to the Financial Statements continued
For The Year Ended 30 September 2017

4 PROFIT FROM OPERATIONS

Profit from operations includes the following significant expenses:

	2017 £000	2016 £000
Depreciation and amounts written off property, plant and equipment – owned assets	**601**	503
Audit services:		
- statutory audit of Parent	**9**	9
- statutory audit of subsidiaries	**74**	82
- audit regulatory reporting – interim review	**8**	8
Tax services:		
- compliance	**14**	15
- other services – iXBRL	**5**	5
Operating lease rentals – land and buildings	**1,497**	1,316
Exchange loss/(profit)	**501**	(462)

5 EXCEPTIONAL ITEMS

	2017 £000	2016 Restated* £000
Severance costs [1]	**-**	1,365
Acquisition and integration costs	**-**	2
Restructuring costs [2]	**634**	154
Impairment of Goodwill (note 12)	**-**	438
Disposal of subsidiary [3]	**449**	-
	1,083	1,959

(1) Severance costs include redundancy, ex-gratia, other discretionary payments and associated legal costs.
(2) Restructuring costs include bank charges and legal and professional fees in relation to the refinancing in the current year and the requirement of an additional banking facility in the prior year.
(3) Disposal of subsidiary includes the loss on the disposal of Driver Trett South Africa (pty) Ltd and the associated legal and professional fees for the disposal.

6 FINANCE EXPENSE

	2017 £000	2016 £000
Bank interest	**247**	220
Finance lease interest	**15**	11
	262	231

7 TAXATION

Analysis of the tax charge

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

	2017 £000	2016 £000
Current tax:		
UK corporation tax on profit for the year	**-**	-
Non-UK corporation tax	**126**	146
Adjustments to the prior period estimates	**(71)**	(224)
	55	(78)
Deferred tax:		
Origination and reversal of temporary difference (note 18)	**(211)**	(37)
Tax (credit)/charge for the year	**(156)**	(115)

*Restated to reflect exceptional items from continuing operations only.

Notes to the Financial Statements continued

For The Year Ended 30 September 2017

7 TAXATION – continued

	2017 £000	2016 £000
Current tax:		
From continuing operations	**55**	(67)
From discontinued operations	**-**	(11)
	55	(78)
Deferred tax:		
From continuing operations	**(93)**	-
From discontinued operations	**(118)**	(37)
	(211)	(37)
Tax credit for the year	**(156)**	(115)

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:

	2017 £000	2016 £000
Profit/(loss) from continuing operations	**1,233**	(3,500)
Loss from discontinued operations	**(1,094)**	(1,848)
Profit/(loss) before tax	**139**	(5,348)
Expected tax credit based on the standard average rate of corporation tax in the UK of 19% (2016: 20%)	**26**	(1,070)
Effects of:		
Expenses not deductible	**477**	644
Deferred tax – other differences	**(211)**	(36)
Foreign tax rate difference	**(288)**	341
Adjustment to prior period estimates	**(71)**	(224)
Utilisation of losses	**(313)**	(302)
Share options exercised	**(32)**	-
Unprovided losses	**256**	532
Tax credit for the year	**(156)**	(115)

8 PROFIT / (LOSS) OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the Parent Company is not presented as part of these Financial Statements. The Parent Company's loss for the financial period was £1,934,000 (2016: loss of £1,851,000). The Company has elected to prepare the Parent Company Financial Statements in accordance with FRS 102.

Notes to the Financial Statements continued

For The Year Ended 30 September 2017

9 DIVIDENDS

	2017 £000	2016 £000
The aggregate amount of equity dividends comprises:		
Final dividend paid in respect of prior year	-	320
Aggregate amount of dividends paid in the financial year	-	320

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

10 EARNINGS PER SHARE

	2017 £000	2016 Restated £000
Profit/(loss) for the financial year attributable to equity shareholders	**291**	(5,230)
Share-based payment charges and associated costs (note 19)	**170**	1,141
Exceptional items (note 5)	**1,083**	1,959
Amortisation of intangible assets	**-**	27
Loss from discontinued operations	**976**	1,800
Adjusted profit/(loss) for the year before share-based payments, amortisation of intangible assets and exceptional items from continuing operations	**2,520**	(303)
Weighted average number of shares:		
- Ordinary shares in issue	**43,775,690**	31,251,190
- Shares held by EBT	**(267,760)**	(596,677)
- Vested options with nominal consideration	**-**	426,017
Basic weighted average number of shares	**43,507,930**	31,080,530
Effect of Employee share options	**1,972,870**	1,590,610
Diluted weighted average number of shares	**45,480,800**	32,671,140
Basic earnings/(loss) per share	**0.7p**	(16.8)p
Diluted earnings per share	**0.6p**	-
Adjusted continuing basic earnings/(loss) per share before share-based payments, amortisation of intangible assets and exceptional items	**5.8p**	(1.0)p
Basic earnings/(loss) per share attributable to equity shareholders of the Parent from continuing operations	**2.9p**	(11.0)p
Diluted earnings per share attributable to equity shareholders of the Parent from continuing operations	**2.8p**	-

