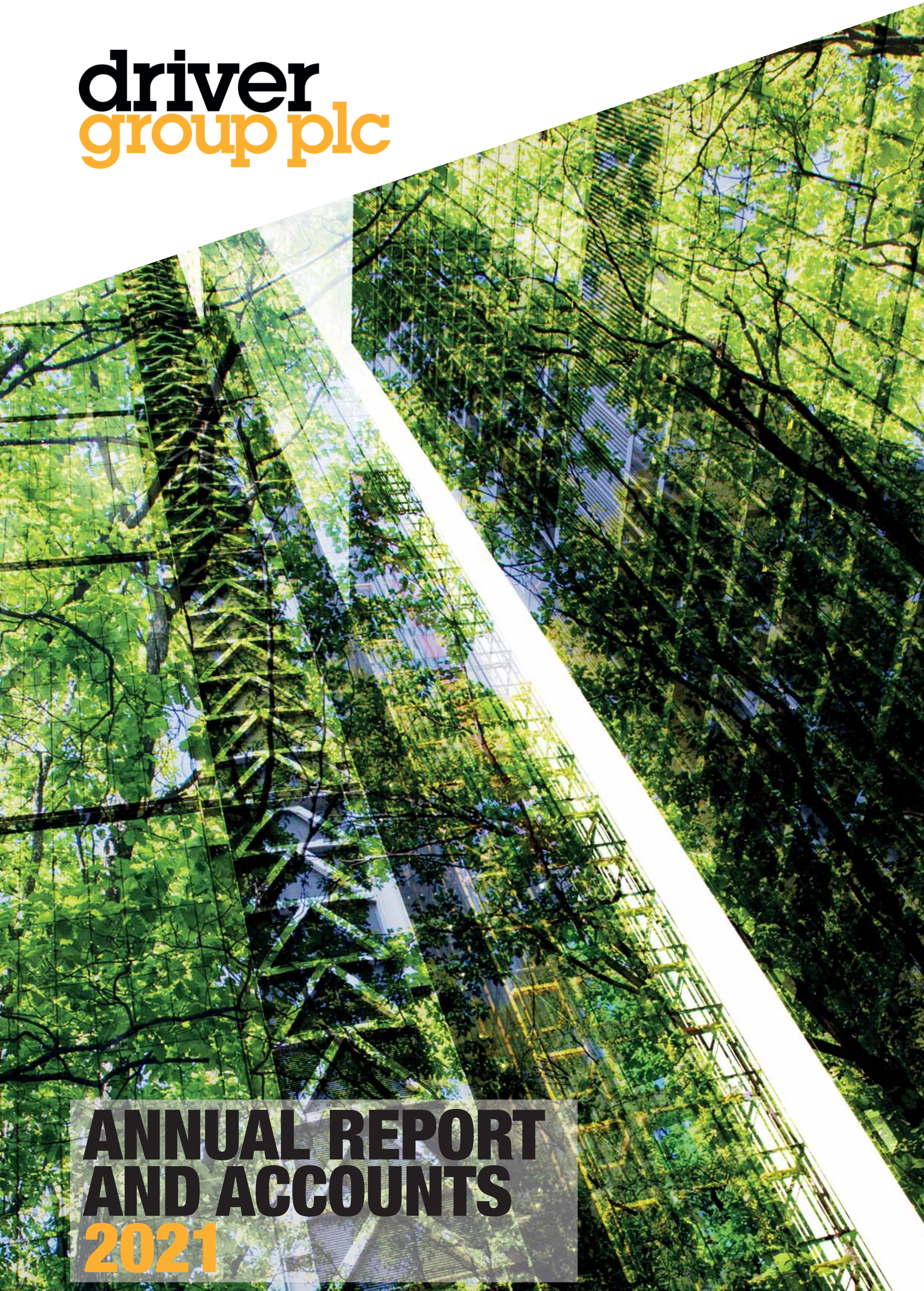
driver
group plc



ANNUAL REPORT AND ACCOUNTS 2021

> **In a year of unique and unprecedented challenge this is a strong performance and one that shows Driver Group has responded to the effects of the pandemic in a highly resourceful and resilient manner.**

STEVEN NORRIS
NON-EXECUTIVE CHAIRMAN

CONTENTS

Highlights 2020/21

Revenue

£48.8m

(2020: £53.1m) -8%

Gross profit

£12.2m

(2020: £13.1m) -7%

Utilisation***

Underlying* profit before tax

£2.0m

(2020: £2.5m) -20%

Profit for the year

£1.1m

(2020: £1.3m) -17%

Headcount

Net cash**

£6.5m

(2020: £8.2m) -21%

Earnings per share

2.1p

(2020: 2.6p) -19%

- **Revenue decreased by 8% to £48.8m (2020: £53.1m)**
- **Underlying* profit before tax decreased by 20% to £2.0m (2020: £2.5m)**
- **Profit for the year decreased to £1.1m (2020: £1.3m)**
- **Net cash** decreased to £6.5m (2020: £8.2m)**
- **Utilisation*** increased to 72.4% (2020: 72.0%)**
- **Earnings per share decreased to 2.1p (2020: 2.6p)**

* Underlying figures are stated before the share-based payment costs and one off severance costs

** Net cash consists of cash and cash equivalents and bank loans

*** Utilisation % is calculated by dividing the total hours billed by the total working hours available for chargeable staff

Chairman's statement

Steven Norris
Non-Executive Chairman
21 January 2022

IMPACT OF COVID-19

As I reported at the time of the interim results, this year has continued to be affected by the COVID-19 pandemic but, taken as a whole, the overall picture is positive and improving.

It is encouraging that as the world's economies began to open up over the last quarter of our financial year we have seen a significant uptick in activity levels, which I am pleased to report has continued post year end. This reflects the growing confidence of clients to take decisions which had been delayed during the uncertainties of the pandemic and positions Driver Group well for the opportunities that lie ahead.

In the regions where travel and social restrictions have been relaxed, we have moved to either full-time office-based working or a hybrid solution. This enables us to ensure that we have a safe working environment for our staff and strengthens our ability to service the requirements of our clients coherently and effectively, as they and we would wish. It is envisaged that this transition away from a largely working from home model will hopefully continue as the effects of COVID begin to recede across the markets in which we operate; the pace of this change will, of course, be dictated by the local considerations involved – most particularly the need to provide secure working arrangements for our people.

THE BUSINESS TRADING PERFORMANCE

During the year your Board has continuously monitored the uncertainty across global economies and markets caused by the pandemic, and the associated lower levels of commercial activity, in order to manage the impact on Driver Group whilst ensuring clients remained properly serviced and supported.

A resilient operating performance during 2021 saw profits only slightly down on last year's results, despite continued COVID impacts across our global business and the loss earlier in the year of two senior staff and associated team members to a competitor in the APAC region. In addition our cash position has been maintained at a healthy level.

In a year of unique and unprecedented challenge this is a strong performance and one that shows Driver Group has responded to the effects of the pandemic in a highly resourceful and resilient manner.

STRATEGY

I am pleased to report that whilst COVID-19 has created economic uncertainty across the world which has affected Driver in a number of important respects we have nonetheless made significant progress in implementing our strategy.

In particular, the opening of new offices in New York and Madrid has proven to be as successful as we could have anticipated, helping to generate new business opportunities in and across our markets, and to onboard and service more clients in a more appropriate and culturally relevant manner. The strategic alliance with EVRA Consulting in South Africa has also seen some encouraging leads for the requirement of our expert services.

DIVIDEND

I am pleased to confirm that given the strength of our operating performance and of the Group balance sheet the Directors recommend a final dividend of 0.75p (2020: 0.75p per share) in addition to the interim dividend declared during the year.

BOARD

During the financial year the Board has remained unchanged.

I am pleased to report that Mark Wheeler has continued to demonstrate exceptional leadership since taking over as Chief Executive, reflecting his longstanding and deep knowledge of the business and its clients. His unrivalled understanding not only of our business but of this industry worldwide allied to his personal relationship with so many of our staff has meant that the Group is continuing to move forward with our strategy at pace and is well placed to meet the challenges in front of us.

OUTLOOK

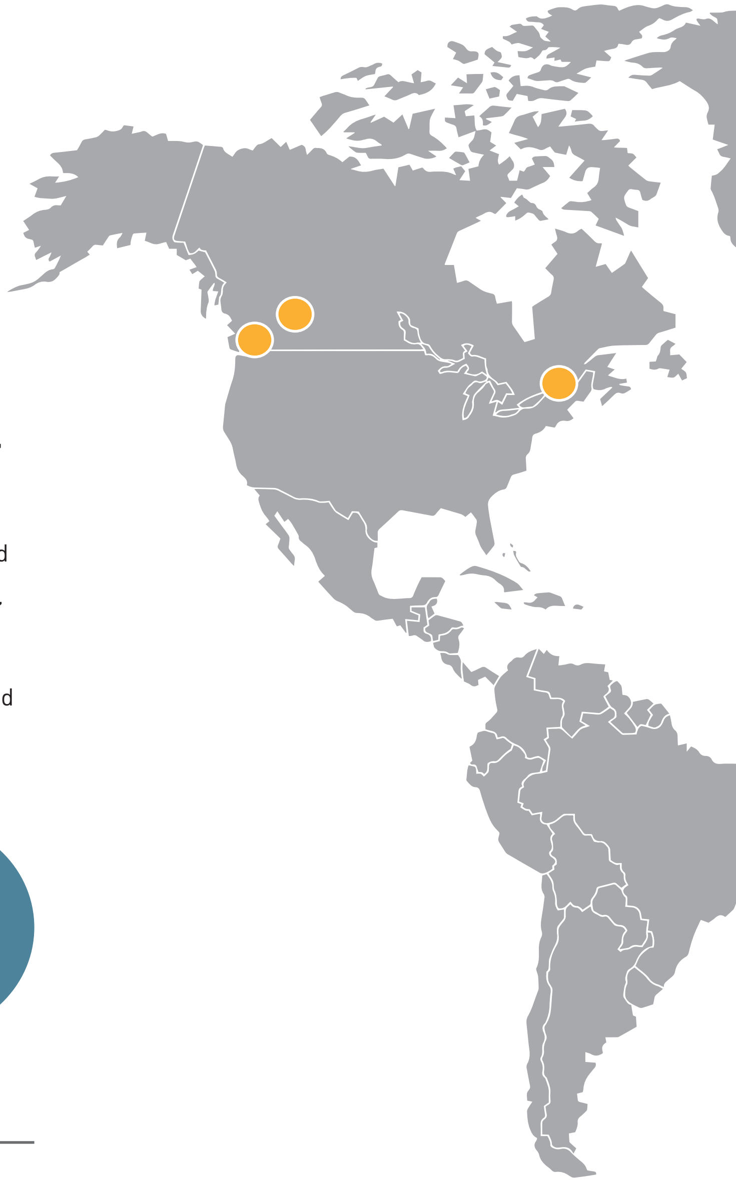
The effects of the pandemic seem at last to be receding in many jurisdictions including the UK, which is hugely welcomed. But as recent infection rates across the world attest, we must remain alert to the fact that in some markets it is possible that the outlook is not yet certain in all regions but it is anticipated that market stability will improve during 2022.

So while it remains likely in the near term that we will continue to see some disruption in some areas of our business I have every confidence in our management team to navigate the right path for the Group. The strength of our

balance sheet and our continued profitability provide clear evidence of a well-functioning team and a well-run business. With activity levels showing signs of improving, we are well placed to take advantage of the opportunities that will come as the markets in which we operate fully re-open. Our medium term aspiration is unchanged from that first communicated to shareholders twelve months ago, namely to deliver the core financial target established within the Board's five year strategic plan of moving towards a double digit operating profit margin over the life of the plan

I would like to pay particular tribute to our CEO Mark Wheeler and CFO David Kilgour for the exemplary way in which they have managed the business through the last year. I would also like to thank my Board colleagues Peter Collini, Elizabeth Filkin and John Mullen for their unstinting support and insights. But most of all I want to thank all our staff for their continued diligence and loyalty. They are the heart and soul of our business and in this year as in all years they have done us proud. Last but by no means least I take this opportunity to express my gratitude to all our shareholders for the confidence they have consistently demonstrated and I am confident that the Group is well placed to repay that confidence in the year ahead.

ABOUT US



A global multi-disciplinary consultancy business, we have been providing specialist services to the engineering and construction industry since 1978.

We provide specialist dispute avoidance and dispute resolution services to our clients from the outset of a project to its completion, and beyond.

We offer strategic commercial improvement and contract management services; live planning and programme assistance and forensic delay analysis; dispute avoidance and dispute resolution support and expertise; and training seminars tailored to our clients' needs.

We have an experienced and highly qualified team who are dedicated to delivering exceptional services on time and within budget. We utilise their combined skills and expertise to create innovative and flexible solutions for our clients, at every opportunity.

31 OFFICES

18 COUNTRIES

289 STAFF

WORLDWIDE EXPERTISE, DELIVERED LOCALLY

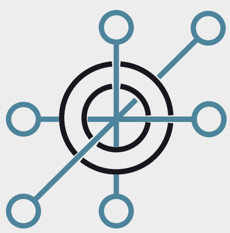
All assignments we undertake are managed by a director who remains personally responsible; right through to conclusion.

The director will regularly evaluate the client's requirements to ensure that the most appropriate members of the Group's multi-disciplinary team are engaged on the assignment and that, where necessary, they are successfully integrating into the client's team. This approach consistently ensures that we add value to our clients.

WE UNDERTAKE BUSINESS, BUILT ON VALUES

INNOVATION

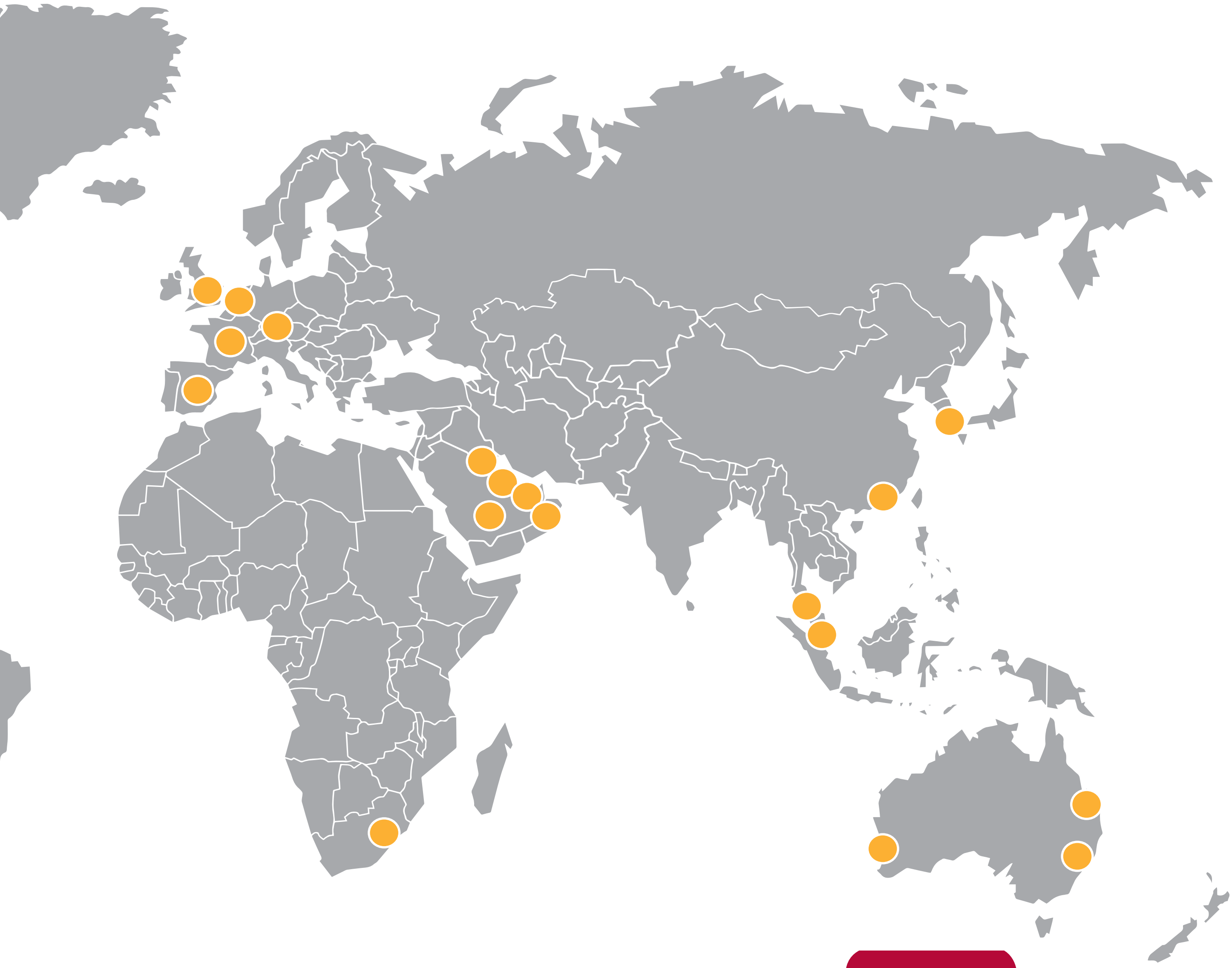
OUR PEOPLE



OUR CLIENTS

INTEGRITY

TRANSPARENCY



EXPERT WITNESS SERVICES

We have been providing expert services for nearly four decades.

The Driver Trett team has extensive expert knowledge, and for higher profile litigation and arbitration, we have our Diales team. Diales Experts offer uncompromised expertise to the legal profession in Arbitration, Litigation, and Alternative Dispute Resolution. Working across all areas of the construction and engineering industry, our Experts offer focused support within Delay analysis, Quantum and Damages, and Technical: Architectural, Mechanical, Electrical and Project Management.

DIALES EXPERTS

Have a minimum of 15 years' industry experience.

Have been cross-examined, or, have successfully completed internal and external training.

Have at least 50% of their workload as expert work.

Have been trained in what is required of experts in both Litigation and Arbitration.

OUR SERVICES

DISPUTE AVOIDANCE AND DISPUTE RESOLUTION

Helping our clients avoid disputes is key to the services we deliver. Our strategic commercial management and front-end programming and project monitoring services are particularly focused on providing our clients with the knowledge and tools to avoid formal dispute resolution proceedings. Our extensive practical experience enables us to identify potential risks before they develop into more complex disputes, allowing our clients to consider proactive measures to monitor and manage those issues.

Even on the most well-managed projects however, disputes can still arise between the parties. Driver Trett offers focused, practical support and assistance in relation to cost, time or project management issues. We work closely with our clients, including contractors, subcontractors, consultants, developers and legal firms, to deliver robust and effective solutions. Our involvement can start at the preliminary investigative and preparation stage, and run through to assistance in commercial discussions and negotiations, or formal dispute processes such as mediation, adjudication, arbitration and litigation. Selected members of our team can also act as mediators, adjudicators, arbitrators or independent evaluators, offering our clients the full breadth of dispute resolution services to suit their needs.

OUR DISPUTE AVOIDANCE AND RESOLUTION SERVICES INCLUDE:

- Advice on commercial strategies to avoid and/or manage potential disputes.
- Assessment of entitlement to, and value of claims for variations and compensation events, extensions of time, prolongation, thickening and disruption.
- Preparation for and representation in negotiation, mediation and other dispute resolution forums.
- Assistance in the preparation for and management of adjudication proceedings, whether acting for the Referring or Responding Party.
- Assistance in arbitration or litigation proceedings.
- Expert services, including quantum, planning, project management and technical expert witness; independent evaluation; expert determination.
- Acting as Mediators, Arbitrators and Adjudicators.
- 4D visualisation to assist in illustrating key messages on programme, delay, disruption, costs, resources and technical issues.

“Driver Trett offers worldwide support in dispute management and resolution.”

STRATEGIC COMMERCIAL IMPROVEMENT AND CONTRACT MANAGEMENT

Having a clear contractual and commercial strategy for managing the contract, the works and the associated risks is essential to the successful delivery of a project. Driver Trett is expert in this field and considers that identifying, influencing and managing the delivery of the appropriate contractual obligations and processes is part of our core skill set. Our consultancy team has a sharp commercial focus, ensuring that we deliver results that add value beyond our clients' expectations.

IN PARTICULAR, WE OFFER:

- Pre-contract reviews to identify and manage risk allocation.
- Contract review and team workshop sessions to identify and discuss contractual risks, advise on programme and progress reporting obligations, clarify notice and record keeping requirements, and raise awareness of general contractual compliance.
- Ongoing contract/commercial 'health-checks'.
- Assistance in the production and management of contractually compliant notices and other records.
- Drafting commercial and contractual correspondence.
- Development of commercial strategies.
- Preparation of commercial position papers, identifying the strengths and weaknesses of each party's position.
- Preparation, defence and negotiation of claims, including variations and compensation events, prolongation, disruption and damages.
- Final account valuation, negotiation and settlement.
- Risk and value management.

"Driver Trett makes the difference in delivering robust and dynamic commercial solutions."

PLANNING AND PROGRAMMING

We recognise the central role played by effective and robust planning and programming in the smooth delivery of any construction and engineering project. Our team provides support from inception to completion and beyond, including feasibility and baseline audits, project monitoring and progress reporting, ongoing risk identification and forensic delay analysis.

Our programming specialists are drawn from diverse backgrounds across the construction and engineering spectrum, bringing practical insight and live project experience to their work. They employ a wide variety of programming techniques and are conversant with all the leading industry software packages. They can analyse and assess prospective and retrospective extension of time entitlement, as well as the causes and effects of delay, acceleration, disruption and loss of productivity.

OUR SERVICES INCLUDE:

- Baseline programme preparation.
- Baseline programme validation and stress-testing to ensure compliance with contractual requirements and completion dates, and to identify and manage exposure to liquidated damages.
- Progress monitoring, including preparation of contractually compliant programme updates.
- Identification of potential programme risk areas, and advice on strategies and options for managing those risks.
- Advice and support in the preparation of baseline programmes, programme updates and as-built programmes.
- Forensic delay analysis.