Notes to the Financial Statements continued

For The Year Ended 30 September 2017

11 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings Long leasehold £000	Fixtures and fittings £000	Computer equipment £000	Motor Vehicles £000	Total £000
COST					
At 1 October 2015	1,987	984	999	220	4,190
Additions	-	270	315	141	726
Disposals	-	(98)	(1)	(29)	(128)
Foreign exchange movement	-	59	54	37	150
At 30 September 2016	1,987	1,215	1,367	369	4,938
DEPRECIATION					
At 1 October 2015	307	572	595	40	1,514
Charge for year	33	150	225	95	503
Disposals	-	(92)	-	(11)	(103)
Foreign exchange movement	-	59	21	17	97
At 30 September 2016	340	689	841	141	2,011
NET BOOK VALUE					
At 30 September 2016	1,647	526	526	228	2,927
At 30 September 2015	1,680	412	404	180	2,676

	Land and buildings Long leasehold £000	Fixtures and fittings £000	Computer equipment £000	Motor Vehicles £000	Total £000
COST					
At 1 October 2016	1,987	1,215	1,367	369	4,938
Additions	-	80	187	-	267
Reallocated to held for sale	(1,987)	-	-	-	(1,987)
Disposals	-	(20)	(36)	(7)	(63)
Foreign exchange movement	-	(17)	(12)	(13)	(42)
At 30 September 2017	-	1,258	1,506	349	3,113
DEPRECIATION					
At 1 October 2016	340	689	841	141	2,011
Charge for year	33	202	243	123	601
Reallocated to held for sale	(373)	-	-	-	(373)
Disposals	-	(9)	(22)	(7)	(38)
Foreign exchange movement	-	(15)	(12)	(11)	(38)
At 30 September 2017	-	867	1,050	246	2,163
NET BOOK VALUE					
At 30 September 2017	-	391	456	103	950
At 30 September 2016	1,647	526	526	228	2,927

Included in Motor Vehicles are assets held under finance leases with a net book value of £103,000 (2016: £222,000) and a depreciation charge of £118,000 (2016: £89,000).

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 (2016: £100,000) and service charge income totalled £42,000 (2016: £38,000).

12 GOODWILL

	£000
COST	
At 1 October 2016	3,456
Additions	-
Disposal	(487)
Impairment	-
At 30 September 2017	2,969

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method required the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows. This has concluded that no impairment is required in the current year against the carrying amount.

The discount rate would need to increase and revenues decrease in excess of 5% for the Driver Project Services CGU to require impairment.

The Trett Limited CGU has significant headroom, therefore, no sensible sensitivity would indicate any requirement for impairment.

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:

	2017 £000	**2016 £000**
Europe & Americas	**2,969**	2,969
Initiate	**-**	487
	2,969	3,456

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	-	13.5% – 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.

12 GOODWILL - continued

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 Trett South Africa (pty) Ltd	South Africa	Construction consultancy services	100%	(5)
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%	
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%	
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%	(4)
initiate Consulting Ltd	England and Wales	Construction consultancy services	100%	(3)
Driver Trett France SAS	France	Construction consultancy services	100%	
Diales Ltd	England and Wales	Dormant	100%	(6)

* 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) initiate Consulting Limited was disposed on 30 September 2017 (note 21).
(4) Driver Trett Canada is a joint operation with MHPM partners limited to provide consultancy services. This operation had a loss of £40,000 (2016 Loss: £343,000) to net margin during the financial period.
(5) Driver Trett South Africa (pty) Ltd was disposed on 12 May 2017.
(6) Diales Ltd was incorporated on 14 November 2016.

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. On 23 September 2016 the Trust transferred 200,000 shares to an employee in settlement of 200,000 nil cost options. On 10 March 2017 the Trust transferred 238,000 shares to two employees in settlement of nil cost options. At 30 September 2017 the assets of the Trust comprised 158,677 (2016: 396,677) of the Company's own shares with a nominal value of £635 (2016: £1,587) and a market value of £96,793 (2016: £194,372). The cost of shares has been deducted from equity. The net assets of the Trust are available for the benefit of Driver Consult's and Driver Group's employees. Neither the loan from the Company nor the equivalent liability of the Trust is included in debtors or creditors. As a consequence of the exercise price of the modified share options (note 19) a realised loss will arise on the exercise of the options. This loss is recognised over the vesting period as a transfer to retained earnings.

13 INTANGIBLE ASSETS

	2017 £000	2016 £000
At the beginning of the year	**621**	842
Amortisation	**(621)**	(223)
Foreign exchange movement	**-**	2
At the end of the year	**-**	621

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. These customer relationships acquired with Initiate were being amortised over their useful economic life which had been deemed as 5 years. During the year Initiate was disposed by the Group. On disposal the intangible assets were not recoverable and thus the amortisation was accelerated.

14 TRADE AND OTHER RECEIVABLES

	2017 £000	2016 £000
Trade receivables	**16,130**	17,233
Other receivables	**949**	824
Prepayments	**1,616**	1,210
Accrued income	**164**	1,079
	18,859	20,346

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 £412,000 (2016: £296,000) due after 1 year.