"Driver Trett are committed to providing a fully integrated service throughout the life of the contract."

TRAINING, SEMINARS AND WORKSHOPS

Driver Trett has a vast internal knowledge base resulting from the extensive experience that each of our members of staff has amassed, the varied sectors in which we have worked and the solutions and strategies we have developed and delivered to our clients. We are an official Chartered ICES training provider, and are able to add value to our clients' businesses by providing a wide range of tailored training programmes for staff of all levels of experience and knowledge.

OUR TRAINING, SEMINARS AND WORKSHOPS INCLUDE:

- Public breakfast seminars on topical matters, such as: Dispute Avoidance Boards; Quantifying Delay and Disruption; NEC4; Disallowed Costs; Payment Provisions.
- Targeted client seminars on key topics, such as: Notices and Record Keeping; Planning and Programming; Change Management; Various forms of contract and subcontract, e.g. JCT, NEC, FIDIC.
- Joint seminars and presentations with leading law firms.
- Speakers at leading conferences (e.g. Construction Law Summer School, Cambridge, Society of Construction Law (SCL) Conferences and Global Arbitration Review (GAR) sessions).

"A wealth of materials!"
"Fantastic learning experience."

OUR SECTORS

We offer a broad range of services, across multiple sectors. Our consultants can work to single appointments, or as part of an engaged, multi-disciplinary team - suited to your requirements. Our global, in-depth knowledge and expertise covers:

BUILDING

For those involved in the demolition, construction, or refurbishment of buildings, the importance of proper planning, costing and controlling of the works can never be underestimated. Driver Trett's extensive experience covers a range of new build, refurbishment and fit out projects in both the public and private sectors.

ENERGY

Driver Trett's inherently multi-disciplinary business makes us the first choice to deliver dynamic commercial solutions and support project delivery across the energy sector. With specialists in civil and structural engineering, mechanical, electrical and instrumentation, insulation, HVAC and coatings, we offer an unrivalled level of expertise in this field.

MINING

The mining of natural resources, including coal, metals and minerals, is one of the world's largest and most important industries. Driver Trett's team is highly skilled in identifying, addressing and managing the issues which commonly arise across the sector, offering commercially-driven solutions and strategies.

PROCESS AND INDUSTRIAL

In recent times, the process and industrial sector has faced immense pressure on capital and operating expenditure budgets, as a result of worldwide competition and the drive to reduce emissions. Driver Trett has a solid working knowledge of the sector, whether advising in a commercial and project support capacity, or delivering technical expertise in a live project environment.

SHIPBUILDING AND MARINE

The unique and extreme challenges that our clients face on marine and shipbuilding projects require an exceptional depth of knowledge in the field, combined with a sharp commercial eye for the contractual, financial and programme outlooks on a project. Many members of our team have extensive practical experience in this sector, offering an unrivalled skill set to our clients.

TRANSPORT AND INFRASTRUCTURE

These highly complex and essential projects form the backbone of the future development of any region. They deliver solutions on a grand scale to the populations they service, and beyond. Driver Trett has over 30 years' experience in understanding and working with the requirements of the teams responsible for implementing these schemes, from inception to completion.

OIL AND GAS

The oil and gas sector represents one of the world's biggest markets and is among the most technically challenging of all areas in which to work and operate. Driver Trett delivers services to both client organisations and contractors, including long-term relationships with leading national and international oil and gas operating companies.

GLOBAL SOLUTIONS

UK

At the heart of our operations in the UK, lies our established network of offices across the region.

This extended presence ensures that we are able to respond quickly to a local point of need, providing cost-effective and flexible solutions to our clients' requirements. Each of our offices offers a unique blend of skills and expertise in commercial and contractual support, cost/quantum assessment, delay and extension of time analysis, claims management and dispute avoidance. Our offices work together to provide the most suitable team to support our clients' needs, with open lines of communication across our entire regional resource.

BENEFITS

- Established and long-serving team members.
- A blend of experience and expertise to offer flexibility to our clients.
- A varied background in the construction, engineering, infrastructure, transportation, power and energy sectors.
- A drive for continued professional development, with many of our UK team being dual qualified in both technical and legal disciplines.
- Unique access to our Diales delay, quantum, project management and technical expertise to enhance our service offering.

MAINLAND EUROPE

Driver Group has had a presence in Mainland Europe for over 30 years, with over 40 highly qualified and experienced staff based in the region.

Driver Group works for clients across the whole of Europe and supports them around the Globe. Our team consists of native Dutch, English, French, Spanish, Italian and German speakers, with many years of experience in engineering and construction.

Most of our staff have a technical, project management or quantity surveying background, combined with a master's degree in law or management. The team's industry expertise covers numerous sectors including building, energy, infrastructure, marine, oil and gas, renewables and process and industrial.

Our multiple locations throughout the continent guarantee a team of professionals who provide local knowledge and support, with the added insight of international experience shared throughout the Group. As a result, we are in the unique position to bring both local and global experience and awareness to what we do.

> **We are involved in some of the largest international engineering and construction disputes, and our mission is to be the first choice for companies in our key sectors.**

MIDDLE EAST AND AFRICA

Driver Trett has been operating in the Middle East for over two decades.

Since 2006 we have grown a network of offices that service our clients' needs across the region, wherever support and our services are required.

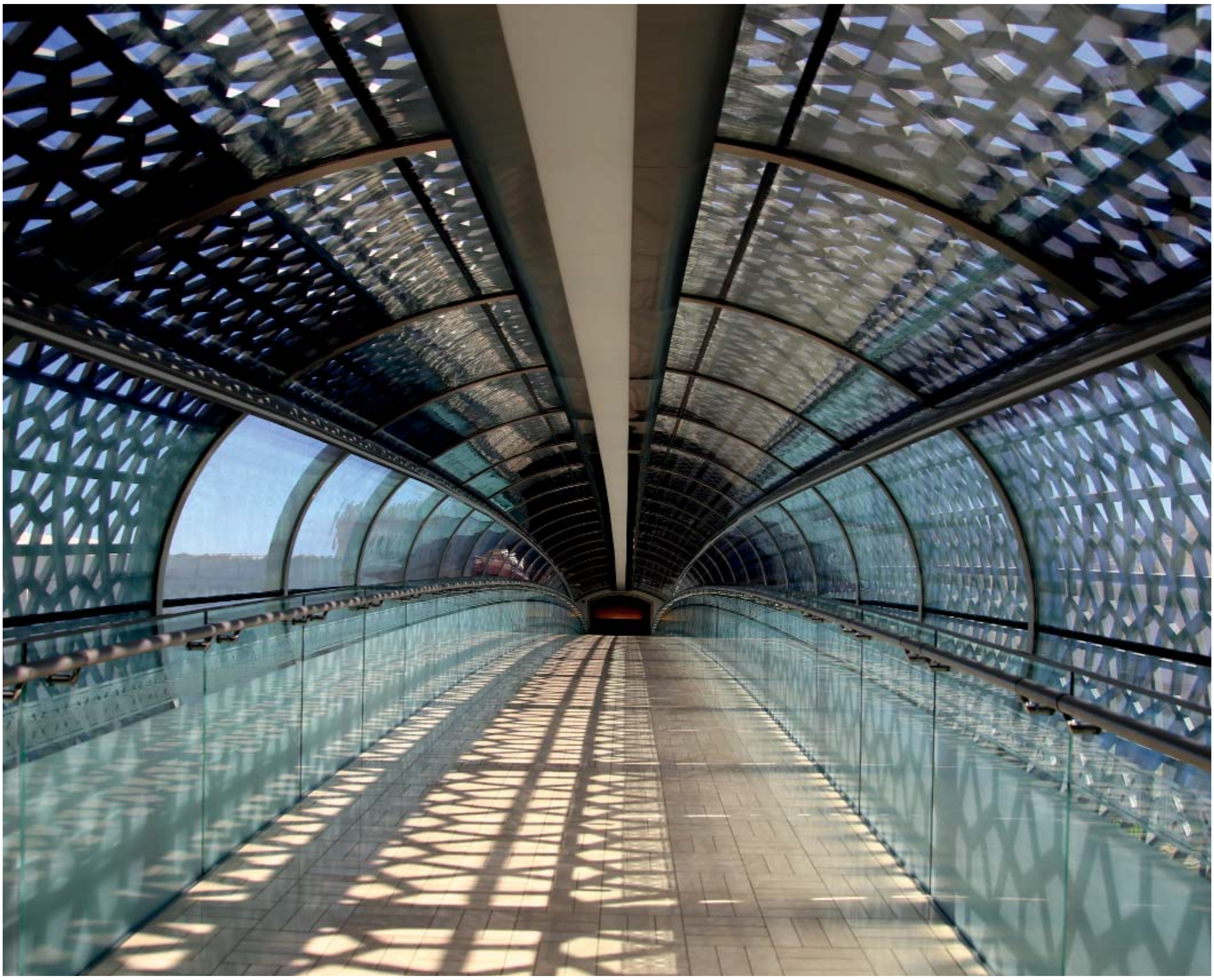
Having this local presence brings an experienced and skilled set of consultants with extensive local knowledge and experience to bear on any matter that we might be asked to assist with, be it pre or post contract, of a project services nature, or a need for support with formal dispute resolution proceedings.

Our consultants are familiar with local customs and practice, with local forms of contract, local regulatory and authority requirements and if required can operate in Arabic as well as in English.

Our Diales brand of testifying experts has experts resident in the region and if needed can also call on experts from our global network of offices.

Industry sectors we work in include oil and gas, building, infrastructure, transportation, marine, utilities, energy and water.

"Operating in the Middle East for over two decades, we have worked on some of the region's largest, most complex and sometimes iconic buildings and infrastructure."



BENEFITS

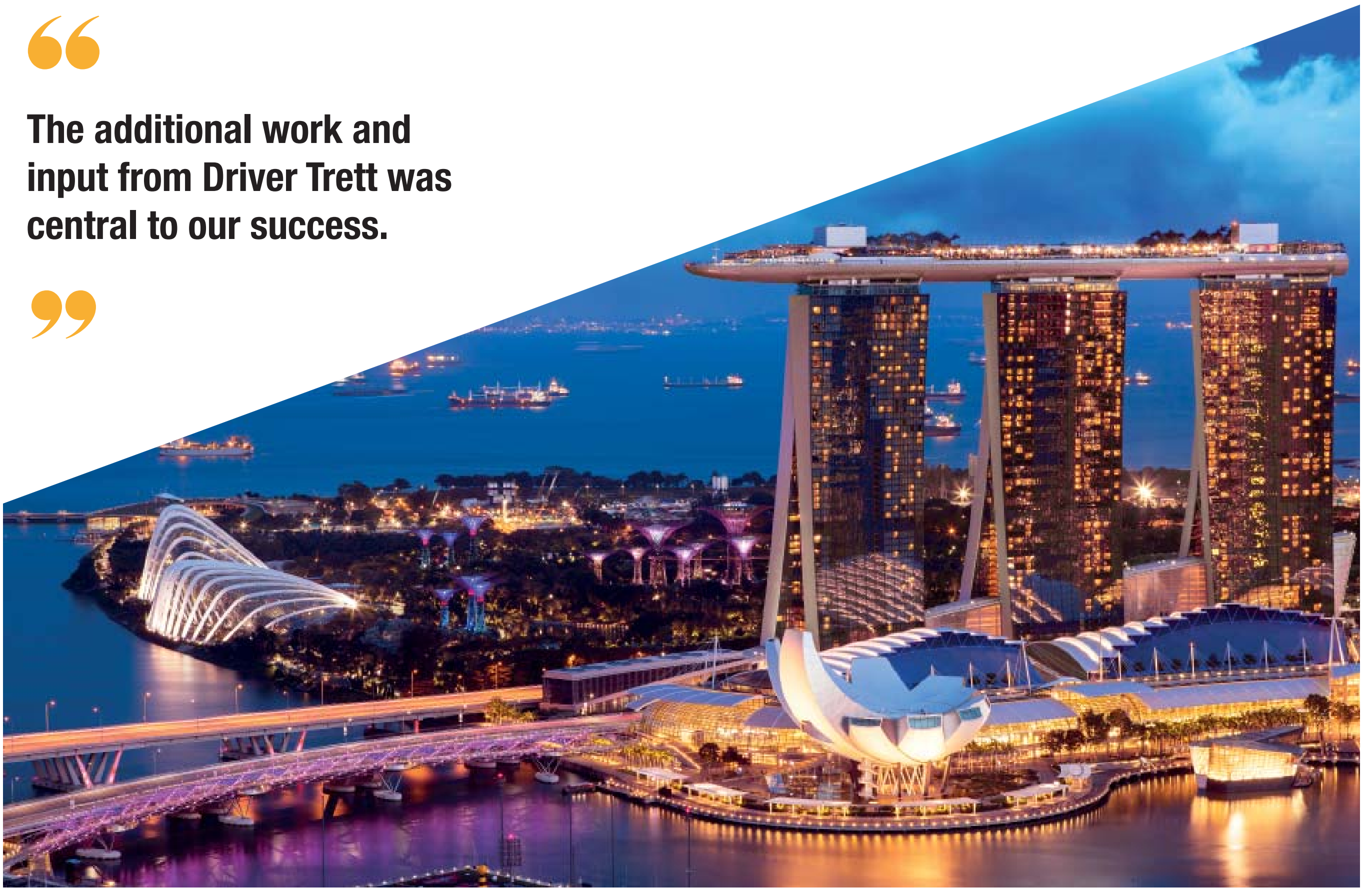
- Language skills and translation services.
- Local knowledge and experience of contracts, costings and custom and practice.
- Flexible resourcing options across the region.
- Vast portfolio of having worked on some of the region's largest, most complex and sometimes iconic buildings and infrastructure:
  - The Louvre, Abu Dhabi; Burj Khalifa, Dubai;
  - Dubai International Airport; Hamad International Airport, State of Qatar; Muscat International Airport, Sultanate of Oman;
  - Dubai Metro; Riyadh Metro, Kingdom of Saudi Arabia; Doha Metro, State of Qatar;
  - Batinah Expressway, Sultanate of Oman; Doha Expressway, State of Qatar.

Driver Trett staff operate in over 30 languages, and with access to local, cultural knowledge, we can understand a problem, and set about the solution.

ASIA PACIFIC

Our Asia Pacific region covers South East and Central Asia and Australasia.

> **The additional work and input from Driver Trett was central to our success.**



The region is as diverse as it is vast. It possesses some of the largest and fastest growing economies, biggest financial and business centres, and some of the most rapidly developing countries in the world. It is also a region rich in natural resources, with extensive oil and gas, metal and mineral reserves; and home to some of the world's largest construction and engineering projects.

The quality and experience of our people is fundamental to our success. Each Asia Pacific office is staffed by a resident team and supported by visiting staff from our network of local offices. Their skills and experience enable us to offer support and expertise to clients from numerous locations.

Our staff are multi-lingual and highly qualified, allowing us to provide a full range of construction consultancy services, to some of the largest companies globally. We meet the needs of our clients in a timely, consistent and economical manner.

BENEFITS

- Experience across a wide range of industries, including: aviation, infrastructure, residential, nuclear, oil & gas, railways, mining and metallurgy.
- Expert Witness Services: Quantum, Programming and Technical.
- Vast Alternative Dispute Resolution experience, including Mediation, Arbitration and Litigation support.
- Key areas of expertise include delay analysis, project controls, schedule risk analysis, quantum and contract advisory.
- Multi–lingual consultants.

AMERICAS

Driver Trett has offices in Canada and America, serving our clients throughout the Americas and Latin America.

Our clients include government ministries, private financial institutions, major international contractors, national contractors and subcontractors, commercial development companies, and lawyers. In addition to project specific services, we are also able to provide educational services in the form of seminars, workshops, and lectures.

Every assignment we undertake is managed by a director, who remains responsible for the project until its conclusion. The director will regularly evaluate the client's requirements to ensure that the most appropriate members of our Group's multi-disciplinary team are engaged on the assignment and that, where necessary, they are successfully integrating into the client's team. This approach consistently ensures that we add value to our clients. Our multiple locations guarantee a team of professionals who provide local knowledge and support, with the added insight of international experience shared throughout the Group.

The services we deliver support the whole life-span of a project, from initial tender assessments of risk through to assistance at formal dispute resolution, including the provision of experts and third party neutrals. Our team is highly experienced in providing an extensive range of services relating to the development, negotiation, and settlement of claims for time and money.

"Our office in New York City enhances our ability to serve our clients in North America, working closely with our existing offices in Canada, and the NYC base also provides improved access and support to our clients based in South America as well."

Chief Executive Officer's Review

Mark Wheeler
Chief Executive Officer
21 January 2022

INTRODUCTION

A year ago, in my first CEO's review, I reported on the challenges Driver faced as a result of the COVID-19 pandemic; highlighted a nevertheless resilient, and profitable, operating performance; anticipated the potential for further success on the return to more normal trading conditions; and laid out the rationale and ambitions for a new strategic plan. It is gratifying to me, and I hope to our shareholders, that I am to return to those themes today and report to you strong progress.

As the pandemic progressively affected global markets through 2020, we saw a backlog of work for the Group building up in our client base but not working its way through to the order pipeline. Whilst frustrating at the time, this situation did mean that we saw meaningful improvements in market conditions through 2021, as clients gained confidence to resume their commercial operations with greater eagerness and growing momentum.

As for the Group's future strategic positioning, we continue to place particular emphasis on: attracting and retaining staff to build a unified, and highly commercially competitive culture; focussing on higher margin work; broadening our regional presence; strengthening internal systems; and, ultimately, ensuring sustainable growth in profitability.

Finally, I would like to pay tribute to our amazing staff, who have continued to respond with extraordinary dedication and professionalism to the challenges caused by the pandemic during the year. The challenges were particularly acute in a business that operates globally and for which travel has always been a key and essential part of our day to day operations.

Our staff have often been unable to return from long term commissions for periods of time without quarantine and, so, have had to rapidly adopt new electronic ways of working across time zones. I know that this flexibility is deeply appreciated by the management team, the Board, and our shareholders.

STRATEGY

The strategy I set out in our last annual report remains in place and I can confirm that good progress has continued to be made against the five year strategy and our key areas of focus are staff, margin and growth.

Promoting a shared business culture that prioritises profitability and effectiveness across all staff and management has been the focus of a great deal of effort and attention.

We have put in place retention measures for key staff in each of the areas of the business where this is deemed to be business-critical. In addition, we have sharpened our recruitment strategy with a focus on international integration. This will allow key members of staff to relocate globally within the business in a more flexible and efficient way, where they wish to, rather than needing to seek engagement with competitors.

Our success in recruiting, particularly in Asia Pacific and the Middle East, where business has been particularly challenging provides eloquent testimony to the reputation that our business now has among the people that work in our specialist sector. We have a deserved reputation for looking after our people; for providing excellent training and staff development opportunities; and, through our network of Diales experts, of offering the opportunity to work on some of the most interesting projects anywhere in the world.

The business remains focussed on higher margin work and opportunities, and we have seen further growth in our number of Diales experts and in our expert revenue, particularly in Q4, when it was possible to access more opportunities across the Middle East and Asia Pacific.

Our new ERP IT system should come online in the second quarter of the current financial year and bring great benefits to management in terms of ease and accessibility of data, and also the timescale in which key business KPIs are available to be assessed, measured and managed. We have seen over the last 18 months the importance of investing well in technology and I am confident that this will allow our management teams across the world to be better equipped and even more focussed on meeting the margin improvement targets that the Board has set.

REGIONAL BREAKDOWN

EUROPE AND AMERICAS

The business in central Europe has had a particularly pleasing year with strong utilisation levels throughout the year and a number of additional hires joining to bolster both the regional and global capability of these business units. We were delighted to see our new operation in Madrid, Spain, increase its headcount and therefore provide us with additional opportunities to take on work from Spanish-speaking Latin America in conjunction with our operation in the United States which demonstrates early delivery on our decision to open this office. We have an excellent business in Paris and the Netherlands which, together with the growing operation in Germany, offers a solid platform for further growth in the current financial year.

Our business in the UK continued to perform admirably throughout the challenges of the pandemic and all of our mainland UK offices are now back in operation with staff attending on at least a part-time basis. This has allowed us to increase business development activity and we are already seeing new inbound enquiries for assignments to commence in the current quarter. Our project services business in the Northeast of England has had an exceptional year, significantly exceeding revenue targets. This appears to be a positive indication that the economic outlook for manufacturing in the Northeast of England is strong and growing.

The office in New York which we opened during the pandemic has gone from strength to strength during the year hiring some additional staff and attracting enquiries for work from both South America and Canada, as well as the domestic US market. Our staff are highly motivated to continue our growth in the United States over the coming year and we are delighted to see some of the new work won being transferred to our UK and European offices in order to meet the level of demand we are experiencing. The Board will be taking steps to ensure this growing business is properly and sustainably supported over the next 12 months in order to maximise its potential.

ASIA PACIFIC

During the year we were able to establish an operating base in Seoul, South Korea, which has allowed us to service existing commissions in Seoul and also provided the opportunity to connect with Korean clients working in our Middle East and African regions. A number of opportunities have been generated already from this base, which will continue to run during the current quarter. We have also managed to grow the team in APAC with some excellent new expert witness hires, giving a particular boost to our busy Australian business that has traded successfully throughout the last 18 months and is now well positioned to seek expert commissions with the increase in testifying staff.

MIDDLE EAST

The Middle East business experienced a particularly challenging year as issues with liquidity in clients caused the backlog of projects to build significantly without generating the required level of activity to drive our utilisation up to pre-pandemic levels. Throughout the third quarter of 2020/21 this position began to change, and in Q4 we started to see the pipeline of opportunities finally maturing into live work. I am pleased to note that this trend has continued during Q1 of the current financial year. We have taken the opportunity to refocus our business in the UAE by reducing the size of our Abu Dhabi office and hiring additional expertise in the oil & gas sector, for which we have identified particular current and upcoming demand. We have consolidated the management of our Kuwait and Qatar operations and also optimised the team in Oman to focus on more profitable dispute workstreams.