As at 30 September 2017 trade receivables of £6,961,000 (2016: £7,451,000) 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 2017	Current (not yet overdue)	Debt age – "days overdue" 0-30 days	31-60 days	Over 60 days	Total
Trade receivables					
Value (£'000)	9,169	2,469	1,238	3,254	16,130
%	57%	15%	8%	20%	100%

30 September 2016	Current (not yet overdue)	Debt age – "days overdue" 0-30 days	31-60 days	Over 60 days	Total
Trade receivables					
Value (£'000)	9,782	2,087	1,322	4,042	17,233
%	57%	12%	8%	23%	100%

As at 30 September 2017 trade receivables of £2,109,000 (2016: £1,576,000) 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.

Movements in the impairment allowance for trade receivables are as follows:

	2017 £000	2016 £000
At the beginning of the year	**1,576**	893
Increase during the year	**805**	947
Receivable written off during the year as uncollectible	**(272)**	(264)
At the end of the year	**2,109**	1,576

The movement in the impairment allowance for trade receivables has been included in the administrative expenses line in the Consolidated Income Statement.

15 TRADE AND OTHER PAYABLES:

	2017 £000	2016 £000
Trade payables	**2,377**	2,653
Social security and other taxes	**1,190**	1,977
Other payables	**1,561**	1,329
Accrued expenses	**3,224**	2,634
	8,352	8,593

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

16 BORROWINGS

An analysis of the maturity of loans is given below:

	2017 £000	2016 £000
Current:		
Bank loan and overdraft	**438**	3,229
Finance lease	**89**	123
	527	3,352
Non-current falling due between one and two years:		
Bank loan	**500**	-
Finance lease	**21**	54
Non-current falling due between two and five years:		
Bank loan	**4,062**	7,000
Finance lease	**-**	56
	4,583	7,110

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

As at 30 September 2017 the banking facilities with HSBC consisted of:

	Facility	Interest rate (annual)
Overdraft facility	£100	3.00% over Base
Revolving credit facility repayable on 28 February 2020	£3,000,000	2.10% over Libor
Term loan repayable in instalments by 28 February 2020	£5,000,000	2.10% over Libor

As at 30 September 2017 the Company had access to cash balances of £4,932,000 in addition to the unutilised revolving credit facility of £3,000,000. 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 £1,614,000. If the land and buildings were sold, the proceeds received are required to be used to repay the term loan.

17 CASH AND CASH EQUIVALENTS

	2017 £000	2016 £000
Cash at bank	**4,932**	555
Bank overdraft (note 16)	**-**	(3,229)
	4,932	(2,674)

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.

18 DEFERRED TAXATION

Deferred tax is calculated at 17% (2016: 17%).

Deferred tax liability

	2017 £000	2016 £000
At the beginning of the year	**301**	352
Credit for the year recognised in the Income Statement	**(143)**	(43)
Temporary differences on property credited to the Income Statement	**(31)**	(8)
At the end of the year	**127**	301

Deferred tax asset

	2017 £000	2016 £000
At the beginning of the year	**21**	35
Credit/(Debit) for the year recognised in the Income Statement	**37**	(14)
At the end of the year	**58**	21

The elements of the deferred tax balances are as follows:

	Assets 2017 £000	Assets 2016 £000	Liabilities 2017 £000	Liabilities 2016 £000
Temporary differences on property	**-**	-	**(127)**	(158)
Capital allowances difference to depreciation	**-**	-	**-**	(25)
Deferred tax on intangible asset	**-**	-	**-**	(118)
Other short term temporary differences	**58**	21	**-**	-
	58	21	**(127)**	(301)

The Group had taxable losses of £6,984,000 (2016 losses: £7,050,000) carried forward at the year end. No deferred tax asset has been recognised in relation to these losses as an accurate estimate of when this asset would be utilised cannot yet be determined.

19 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	2017 £000	2016 £000
53,862,868	Ordinary	0.4p	**215**	127

Ordinary shares of 0.4p each	2017 Number:	2017 £000	2016 Number:	2016 £000
At beginning of the year	**31,701,190**	**127**	31,101,190	125
Issued during the year	**22,161,678**	**88**	600,000	2
At end of the year	**53,862,868**	**215**	31,701,190	127

SHARE BASED PAYMENT TRANSACTIONS

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. During the year 300,000 of these options were exercised. A further 300,000 of these options remain outstanding at the year end.

During the prior year options totalling 1,300,000 shares were granted. These were granted with an exercise price of nil p and a vesting period between 0 and 4 years. Some of these options are contingent on the employee purchasing their own shares with the remaining conditional on profit targets. 800,000 of these share options were modified from original options granted in the same year. 900,000 have become exercisable at 30 September 2017. Detail of the outstanding 1,300,000 share options are shown in the table below.

A further 3,243,000 share options brought from the prior year have 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. During the year, 90,000 of these options were forfeited, 1,850,000 options lapsed and 438,000 were exercised. Details of the outstanding 865,000 are showing in the table below.

19 CALLED UP SHARE CAPITAL - continued

At 30 September 2017 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 12 employees (2016: 21):

Year of grant	Vesting period	Exercise price per 0.4p share (pence)	2017 Number	2016 Number
2011	23-01-2011 to 01-10-2014	21.5p	**300,000**	600,000
2015	01-10-2014 to 01-10-2017	Nilp	**65,000**	100,000
	13-11-2014 to 01-10-2016	Nilp	**200,000**	200,000
	13-11-2014 to 01-10-2017	Nilp	**200,000**	400,000
	13-11-2014 to 01-10-2018	Nilp	**200,000**	200,000
	09-12-2014 to 01-10-2017	Nilp	**-**	1,250,000
	18-03-2015 to 01-10-2017	Nilp	**40,000**	40,000
	18-03-2015 to 01-10-2020	65.5p	**160,000**	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 01-10-2017	Nilp	**-**	35,000
2016	22-09-2016 to 30-09-2016	Nilp	**400,000**	400,000
	22-09-2016 to 30-09-2017	Nilp	**300,000**	300,000
	22-09-2016 to 30-09-2018	Nilp	**300,000**	300,000
	22-09-2016 to 30-09-2019	Nilp	**300,000**	300,000
			2,465,000	5,143,000

	2017		2016	
	Options	Weighted average exercise price per share (pence)	Options	Weighted average exercise price per share (pence)
Outstanding at 1 October	**5,143,000**	**12p**	6,301,886	4p
Granted during the year	**-**	**-**	1,316,415	Nilp
Forfeited during the year	**(90,000)**	**Nilp**	(1,292,784)	Nilp
Lapsed during the year	**(1,850,000)**	**21p**	-	-
Exercised during the year	**(738,000)**	**Nilp**	(626,017)	Nilp
Surrendered during the year	**-**	**-**	(556,500)	Nilp
Outstanding at 30 September	**2,465,000**	**7p**	5,143,000	12p
Exercisable at 30 September	**1,000,000**	**7p**	1,200,000	10.8p

The options outstanding at 30 September 2017 had an exercise price between nil p and 65.5p and a weighted average remaining contractual life of 3.13 years.

The Group recognised a charge of £170,000 (2016: £1,141,000) relating to equity settled share options.

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

20 LEASES

Finance leases

The Group has entered into a lease for motor vehicles which is classified as a finance lease due to the nature of the risks and rewards of ownership. The net carrying value of these assets at 30 September 2017 was £102,768 (2016: £221,760).

Future lease payments are due as follows:

	Minimum lease payments 2017 £000	Interest 2017 £000
Not later than one year	**89**	**5**
Later than one year and not later than five years	**21**	**1**
	110	**6**

The present values of future lease payments are analysed as:

	2017 £000	2016 £000
Current liabilities	**89**	120
Non-current liabilities	**21**	110
	110	230

Operating lease – lessee

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

	2017		2016	
	Land and buildings £000	Other leases £000	Land and buildings £000	Other leases £000
Due:				
Not later than one year	**1,186**	**21**	1,066	7
Later than one year and not later than five years	**1,085**	**25**	1,762	4
Later than five years	**-**	**-**	63	-
	2,271	**46**	2,891	11

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:

	2017 £000	2016 £000
Not later than one year	**140**	135
Later than one year and not later than five years	**176**	312
	316	447

21 DISCONTINUED OPERATION

In line with the Group's strategy to focus on claims, disputes and expert witness assignments the Directors made the decision to dispose the Group’s 100% share of initiate Consulting Limited (‘Initiate’) on 30 September 2017. As a result of this disposal Initiate has been classed as a discontinued operation and is the only operation presented as discontinued in these financial statements.

At the date of disposal Initiate had net assets of £0.1m. The consideration, payable in cash and the amount of which will be finally determined after certification of the completion balance sheet, is expected to be something less than £0.2m. The loss on disposal is due to a goodwill write off of £0.5m.

21 DISCONTINUED OPERATION – continued

	Loss on Disposal £000
Net assets at disposal date	**113**
Goodwill write off	**487**
Anticipated proceeds	**(188)**
Loss on disposal	**412**

Results of discontinued operations

	2017 £000	2016 £000
Revenue	**3,229**	5,876
Expenses	**(3,290)**	(7,528)
Finance costs	**-**	-
Tax	**118**	48
Amortisation of intangible asset	**(621)**	(196)
Loss on disposal	**(412)**	-
Loss for the year	**(976)**	(1,800)

Earnings per share from discontinued operations

	2017 £000	2016 £000
Basic loss per share	**(2.2)p**	(5.8)p

Results of discontinued operations

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

	2017 £000	2016 £000
Operating activities	**(1,244)**	(1,983)
Investing activities	**-**	(1)
Financing activities	**-**	-
Loss for the year	**(1,244)**	(1,984)

Disposal of Driver Trett South Africa (pty) Ltd

The Directors also took the decision in the year to dispose of Driver Trett South Africa (pty) Ltd ('DTSA') in South Africa to the local management team on 12 May 2017. This decision was made due to specific market constraints imposed by the government upon ownership which prevented effective bidding for most of the key projects as mentioned in the Chief Executive's Review.

At the date of disposal DTSA had net assets of £0.54m. The consideration paid was £0.15m in cash. A loss on disposal of £0.39m has been recognised in the financial statements. As DTSA forms part of the Africa, Middle East and Asia Pacific operating segment it has not be disclosed separately as a discontinued operation.

During the year the DTSA contribution to revenue was £0.70m (2016: £3.50m) and a loss before tax of £0.30m (2016: £0.18m).

22 ASSET HELD FOR SALE

During the year the Group's head office at St Crispin Way was being actively marketed for sale. At 30 September 2017 the Directors were confident that a sale of the land and buildings within the next 12 months was highly probable. At this date the land and buildings had a carrying value of £1.61m. The Directors believe this amount is in line with the approximate recoverable amount.