CURRENT TRADING AND OUTLOOK

I am optimistic about the future of Driver Group and our ability to deliver on our strategic aims, helping to drive sustainable value creation for our shareholders.

This confidence is inspired by the consistent evidence I have seen of our staff rising to the challenges of the pandemic; a particularly strong trading performance in the final quarter of the 2021 financial year which delivered underlying profit at a run rate in excess of £3.5m on an annualised basis, a reminder of the profit potential of the Group at elevated utilisation rates; and the good pipeline of live opportunities that currently sit within our tender and prospect lists.

Frustratingly, that pipeline of opportunity is yet to be reflected in a sustained improvement in the Group's financial performance. The consolidated budget for the 2022 financial year is heavily second-half weighted as usual but also reflects the Board's expectation of some level of Covid-related disruption during the first half and the typical lag between new strategic hiring decisions and revenue generation. However, management information for the first quarter shows an estimated result which is slightly behind both the budgeted result and the outcome for the same period last year. The Board remains optimistic that the underlying result for the year as a whole will show significant year-on-year improvement, but this will require monthly revenues during the remainder of the financial year consistently higher than the c£4.0m monthly run rate recorded across the first quarter.

Our critical advantages in addressing this challenge are an exceptional team of people across the world who are committed to the business and a backlog of work from construction and engineering projects that have been through all manner of challenges during the last 18 months.

Additionally, whilst a reduction in global travel will create, and has created, savings both economically and in terms of our environmental impact, the opportunity to travel for key new commissions and marketing opportunities cannot be underestimated. Seeing current and potential clients face-to-face will be of great significance as we work to drive the business to return to higher levels of profit over the next 2 years.

As always, we are very keen to thank all our shareholders for their continued support as the staff, Board, and management work to deliver on the strategy and outcomes that we all expect to see.

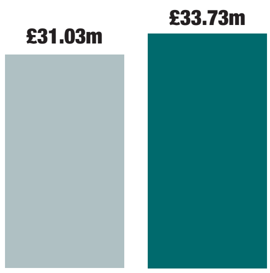
> **"The business remains focussed on higher margin work and opportunities, and we have seen further growth in our number of Diales experts"**

Operational Performance

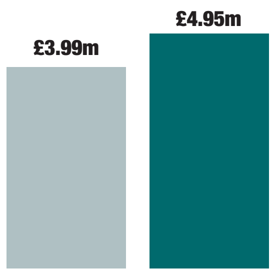
EUROPE AND AMERICAS

2020
2021

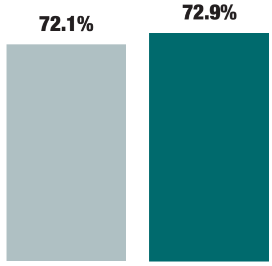
Revenue



Segmental profit



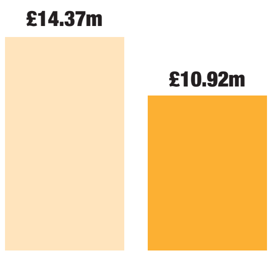
Utilisation



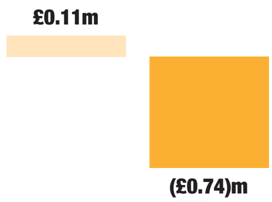
MIDDLE EAST

2020
2021

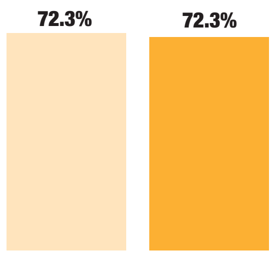
Revenue



Segmental profit



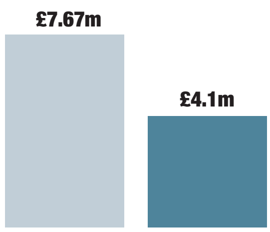
Utilisation



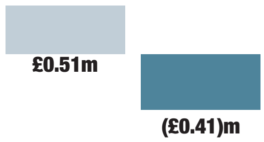
ASIA PACIFIC

2020
2021

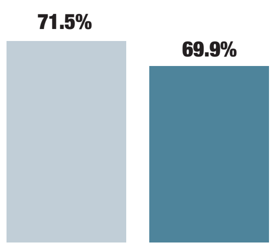
Revenue



Segmental profit



Utilisation



Chief Financial Officer's Review

David Kilgour
Chief Financial Officer
21 January 2022

INCOME STATEMENT	2021 £m	2020 £m
Revenue	48.77	53.07
Cost of sales	(36.35)	(39.16)
Impairment movement	(0.19)	(0.78)
Gross Profit	12.23	13.13
Recurring operating expenses	(10.11)	(10.52)
Net finance costs	(0.11)	(0.11)
Underlying* profit before tax	2.01	2.50
One off severance costs	-	(0.76)
Share-based payments credit	(0.15)	-
Profit before Tax	1.86	1.74
Tax expense	(0.75)	(0.40)
Profit for the year	1.11	1.34

In 2021 Driver Group managed the impact of the COVID-19 pandemic and although the EuAm region performed well there was a slowdown in activity levels in the ME and APAC regions. Additionally the business in the ME and APAC regions was restructured to reduce the cost base and refocus the fee earning capability on to higher margin and growing market sectors. Overall, this resulted in lower revenues and underlying* profit before tax than 2020. The key financial metrics are as follows:

KEY METRICS	2021	2020
Revenue	£48.77m	£53.07m
Gross Margin %	25.1%	24.7%
Profit for the year	£1.11m	£1.34m
Utilisation Rates**	72.4%	72.0%
Basic earnings per share	2.1p	2.6p

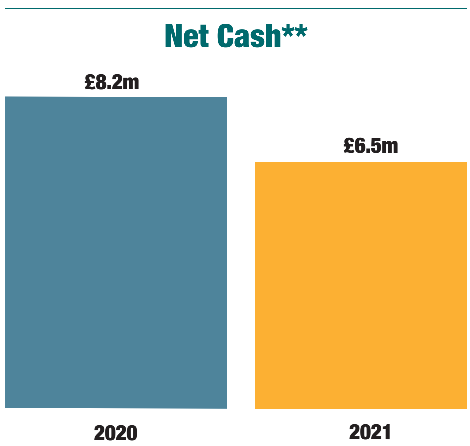
Total revenue decreased by 8.1% to £48.77m (2020: £53.07m) and gross profit decreased by 6.9% to £12.23m (2020: £13.13m). The reduction in gross profit was as a result of the lower revenues in the APAC and ME regions, the impact of which has been offset by further rationalisation of the cost base. The profit for the year has decreased by 17.2% to £1.11m (2020: £1.34m). The net cash** at the year end was £6.5m (2020: £8.2m), after funding a dividend payment of £0.39m (2020: £0.65m).

The EuAm region increased revenue by 8.7% to £33.73m (2020: £31.03m) and generated an increase in segmental profit of 24% to £4.95m (2020: £3.99m). This strong performance was driven by good revenues in the UK of £25.25m (2020: £23.23m) with a small drop in revenues in mainland Europe of 1% to £6.53m (2020: £6.61m). The full year revenues of the USA business helped increase the North American revenues by 64.7% to £1.96m (2020: £1.19m). The ME region saw revenues drop during the year by 24% to £10.92m (2020: £14.37m) due to a reduction in market activity in the region and the impact of COVID-19. Revenues in Qatar showed an increase of 34.1% to £2.44m (2020: £1.82m) otherwise revenues were down across the region. Segmental result for the region was a loss of £0.74m (2020: segmental profit £0.11m).

The APAC region saw revenues drop by 46.3% to £4.12m (2020: £7.67m). The reduction was partly as a consequence of COVID-19 but mainly as a result of the loss from Singapore of two senior staff and their associated team to a competitor in the region. Since this happened in November 2020 we have recruited to replace some of the staff and our capability in the region. The revenues in Australia increased by 25.2% from £1.16m to £1.45m, which helped to offset the reduction in the remainder of the region. The segmental result for the year was a loss of £0.41m (2020: segmental profit £0.51m) which reflects the impact of the loss of key senior staff. The opening of a South Korean base during the year reflects our confidence that the APAC region will provide further growth over the next few years.

The utilisation*** rate of chargeable staff across the business as a whole for the year stood at 72.4%, a small increase from 72.0% in the prior year reflecting the continued impact of the pandemic on market activity. The variation in utilisation during the year ranged from a low of 67.8% in April to a high of 79.2% in July. The overall level of utilisation during the pandemic has remained fairly consistent and has held up well during the period when considering the level of market disruption.

After a net interest charge of £0.11m (2020: £0.11m) the underlying* profit before tax was £2.01m (2020: £2.50m) and the reported profit before tax was £1.86m (2020: £1.74m). The current year profit before tax includes a charge for share-based payments of £0.15m while last year's result included



a one off severance cost for the outgoing Chief Executive Officer of £0.77m. Details of outstanding options can be found in the Report of the Directors and Directors' Remuneration Report.

NET WORKING CAPITAL

Net cash** remained healthy, closing the year at £6.5m (2020: £8.2m) with net working capital increasing as there was an increase in outstanding debtors and a decrease in creditors.

TAXATION

The Group incurred a tax charge of £0.75m (2020: £0.40m). The tax charge includes the effects of expenses not deductible for tax purposes and is calculated at the prevailing rates for the jurisdictions in which the Group operates and, consequently, the effective tax rate for the year was 40.3% (2020: 23%). The increase in the effective rate is due to losses or lower profits made in jurisdictions with either nil or lower tax rates which results in no relief for tax losses.

EARNINGS PER SHARE

The basic earnings per share was 2.1 pence (2020: 2.6 pence). Underlying* continuing basic earnings per share was 2.4 pence (2020: 4.0 pence).

CASH FLOW

There was a net cash inflow from operating activities before changes in working capital of £3.36m (2020: £3.28m), including the current year benefit of £0.97m (2020: £1.05m) from the amortisation of right of use assets under IFRS16. The movement also reflects the reported profit for the year of £1.11m (2020: £1.34m) after depreciation of £0.26m (2020: £0.32m). There was an increase of £0.88m in trade and other receivables (2020: decrease of £2.06m) reflecting the more difficult market conditions during the year, and a decrease in trade and other payables of £1.47m (2020: increase £0.24m) resulting in a net cash inflow from operating activities of £0.25m (2020: £5.06m). Net tax paid in the year was £0.76m (2020: £0.52m).

There was a net cash outflow from investing activities of £0.52m (2020: £0.34m) which is a result of increased capital expenditure, including IT spend.

Net cash flow from financing activities was an outflow of £4.43m (2020: £0.98m) with the current year reflecting the dividends paid of £0.39m (2020: £0.65m), repayment of borrowings of £3.25m (2020: £2.13m), which includes the repayment, on 1st October 2020, of the revolving credit facility of £3.0m drawn during the first six months of the pandemic and lease repayments under IFRS 16 of £0.93m (2020: £1.07m).