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	
	2017 £000	2016 £000	2017 £000	2016 £000
FINANCIAL ASSETS				
Cash and cash equivalents	**-**	-	**4,932**	555
Trade and other receivables	**-**	-	**17,243**	19,136
Derivative financial assets	**531**	454	**-**	-
TOTAL FINANCIAL ASSETS	**531**	454	**22,175**	19,691

	Financial liabilities at fair value through income statement		Financial liabilities at amortised costs	
	2017 £000	2016 £000	2017 £000	2016 £000
FINANCIAL LIABILITIES				
Trade and other payables	**-**	-	**7,162**	6,616
Loans and borrowings	**-**	-	**5,110**	10,462
Derivative financial liabilities	**12**	1,395	**-**	-
TOTAL FINANCIAL LIABILITIES	**12**	1,395	**12,272**	17,078

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:

	2017 £000	2016 £000
Un-drawn borrowing facilities at 30 September	**3,000**	1,771
Cash and cash equivalents	**4,932**	555
Available funds	**7,932**	2,326

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 2017

	Due within 1 year £000	Due between 1 and 5 years £000	Total £000
Non-derivative financial liabilities			
Bank loans and overdrafts	**438**	**4,562**	**5,000**
Finance lease creditor	**89**	**21**	**110**
Trade and other payables	**7,162**	**-**	**7,162**
Total	**7,689**	**4,583**	**12,272**

30 September 2016

	Due within 1 year £000	Due between 1 and 5 years £000	Total £000
Non-derivative financial liabilities			
Bank loans and overdrafts	3,229	7,000	10,229
Finance lease creditor	123	110	233
Trade and other payables	6,616	-	6,616
Total	9,968	7,110	17,078

As at 30 September 2017 the banking facilities with HSBC consisted of:

	Facility	Interest rate (annual)
Overdraft facility	£100	3.00% over Base
Revolving credit facility repayable on 28 February 2020	£3,000,000	2.10% over Libor
Term loan repayable in instalments by 28 February 2020	£5,000,000	2.10% over Libor

As at 30 September 2017 the Company had access to cash balances of £4,932,000 in addition to the unutilised revolving credit facility of £3,000,000. 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 £1,614,000. If the land and buildings were sold, the proceeds received are required to be used to repay the term loan.

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, 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 at an overall Group level 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 disclosed on the statement of financial position in respect of derivative financial instruments, being foreign currency forward contract arrangements:

	2017 £000	**2016 £000**
Asset	**531**	454
Liability	**(12)**	(1,395)
	519	(941)

The balances are all current with assets of £531,000 (2016: £449,000) and liabilities of £12,000 (2016: £936,000) maturing within 3 months and assets of £Nil (2016: £5,000) maturing in 6 to 12 months and liabilities of £Nil (2016: £459,000).

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

FINANCIAL ASSETS 2017

	Cash and cash equivalents £000	**Trade and other receivables £000**
GBP	4,417	4,044
EUR	107	1,307
CAD	55	249
AED	109	3,123
OMR	50	4,026
KWD	-	738
USD	-	1,480
QAR	25	625
ZAR	-	-
SGD	95	807
MYR	25	423
HKD	4	69
AUD	45	352
Total	4,932	17,243

FINANCIAL LIABILITIES 2017

	Trade and other payables £000	**Loans and borrowings £000**
GBP	3,539	5,000
EUR	579	-
CAD	21	-
AED	1,051	-
OMR	858	110
KWD	257	-
USD	-	-
QAR	269	-
ZAR	-	-
SGD	312	-
MYR	86	-
HKD	24	-
AUD	166	-
Total	7,162	5,110

23 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – continued

(b) Foreign exchange risk - continued

FINANCIAL ASSETS 2016

	Cash and cash equivalents £000	Trade and other receivables £000
GBP	22	4,048
EUR	58	1,796
CAD	39	256
AED	72	4,956
OMR	71	4,234
KWD	-	621
USD	5	-
QAR	28	294
ZAR	110	768
SGD	76	1,247
MYR	17	508
HKD	22	218
AUD	35	190
Total	555	19,136

FINANCIAL LIABILITIES 2016

	Trade and other payables £000	Loans and borrowings £000
GBP	3,374	10,228
EUR	423	-
CAD	29	-
AED	971	-
OMR	811	232
KWD	128	-
USD	-	-
QAR	198	-
ZAR	366	2
SGD	154	-
MYR	14	-
HKD	27	-
AUD	121	-
Total	6,616	10,462

The Group earns Euro revenues in Europe and also generates local currency revenues and costs in 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, 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.

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	(111)	(204)	(84)	(153)
Sterling weakens relative to Euro	136	306	102	229
Sterling strengthens relative to US Dollar	(492)	(903)	(369)	(676)
Sterling weakens relative to US Dollar	602	1,355	451	1,014
Sterling strengthens relative to Malaysian Ringgit	(18)	(33)	(13)	(25)
Sterling weakens relative to Malaysian Ringgit	22	49	17	37
Sterling strengthens relative to Singapore Dollar	147	270	122	224
Sterling weakens relative to Singapore Dollar	(180)	(405)	(149)	(336)
Sterling strengthens relative to Australian Dollar	13	23	9	16
Sterling weakens relative to Australian Dollar	(16)	(35)	(11)	(25)
Sterling strengthens relative to Hong Kong Dollar	34	62	29	52
Sterling weakens relative to Hong Kong Dollar	(41)	(93)	(34)	(77)
Sterling strengthens relative to Canadian Dollar	4	7	3	5
Sterling weakens relative to Canadian Dollar	(4)	(10)	(3)	(8)
Sterling strengthens relative to Kuwaiti Dinar	(19)	(36)	(16)	(31)
Sterling weakens relative to Kuwaiti Dinar	24	54	20	46

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 2017

	Fixed rate £000	**Floating rate £000**	**Non-interest bearing £000**	**Total £000**
Cash and cash equivalents	-	4,932	-	4,932
Trade and other receivables	-	-	17,243	17,243
Derivative financial instrument – asset	-	-	531	531
Trade and other payables	-	-	(7,162)	(7,162)
Derivative financial instrument – liability	-	-	(12)	(12)
Bank loans and overdrafts	-	(5,000)	-	(5,000)
Finance lease creditor	(110)	-	-	(110)
	(110)	(68)	10,600	10,422

30 September 2016

	Fixed rate £000	**Floating rate £000**	**Non-interest bearing £000**	**Total £000**
Cash and cash equivalents	-	555	-	555
Trade and other receivables	-	-	19,136	19,136
Derivative financial instrument – asset	-	-	454	454
Trade and other payables	-	-	(6,616)	(6,616)
Derivative financial instrument – liability	-	-	(1,395)	(1,395)
Bank loans and overdrafts	-	(10,229)	-	(10,229)
Finance lease creditor	(233)	-	-	(233)
	(233)	(9,674)	11,579	1,672

Interest rates on bank loans are disclosed in note 16.

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

	2017 £000
Impact on Income Statement and Equity	
1% increase in base rate of interest	**(49)**
2% increase in base rate of interest	**(98)**

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

The Group's credit risk is primarily attributable to its trade receivables. Management has a credit policy in place and exposure to credit risk is monitored on an on-going basis. Management believe the Group has a wide trade receivable profile and therefore does not have any significant concentration of risk. The credit quality of trade receivables that are neither past due nor impaired is considered to be good. The ageing profile of the Group's debtors is disclosed in note 14.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The Group mitigates risk by using surplus cash deposits to pay down borrowings and spreading significant deposits among a range of large international 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 less costs directly attributable to the issue of new 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 the nominal value of shares purchased and then cancelled by the Company.

Non-controlling interest

The non-controlling interest relates to minority shareholdings in Driver Consult (Oman) LLC.

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 2017 was 158,677 (2016: 396,677).

25 RELATED PARTY TRANSACTIONS

Other than the transactions with Directors noted in the Directors' Remuneration Report (page 16) 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 2017 are:

	Number of Shares 30 September 2017
Living Bridge	7,865,805
Sanford DeLand Asset Management	6,000,000
River & Mercantile Asset Management	4,125,000
Adrian J Williams	3,661,167
Ruffer	3,250,000
City Financial	3,243,000
David Webster	2,587,088
Soros Fund Management	2,504,000
John P Mullen	2,079,778
Unicorn Asset Management	1,626,936

27 CRITICAL 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 is required. Further details can be found in note 12.

Receivables impairment provisions
The amounts presented in the Consolidated Statement of Financial Position are net of allowances for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of the present value of estimated future cash flows. At the Statement of Financial Position date a £2,109,000 (2016: £1,576,000) 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.

28 POST BALANCE SHEET EVENTS

There have been no significant events requiring disclosure since 30 September 2017.

Notes to the Financial Statements continued

For The Year Ended 30 September 2017

29 SUBSIDIARY COMPANY DETAILS

Subsidiary	Address	Company No:
Driver Consult Ltd	Driver House, 4 St Crispin Way, Haslingden, Lancashire, BB4 4PW	3881875
Driver Project Services Ltd	Driver House, 4 St Crispin Way, Haslingden, Lancashire, BB4 4PW	2785199
Driver Consult (Oman) LLC	Building No: 2847, Way No: 4247, Al Ghubra, PO Box 363 Postal Code 121, Seeb, Sultanate of Oman	1049477
Driver Consult (UAE) LLC	Office No. 1002, Karbash Building, Plot No. C-53, Al Nahyan Camp, PO Box 112193, Abu Dhabi, UAE	CN-1163115
Driver Consult Qatar LLC	Building No 9771, Al Hilal Street, Al Muntazah, Doha, State of Qatar, PO Box 187	46180
Trett Holdings Ltd	Driver House, 4 St Crispin Way, Haslingden, Lancashire, BB4 4PW	04742346
Trett Ltd	Driver House, 4 St Crispin Way, Haslingden, Lancashire, BB4 4PW	01339325
Driver Trett (Hong Kong) Ltd	Suite 1204 Jubilee Centre, 46 Gloucester Road, Wan Chai, Hong Kong	725638
Driver Trett (Singapore) Pty Ltd	141 Cecil Street, #05-01, Tung Ann Association Building, Singapore, 069541	200001372H
Trett Consulting B.V.	's-Heer, Hendrikskinderendijk 105, 4461 EA Goes, Netherlands	22044617
Trett Contract Services Ltd	Driver House, 4 St Crispin Way, Haslingden, Lancashire BB4 4PW	01689325
Driver Trett (Malaysia) SDN BHD	6th Floor, Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	501417-D
Driver Trett Australia Pty Ltd	Level 10, 12 Creek Street, Brisbane, QLD, Australia	160 611 861
Driver Trett (Canada) Ltd	Suite 2600, 3 Bentall Centre, PO Box 49314, 595 Burrard Street, Vancouver, BC V7X 1L3	810615039BC001
Driver Trett France SAS	17 Rue Dumont D'Urville, 75116, Paris, France	811 017 656 RCS Paris
Diales Ltd	Driver House, 4 St Crispin Way, Haslingden, Lancashire BB4 4PW	10476443