CASH FLOW	£m
Net cash** at 30 September 2020	8.22
Operating cash flow before changes in working capital	3.36
Increase in Trade and other receivables	(0.88)
Decrease in Trade and other payables	(1.46)
Tax paid	(0.76)
Net interest paid	(0.11)
Capital spend	(0.52)
Dividends paid	(0.39)
Repayment of leases	(0.93)
Effects of Foreign Exchange	(0.04)
Net cash** at 30 September 2021	6.47

LIQUIDITY AND GOING CONCERN

The Group is in a strong financial position. At the year end the Group had net cash balances of £6.5m (2020: £8.2m) together with committed borrowing facilities of £5.0m (2020: £7.0m) all of which were undrawn at 30 September 2021. The net cash and available facilities provide significant liquidity and taking into account going concern reviews the Board decided that the CLBILs facility which was arranged early in the pandemic was no longer required. It is considered that the net cash position and the available facilities are more than adequate for the Group's operating requirements looking forward. A summary of borrowing facilities is included in note 14.

In carrying out their duties in respect of going concern the Directors have completed a review of the Group's financial forecasts for a period of more than twelve months from the date of approving these financial statements. This review has included sensitivity analysis and stress tests which took account of reasonable and foreseeable scenarios including the impact of the COVID-19 pandemic and related risks. Under all scenarios modelled the Directors believe that any funding needs required will be sufficiently covered by the existing cash reserves and the Group's undrawn borrowing facilities. As such the Directors have a reasonable expectation that the Group has sufficient resources and hence these financial statements include information prepared on a going concern basis.

DIVIDENDS

The Directors propose a final dividend for 2021 of 0.75p per share (2020: 0.75p per share) in addition to the interim dividend paid in October 2021 of 0.75p per share (2020: £nil) This will be paid on 6 April 2022 to shareholders who are on the register of members at the close of business on 25 February 2022 subject to approval at the Group's Annual General Meeting.

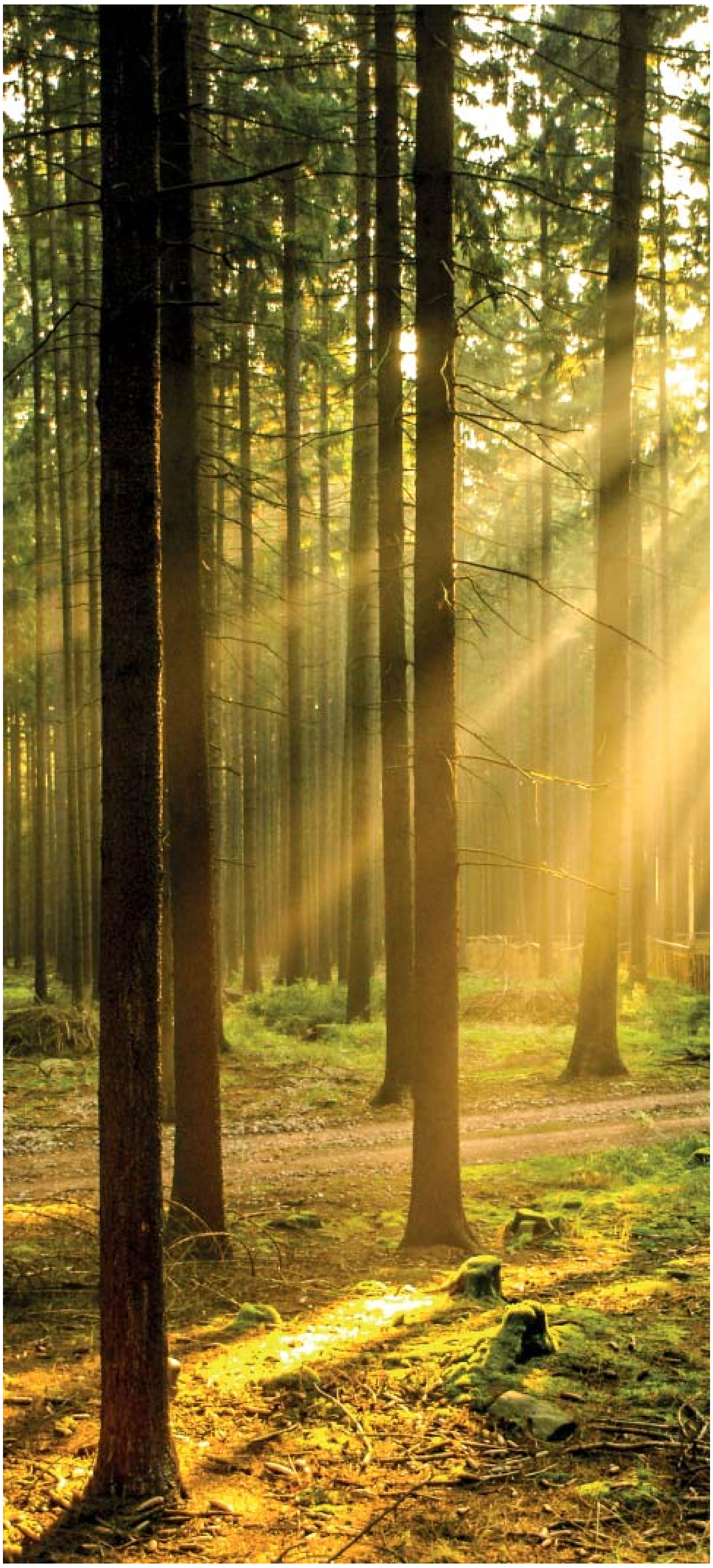
"As the impact of the COVID-19 pandemic continued throughout the financial year, Driver produced a good result and maintained a healthy cash position"

* Underlying figures are stated before the share-based payment costs and one off severance costs

**Net cash consists of cash and cash equivalents and bank loans.

***Utilisation % is calculated by dividing the total hours billed by the total working hours available for chargeable staff

Corporate Sustainability



LOOKING AFTER THE ENVIRONMENT

Driver Group is conscious of its impact on the environment and committed to making positive changes at every level of its business.

In comparison with other sectors, the Group is fortunate that its environmental impact is relatively low, but climate change is a global challenge and every business has to play its part in minimising the footprint of its operations. Within the Group's physical office estate the main environmental impact is the amount of paper consumption and electricity usage. Away from the office estate the greatest environmental impact is from travel by employees going to, from and between offices, and to and from clients.

In recent years, Driver has made significant investments into digital working practices, in particular the early roll out of Office 365 to allow the Group to benefit from its increased capabilities such as Microsoft Teams. This enabled a rapid response to 'work from home' measures imposed during the COVID-19 lockdown. This has allowed the Group to improve working practices to reduce its environmental impacts such as the reduced consumption of paper and office consumables and significantly reduced the amount of business travel conducted. This has been embraced by both employees and clients.

Looking to the future, the Group is determined to continue to be proactive in changing what is a traditional sector, believing that greater flexibility can support stronger client delivery, improved working conditions and staff welfare, and reducing its environmental impact.

The Group has the ultimate aim that it can achieve a net zero impact on the environment from its operations and is currently starting a process to review all aspects of its environmental impact and the governance surrounding it, with plans to obtain external advice on ways net zero status could be achieved.

GREEN HOUSE GAS (GHG) EMISSIONS REPORT

The following table provides details of the GHG emissions during the year in relation to the parent company Driver Group Plc.

	Energy Consumed (kWh)	Tonnes of CO2e
Combustion Gas and consumption of Fuel for the purpose of transport	127,643	23
Purchase of electricity for our own use	163,880	35
Total emissions per full-time equivalent member of staff of Driver Group Plc the parent	11,859	2

The emission factors used were from the UK Government's GHG Conversion Factors for Company Reporting 2020.

The Directors have utilised the exemptions available for subsidiary companies not classed as large for GHG reporting. As such the above figures are only in relation to the parent company Driver Group plc and not the Group as a whole.

Caring for our People and Communities

EMPLOYEE ENGAGEMENT AND CULTURE

Our culture is a source of immense pride and the Group firmly believes that it's a key differentiator for clients and colleagues alike. Driver aims to create a positive environment that empowers colleagues to be themselves, supports them to take responsibility and provides them with a fulfilling role and development opportunities. To help with this, the Group offers internal developmental programmes such as our Minerva programme and our Diales Expert Witness programme. We believe these programmes to be market leading in the way they are delivered and scope of offering to allow for our employees to really maximise their potential.

DIVERSITY AND INCLUSION

Operating through 31 offices, in 18 countries, spreading over 5 continents means the Group has a wide range of diversity within its workforce. This global presence offers significant benefits to both our clients and employees. We have teams who work together across the globe for our clients and these diverse teams offer both the best in expert knowledge and service offering to our clients but also allow for group wide inclusion of best practice and development for our employees to learn from cultures and local knowledge they may have not previously known. As a result we see people from many different social, ethnic and religious backgrounds thriving within the Group.

HEALTH AND SAFETY

The health and safety of our employees is the Group's number one priority. This has been particularly demonstrated during the COVID-19 pandemic where the Group has put the safety of our employees at the forefront of our decision making. As noted previously, we swiftly moved to a home working model as more information came to light regarding the spread of COVID-19. The Group has always taken a cautious approach to the re-opening of offices and adopted stringent safety measures ensuring employee safety is maintained. The Group has Health and Safety policies and procedures that comply with relevant local safety, health and welfare at work legislation, as appropriate.

EMPLOYEE WELLBEING AND MENTAL HEALTH

In recent times there has been increased awareness regarding mental health and its impact on peoples, lives and wellbeing. In light of this, during the year, the Group invited all employees to take part in an anonymous survey to allow insight into our employees state of mind. Following on from the results of that survey, and the business's commitment to supporting all staff globally with regards to their mental and physical health, the Group entered into partnership with Unmind, which is a workplace mental health and wellbeing focussed app. The app provides clinical insights, self-guided programmes, exercises, meditation, and a host of other resources to support and proactively help employees manage their mental health and wellbeing across a range of key areas.