Driver Group plc (Company)
Statement of Financial Position

At 30 September 2017

Company number: 3475146

		2017		2016	
	Notes	**£000**	**£000**	**£000**	**£000**
FIXED ASSETS					
Tangible assets	31		**1,808**		2,314
Investments	32		**7,724**		7,993
			9,532		10,307
CURRENT ASSETS					
Debtors	33	**12,271**		9,011	
Cash and cash equivalents		**8**		-	
		12,279		9,011	
CREDITORS					
Amounts falling due within one year	34	**(1,699)**		(2,658)	
NET CURRENT ASSETS			**10,580**		6,353
TOTAL ASSETS LESS CURRENT LIABILITIES			**20,112**		16,660
CREDITORS					
Amounts falling due after more than one year	34		**(4,601)**		(7,133)
NET ASSETS			**15,511**		9,527
CAPITAL RESERVES					
Called up share capital	37		**215**		127
Share premium	38		**11,475**		3,453
Merger reserve	38		**-**		-
Revaluation reserve	38		**833**		1,213
Capital redemption reserve	38		**18**		18
Retained earnings	38		**3,077**		4,823
Own shares	39		**(107)**		(107)
SHAREHOLDERS' FUNDS			**15,511**		9,527

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 £1,934,000 (2016: loss of £1,851,000).

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

Hugh Cawley
Finance Director
11 December 2017

The notes on pages 59 to 64 form part of the Financial Statements.

Statement of Changes in Equity - Company

At 30 September 2017

	Share capital £000	Share premium £000	Merger reserve £000	Revaluation Reserve £000	Capital redemption reserve £000	Retained earnings £000	Own shares £000	Total Equity £000
OPENING BALANCE AT 1 OCTOBER 2015	**125**	**3,095**	**3,102**	**1,077**	**18**	**2,743**	**(107)**	**10,053**
Loss for the year	-	-	-	-	-	(1,851)	-	(1,851)
Revaluation of Land and Buildings	-	-	-	166	-	-	-	166
Deferred tax on Land and Buildings	-	-	-	(12)	-	-	-	(12)
Total comprehensive income for the year	-	-	-	154	-	(1,851)	-	(1,697)
Dividends	-	-	-	-	-	(320)	-	(320)
Share-based payment cost	-	-	-	-	-	347	-	347
Investment in subsidiary – share options	-	-	-	-	-	794	-	794
Transfer on impairment of investment in subsidiary	-	-	(3,102)	-	-	3,102	-	-
Reserves transfer	-	-	-	(18)	-	18	-	-
Issue of share capital	2	358	-	-	-	-	-	360
Repurchase of share options	-	-	-	-	-	(10)	-	(10)
CLOSING BALANCE AT 30 SEPTEMBER 2016	**127**	**3,453**	**-**	**1,213**	**18**	**4,823**	**(107)**	**9,527**
Loss for the year	-	-	-	-	-	(1,934)	-	(1,934)
Revaluation of Land and Buildings	-	-	-	(453)	-	-	-	(453)
Deferred tax on Land and Buildings	-	-	-	91	-	-	-	91
Total comprehensive income for the year	-	-	-	(362)	-	(1,934)	-	(2,296)
Share-based payment costs	-	-	-	-	-	118	-	118
Investment in subsidiary – Share options	-	-	-	-	-	52	-	52
Reserves transfer	-	-	-	(18)	-	18	-	-
Issue of share capital	88	8,472	-	-	-	-	-	8,560
Cost directly attributable to the issue of new shares	-	(450)	-	-	-	-	-	(450)
CLOSING BALANCE AT 30 SEPTEMBER 2017	**215**	**11,475**	**-**	**833**	**18**	**3,077**	**(107)**	**15,511**

30 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
These financial statements are prepared under FRS 102.

Parent Company disclosure exemptions
In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Parent Company;
- Disclosures in respect of the Parent Company's financial instruments and share-based payment arrangements have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

Tangible fixed assets
Long leasehold land and buildings are included at valuation. The directors perform periodic valuations and annual impairment reviews in accordance with section 17 of FRS 102.

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 in subsidiaries
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.

30 ACCOUNTING POLICIES – continued

Employee Benefit Trust
In accordance with FRS 102.9.33 to 9.38, 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.

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.

Accounting estimates and judgements
The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- The company operates an equity-settled share-based compensation plan as detailed in note 19. Employee services received and the corresponding increase in equity are measured by reference to the fair value of the equity instruments as at the date of grant.
- Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- When determining the value of Investment Properties, the valuation has been based upon market value. The market value is defined as the estimated amount for which the asset should exchange on valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion.