DRIVER IN THE COMMUNITY

The Group endeavours, where possible, to help local communities and fund raise for charities. Some of the ways in which the Group has done this are as follows:

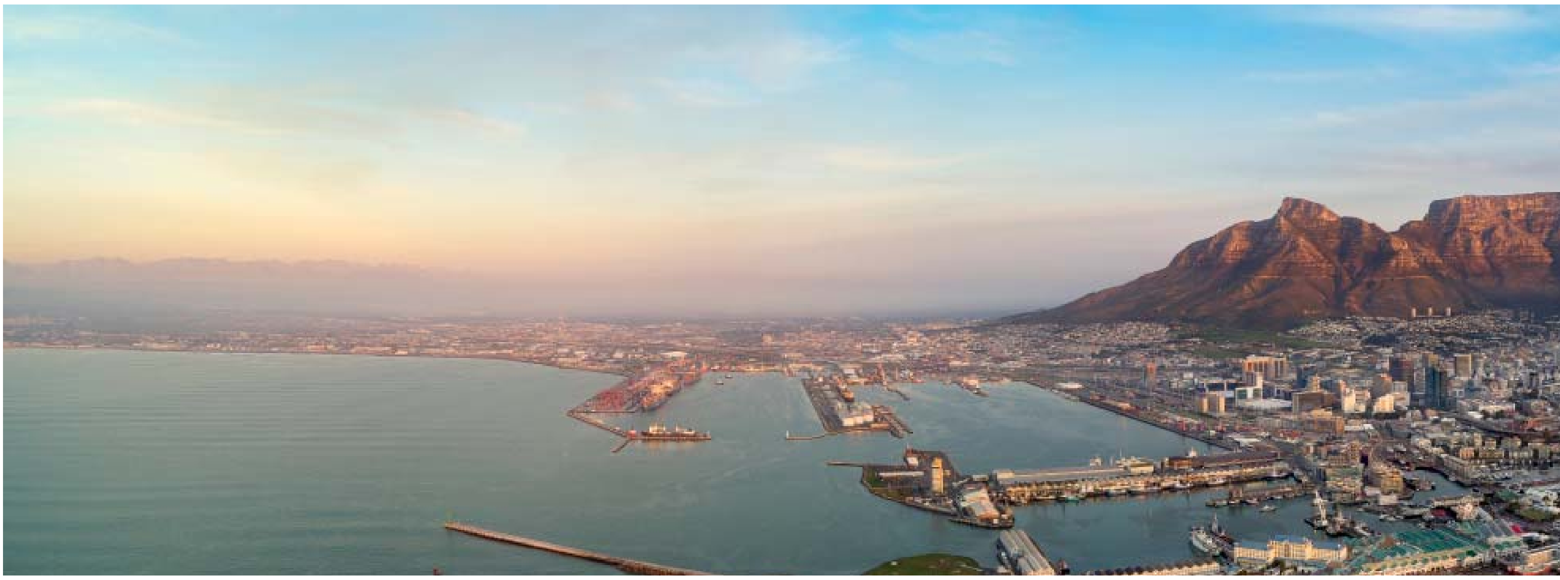
- Marching in March for mental health
- Sponsored local football teams
- Charity bike rides and golf days
- Christmas donations to local and regional charities in lieu of cards

During the year, the Group was pleased to also accelerate some laptop purchases and temporarily loan these laptops to families who required assistance for home schooling during the COVID-19 lockdowns. The feedback from those families regarding how much this helped them was overwhelmingly positive.

Risk Management

The Board outlines the principal risks that the Directors consider could impact the business. Underlying these principal risks are the differing economic factors which affect the geographically widespread regions in which we operate. The Board continually reviews the risks facing the Group to ensure the necessary controls are in place to mitigate any potential adverse impact. The Board recognises the nature and scope of risks can change over time and there may be other risks to which the Group is exposed.

PRINCIPAL RISKS AND UNCERTAINTIES	
RISK	**MITIGATING ACTIVITIES**
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 RISK	
Liquidity risk is that the company has enough cash reserves to manage its day to day working capital requirements. The Group's working capital is heavily reliant on customer receipts as a large proportion of the Group's costs are fixed.	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 revolving credit facility of £5.0m (2020: £5.0m) agreed to March 2023. The Group did have access to a CLBILS facility of a further £2.0m at September 2020, however this was only partially drawn down in the year and also repaid in the year. With a facility of £5.0m and net cash balances of £6.5m the Group had access to £11.5m of available funds at 30 September 2021. The Group's facilities with the bank are secured by means of debentures over the Group's assets.
REPUTATION RISK	
The Group's reputation is highly dependant upon the quality of work produced by fee earning staff. If this work is not of the highest calibre the Group's reputation could be damaged affecting future income streams.	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. The Group also has a robust quality management policy including peer review before reports are issued to clients.



UTILISATION RISK	
Utilisation risk is attributable to the number of hours billed by staff and subconsultants generating revenue against the costs of their services. It is a key performance indicator for the Group and a drop in utilisation of staff can have significant effects on the Group's profitability.	The Group manages the risk by monitoring expected revenue across the Group, employing flexible mobile staff and managing peak work-loads through the use of subconsultants.
RELIANCE ON KEY PERSONNEL	
The business is dependent upon the professional development, recruitment and retention of highly qualified staff.	The Group manages the risk of high staff turnover through attention to human resource issues and the monitoring of remuneration levels against the wider market, including long-term incentive arrangements.
INFORMATION SYSTEMS AND DATA SECURITY	
The Group is heavily reliant on its information technology systems for all day to day processes. A major IT system failure or a malicious attack, data breach or virus attack could impact the ability of the Group to operate having both reputational and financial implications.	The Group's systems are supported by appropriately qualified and experienced individuals and third parties. External expert advice and support is sought when necessary. Critical systems fall over and recovery are regularly tested and no issues have been identified. The Group liaise regularly with their key suppliers to continue to develop and improve the operating systems utilised by the Group. The Group provides regular awareness updates to help colleagues to identify and prevent fraud or misuse of information to ensure that, where certain risks are increased as a result of environmental factors (such as cybercrime in light of COVID-19), the business and colleagues are aware of any heightened risk. Beyond awareness training the Group's open culture and team ethos delivers a responsive communication environment which ensures colleagues can ask questions and be guided as required.
MACRO AND MICRO ECONOMIC ENVIRONMENT	
Current uncertainty in the market as a result of the COVID-19 global pandemic, which is expected to result in a general economic downturn, which may have a negative impact on the financial performance of the Group.	The Board believes its exposure to both macro and micro environmental factors is mitigated as a result of its global footprint including the broad spectrum of business sectors the Group serves, and the Group's continuous focus on cash collection resulting in it having good headroom to counteract the impact of the lockdown measures taken by governments across the world during both 2020 and 2021. As previously announced, the Group moved quickly to put in place a number of prudent cost saving and efficiency measures in relation to the uncertainty created by COVID-19, demonstrating the effectiveness of the senior leadership and the ability to respond promptly whilst ensuring the welfare of staff and ensuring the business was able to remain focused on delivering value to clients. The Board believes that the swift actions taken throughout the pandemic, position the Group well to trade through the current environment, and beyond.

TREASURY POLICIES AND FOREIGN EXCHANGE MANAGEMENT

Treasury operations are managed centrally and operate 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 United States ("USD") and Canadian ("CAD") Dollars from its businesses in the Amercas. 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. The net value of EUR, USD, CAD, AED, OMR, QAR, KWD, SGD, AUD and HKD exposure is managed using foreign currency hedge contracts to provide a targeted level of cover of between 60% and 80% 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 2021 are shown in note 21 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 21 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

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 Group is committed to ensuring the health and safety of its employees in the workplace and where possible implementing health and safety policy improvements. Driver Group 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 because of a reported incident during the year.

Directors and Advisors

Steven Norris
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 Soho Estates and of This Land, the arms-length property development arm of Cambridgeshire County Council. He was a member of the Board of Cubic Corporation Inc (NYSE: CUB) having resigned in May 2021, and is Deputy Chairman of Optare plc. Steve is also Chairman of the National Infrastructure Planning Association and a Commissioner of the Independent Transport Commission. He served on HM 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, an Eminent Fellow of the Royal Institution of Chartered Surveyors and an Honorary Life Member of the Railway Civil Engineers Association.

David Kilgour
Chief Financial Officer
David is a Chartered Accountant with over 25 years' experience in the engineering, infrastructure and utilities sectors. He was formerly Managing Director for Amec plc of a renewable power developer and consultancy business and previously Finance Director for United Utilities plc of the international and non-regulated operations.
David has extensive financial and operational experience of managing international businesses.

Elizabeth Filkin CBE
Non-Executive Director
Former Parliamentary Standards Commissioner, Elizabeth has carried major roles in both the private and public sectors. She currently chairs The Employers' Initiative on Domestic Abuse and serves on several Trusts.
Elizabeth has been the non-executive chair of Annington Homes, a non-executive director of Britannia Building Society, HBS, Logica, Jarvis and Hay Management Consultants. She has also combined chairs for TecSOS and The Independent Advisory Board Marston Holdings with board membership of the Chartered Institute of Legal Executives while also previously holding a role as an Audit Commissioner.

Mark Wheeler
Chief Executive 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.

Peter Collini
Senior Independent Director
Peter, ACA, is a corporate finance professional with over 25 years experience of leading significant international transactions. He is Managing Director of Interpath Advisory, a financial advisory business.
Peter previously ran his own financial advisory practice, Riverhill Partners for 16 years, was a Managing Director at Deutsche Bank's Investment Bank and a chartered accountant practising tax with PwC. He holds an MA in Engineering from Oxford University.

John Mullen
Non-Executive Director
John is a Chartered Quantity Surveyor and Civil Engineering Surveyor with over 40 years' experience across buildings, infrastructure, civils, engineering, energy, oil and gas and process projects.
He was one of the founders of Driver Group plc, having joined its predecessor partnership in 1983.
One of the World's leading quantum experts, working in many different jurisdictions, matters appointed on have ranged in value up to US$2.75 billion in dispute.
He is co-author of the books Evaluating Contract Claims and The Expert Witness in Construction.

COMPANY SECRETARY
Thomas Ferns

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ENGAGING WITH STAKEHOLDERS

SECTION 172 STATEMENT

The following disclosure forms the Directors' Statement required under section 414CZA of the Companies Act 2006 on how the Directors have had regard to the matters set out in section 172 (1) (a) to (f) in performing their duties. The Board recognises that engagement with its stakeholders is fundamental to the long-term success of the Company and considers the views and interests of all key stakeholders in its decision making.

KEY STAKEHOLDERS AND WHY WE FOCUS ON THEM	HOW DO WE ENGAGE WITH THEM?
OUR PEOPLE	
The business is dependent on the professional development, recruitment and retention of our highly experienced staff who are responsible for delivering a world class service to our clients. The Directors recognise that the quality, motivation and commitment of our people is fundamental to the Group's success.	Employee engagement and interaction is encouraged through a variety of means including: ▪ Annual one to one appraisal ▪ Regular team meetings ▪ Corporate intranet Over the past few years, the Group have invested to improve IT systems. During the COVID-19 pandemic there have been significant benefits to this investment which has enabled staff to continually communicate and interact across the business with both clients and colleagues. To encourage a more unified business across the Group, there has been the introduction of a regular "Breakfast with the bosses" presentation and Q&A sessions, of which all employees are invited to attend and a separate service line or region presents to the remainder of the Group at each session. This has been very popular amongst staff since its roll out in September 2020. We believe in the value of developing future talent within the Group. As such we continue to invest in our people across the Group providing financial support for employees who are undertaking professional training to gain the qualifications required to progress with their careers. We also provide internal training and development through our Minerva and Diales Expert Witness programmes, developing the Experts of tomorrow. The Group manages the risk of high staff turnover through attention to human resource issues and the monitoring of remuneration levels against the wider market, including long-term incentive arrangements.
SHAREHOLDERS	
Our shareholders have been extremely supportive to the business over the years. This continued support is important to ensure the longer-term success of the business. As such the Directors continually look for ways to maximise shareholder value in both profits and returns and the Group's reputation.	The Chief Executive Officer and Chief Financial Officer have primary responsibility for shareholder engagement and investor relations. They are also supported by the Chairman. There are bi-annual presentations to shareholders following the announcements of our interim and full year results. The Board also seeks regular updates from our corporate brokers regarding the market's perception of the Company. In addition, the Company makes announcements using the regulatory news service (RNS) throughout the financial year so that all investors are aware of current developments and financial performance of the Group. The annual general meeting of the Company, which is generally attended by all Directors, provides an opportunity for all shareholders to ask questions and to meet the Directors in person or if there are COVID restrictions in place this will be held via a virtual meeting online.