Notes to the Financial Statements - Company continued

For The Year Ended 30 September 2017

31 TANGIBLE FIXED ASSETS

	Land and buildings Long leasehold £000	Fixtures and fittings £000	Computer equipment £000	Total £000
COST OR VALUATION				
At 1 October 2016	2,100	256	553	2,909
Additions	-	-	79	79
Impairment	(486)	-	-	(486)
At 30 September 2017	1,614	256	632	2,502
DEPRECIATION				
At 1 October 2016	-	219	376	595
Charge for year	33	11	88	132
Impairment	(33)	-	-	(33)
At 30 September 2017	-	230	464	694
NET BOOK VALUE				
At 30 September 2017	1,614	26	168	1,808
At 30 September 2016	2,100	37	177	2,314

The company's registered office at St Crispin Way 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. The Company is actively marketing the head office for sale and the Directors believe the carrying amount is in line with the anticipated recoverable amount.

Cost or valuation at 30 September 2016 is represented by:

	Land and buildings Long leasehold £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Valuation in 2017	1,614	-	-	1,614

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

	2017 £000	2016 £000
Gross cost	**919**	919
Depreciated historical cost	**742**	757

32 FIXED ASSET INVESTMENTS

	Shares in Group Undertakings £000
COST	
At 1 October 2016	7,993
Additional capital investment	52
Disposal	(321)
At 30 September 2017	7,724
NET BOOK VALUE	
At 30 September 2017	7,724
At 30 September 2016	7,993

The additional capital investment in the year relates to investment in share options of £0.1m (2016: £0.8m). The disposal in the year relates to initiate Consulting Ltd which was sold on 30 September 2017 and Driver Trett South Africa (pty) Ltd which was sold on 12 May 2017.

An impairment test was undertaken by the Directors to assess the carrying value of some investments in the prior year and it was concluded that an impairment was required of £3.4m. The Directors do not believe any impairment is required in the current year.

The list of subsidiaries that the company has a direct and indirect interest in can be found in note 12 of the Consolidated Financial Statements.

33 DEBTORS

Amounts falling due within one year:

	2017 £000	2016 £000
Trade debtors	**14**	15
Amounts owed by Group undertakings	**11,772**	8,820
Prepayments and accrued income	**485**	176
	12,271	9,011

34 CREDITORS

Amounts falling due within one year:

	2017 £000	2016 £000
Trade creditors	**228**	123
Bank loans and overdrafts	**438**	818
Social security and other taxes	**526**	253
Accrued expenses	**507**	820
Amounts owed to Group undertakings	**-**	644
	1,699	2,658

Amounts falling due after more than one year:

	2017 £000	2016 £000
Bank loan (note 35)	**4,562**	7,000
Deferred tax	**39**	133
	4,601	7,133

35 BANK LOAN AND OVERDRAFTS

An analysis of the maturity of loans is given below:

	2017 £000	2016 £000
Amounts falling due within one year or on demand:		
Bank loans and overdrafts	**438**	818
	438	818
Amounts falling due between one and two years:		
Bank loan	**500**	-
Amount falling due between two and five years:		
Bank loan	**4,062**	7,000
	4,562	7,000

As at 30 September 2017 the banking facilities with HSBC consisted of:

	Facility	Interest rate (annual)
Overdraft facility	£100	3.00% over Base
Revolving credit facility repayable on 28 February 2020	£3,000,000	2.10% over Libor
Term loan repayable in instalments by 28 February 2020	£5,000,000	2.10% over Libor

As at 30 September 2017 the Company had access to cash balances of £4,932,000 in addition to the unutilised revolving credit facility of £3,000,000. 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 £1,614,000. If the land and buildings were sold, the proceeds received are required to be used to repay the term loan.

36 DEFERRED TAX

Deferred tax liability

	2017 £000	2016 £000
At the beginning of the year	**133**	118
(Credit)/Charge for the year recognised in the Income Statement	**(3)**	3
(Credit)/Charge for the year recognised in Other Comprehensive Income	**(91)**	12
At the end of the year	**39**	133

The elements of the deferred tax balances are as follows:

	2017 £000	2016 £000
Temporary differences on property	**39**	130
Other short term temporary differences	**-**	3
At the end of the year	**39**	133

37 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	2017 £000	2016 £000
53,862,868	Ordinary	0.4p	**215**	127

Ordinary shares of 0.4p each	2017 Number:	2017 £000	2016 Number:	2016 £000
At beginning of the year	**31,701,190**	**127**	31,101,190	125
Issued during the year	**22,161,678**	**88**	600,000	2
At end of the year	**53,862,868**	**215**	31,701,190	127

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

38 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.

Revaluation reserve
The revaluation reserve is the surplus between the fair value and the historical cost and is in relation to Land and Buildings.

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

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

39 OWN SHARES

	£000
At 1 October 2016 and 30 September 2017	107

40 COMMITMENTS

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

	Land and buildings	
	2017	**2016**
	£000	**£000**
Due:		
Not later than one year	**321**	331
Later than one year and not later than five years	**703**	1,336
Later than five years	**-**	63
	1,024	1,730

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

41 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption included in section 33 of FRS 102 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 16.

There is no ultimate controlling party.

42 POST BALANCE SHEET EVENTS

There have been no significant events requiring disclosure since 30 September 2017.

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