CLIENTS	
The clients we serve are key to the success of our business.	The Group has a diverse client base across the geographic locations and the industrial sectors the Group operates in. These include international and domestic contractors, large law firms, Governments, and individuals. Each project has a commission manager who manages the relationship and service delivery with the client. These individuals are responsible for the project from the start to the finish and ensure that both requirements and expectations of the client are managed effectively so that relationships between both parties are maintained.
COVID-19 response	
Ensuring the health and safety of our staff is kept at the forefront of any decision making, while also, maintaining the delivery of services to our clients and the financial security of the Group.	The COVID-19 pandemic has had an unprecedented impact across the world and as such has impacted all regions in which the Group operates. The Board responded quickly to protect the health and safety of its employees. In March 2020 Driver moved to a home working environment across the world which was enabled by the Board's previous investment decision in secure systems, infrastructure and technology platforms. This allowed us to continue to service our clients without disruption. As the impact of the pandemic has abated we have been able to move to a hybrid working arrangement Throughout the pandemic, supplier payments have continued to be made in line with normal contractual terms. The Board aslo, extended the Group's banking facilities with its banker HSBC from the existing £3.0m revolving credit facility, to a £5.0m revolving credit facility and a further £2.0m CLBILS loan. The CLBILS facility has now been deemed not necessary and a small amount drawndown was repaid in September 2021.
GOVERNANCE	
Board appointments in the year are detailed in the Corporate Governance Statement.	The Board believes that it is important for the correct mix of skills and experience be represented in order to deliver its strategy for the benefit of all stakeholders. The Board comprises of two Executive Directors, Mark Wheeler (Chief Executive Officer) and David Kilgour (Chief Financial Officer) and four Non-Executive Directors comprising Steven Norris (Chairman), Peter Collini (Senior Independent Director), Elizabeth Filkin CBE and John Mullen.
BANKERS	
The Group currently operates in a net cash position, however, it is important to maintain an open and transparent relationship with its bankers HSBC such that if the Group did require future funding there is a greater understanding by the bank of the Group's operations from both a strength and risk perspective.	HSBC are provided with monthly financial performance updates and narrative support regarding the results. Regular contact is also maintained between the bank and the senior finance staff members. During the early stages of the COVID-19 pandemic, regular meetings took place with the bank informing them of the impact of the pandemic on the Group, the latest Group performance and actions being taken by the Board to mitigate any negative impact on the Group.

Report of the Directors

David Kilgour
Chief Financial Officer
21 January 2022

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 2021.

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 21.

DIRECTORS

The Directors during the year under review were:

- S J Norris
- M Wheeler
- D J Kilgour
- J P Mullen
- E J Filkin CBE
- P M Collini

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

DIRECTORS INTERESTS	30 September 2021 Ordinary 0.4p Shares	30 September 2020 Ordinary 0.4p Shares
S J Norris	293,062	247,062
M Wheeler	310,000	310,000
D J Kilgour	60,000	60,000
J P Mullen	2,062,428	2,062,428
E J Filkin CBE	-	-
P M Collini	60,000	60,000

On 22 February 2018 Mr Norris was granted 150,000 new performance options exercisable at £nil consideration. The options would vest if the company achieved specified profit before share-based payment costs, amortisation of intangible assets, exceptional items and tax "PBET" for the three years ended 30 September 2018, 2019 and 2020. Only the profit target for the year ended September 2018 was met resulting in 50,000 options vesting. To date none of these options have been exercised.

On 22 February 2018 Mr Wheeler was granted new options over 800,000 shares exercisable at £nil consideration. 200,000 of these options were an unconditional award to Mr Wheeler in recognition of his contribution to the improvement in the trading performance and prospects of the Group. The remaining 600,000 were performance options and would vest if the Company achieved specified profit before share-based payment costs, amortisation of intangible assets, exceptional items and tax "PBET" for the three years ended 30 September 2018, 2019 and 2020. These 800,000 options could be further extended by 6,667 shares for each additional £100,000 by which the PBET thresholds were exceeded. Only the profit target for the year ended September 2018 was met resulting in 253,336 options vesting for that year in addition to the unconditional award of 200,000 shares. To date none of these 453,336 options have been exercised.

On 5 March 2021 Mr Wheeler was granted new options over 1,500,000 shares exercisable at £nil consideration. The options granted have certain performance conditions attaching to them, linked to PBET, and vesting will occur in equal annual tranches, contingent upon the achievement of the relevant conditions during each of the three financial years ending from 30 September 2021 to 30 September 2023. The core performance measures which underpin the vesting of awards under the new LTIP are the delivery of cumulative Group PBET over the three year performance measurement cycle of at least £14.1 million and of Group PBET in the financial year ending 30 September 2023 of at least £6.0 million.

On 22 February 2018 Mr Kilgour was granted new options over 200,000 shares exercisable at £nil consideration. 50,000 of these options were conditional on Mr Kilgour also purchasing 50,000 Driver Group plc shares which Mr Kilgour satisfied in that year. The remaining 150,000 are performance options and would vest if the Company achieved specified profit before share-based payment costs, amortisation of intangible assets, exceptional items and tax "PBET" for the three years ended 30 September 2018, 2019 and 2020. These 150,000 options could be further extended by 1,667 shares for each additional £100,000 by which the PBET thresholds were exceeded. Only the profit target for the year ended September 2018 was met resulting in 63,336 options vesting for that year in addition to the 50,000 shares that were satisfied through Mr Kilgour's purchase of 50,000 shares. To date none of these options have been exercised.

On 5 March 2021 Mr Kilgour was granted new options over 500,000 shares exercisable at £nil consideration. The options granted have certain performance conditions attached to them, linked to PBET, and vesting will occur in equal annual tranches, contingent upon the achievement of the relevant conditions during each of the three financial years ending from 30 September 2021 to 30 September 2023. The core performance measures which underpin the vesting of awards under the new LTIP are the delivery of cumulative Group PBET over the three year performance measurement cycle of at least £14.1 million and of Group PBET in the financial year ending 30 September 2023 of at least £6.0 million.

During the year Mr Norris purchased of his own accord 46,000 shares at 53.5p each.

Mr Wilkinson who was a Director for the company until resigning on 31 May 2020 has 1,080,000 share options unexercised.

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 2021, the Trust owned 3,677 (2020: 3,677) shares which it acquired at an average of 73p per share (note 11).

During the prior year, the Company repurchased 50,000 shares at a cost of £25,000. These shares are held as treasury shares by the Company. In total the company holds 1,787,811 treasury shares.

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.

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 they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALNCE SHEET EVENTS

Further to our announcement of 09 December 2021 (RNS number 0504V) Driver Group have become aware that its principal customer in the Sultanate of Oman is being investigated by the public prosecutor and these investigations include a party connected to the Driver Group's Oman based subsidiary. Driver Group has been making its own enquiries to understand the nature of the investigation, details of which are not in the public domain. Our enquiries indicate that the investigation does not concern the Driver Group's Oman based subsidiary's operations and the subsidiary itself is not believed to be part of the investigation.

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:

David Kilgour
Chief Financial Officer

Corporate Governance Statement

INTRODUCTION

The board of directors (the "Board") of Driver Group PLC (the "Company") recognises the importance of good corporate governance and has elected to adopt the QCA Corporate Governance Code which was published on 25 April 2018 ("QCA Code") as its corporate governance code. The Board believes that this provides an appropriate and suitable framework for a group of our size and complexity.

THE BOARD

The Board comprised and comprises of two Executive Directors, Mark Wheeler (Chief Executive) and David Kilgour (Finance Director) and four Non-Executive Directors comprising Steven Norris (Chairman), Peter Collini, Elizabeth Filkin CBE and John Mullen.

The two Executive Directors work full time in the business.

The Non-Executive Directors are expected to attend Board meetings, meetings of Board committees (of which they are members), annual general meetings and any other shareholder meetings convened from time to time.

The Non-Executive Directors are considered by the Company to be independent in that: (i) none of them are executive officers or employees of the Company; and (ii) none of them have a relationship with the Company that will interfere with the exercise of independent judgement in carrying out their responsibilities as Directors. Although options to purchase up to 150,000 shares were granted to Steven Norris during the financial year ended 30 September 2018 these are not considered by the Company to impact his independence. Although John Mullen continues to provide expert services to the Group through his consultancy company the Company does not consider that this impacts on his independence and judgement when carrying out his duties as a Non-Executive Director.

Each of the Non-Executive Directors (along with the Executive Directors) is subject to re-election as a director at least once every 3 years at an annual general meeting of the Company.

The Chairman is responsible for the leadership of the Board and for ensuring that the corporate governance of the Group is maintained in line with appropriate policies and practice agreed by the Board. The Board meets at least six times a year and is responsible for the overall strategy and financial performance of the Group. Each Board meeting is preceded by a clear agenda and any relevant information is provided to the directors in advance of the meeting.

The Board has put in place a schedule of matters that are reserved for decision by the Board (or which need to be referred to the Board) and these are set out in Appendix 1 of this Corporate Governance Statement on our website.

AUDIT COMMITTEE

The audit committee comprised Peter Collini (as Chair), Elizabeth Filkin CBE and John Mullen in the period from 1 October 2020 to 1 March 2021.

John Mullen then ceased to be a member of the audit committee on 2 March 2021.

Peter Collini (as Chair) is a Chartered Accountant and as such a recognised financial expert.

Other directors may attend meetings of the audit committee by invitation.

The audit committee is expected to meet at least three times a year and at such other times as may be required.

The primary function of the audit committee is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other information provided by the Company to shareholders, the Group's systems of internal control regarding finance and accounting and the Group's auditing, accounting and financial reporting processes.

The audit committee's primary duties and responsibilities are to serve as an independent and objective party to monitor the Group's financial reporting and internal control system, to review the Group's financial statements, to review and appraise the performance and independence of the Group's external auditors and to provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

The Company does not publish a separate audit committee report as it considers that the time and expense involved cannot be justified given the size of the Group and its needs.

The terms of reference of the audit committee are set out in Appendix 2 of the Corporate Governance Statement on our website.

REMUNERATION COMMITTEE

The remuneration committee comprised and comprises Elizabeth Filkin CBE (as Chair), Peter Collini and John Mullen.

Other directors may attend meetings of the remuneration committee by invitation.

The remuneration committee is expected to meet not less than twice a year and at such other times as may be required.

The principal function of the remuneration committee is to determine the policy on the remuneration packages of the Company's Executive Directors and other senior executives designated by the Board.

The remuneration committee has responsibility for: (i) recommending to the Board a remuneration policy for directors and executives and monitoring its implementation; (ii) approving and recommending to the Board and the Company's shareholders, the total individual remuneration package of each Executive Director (including bonuses, incentive payments and share awards); (iii) approving and recommending to the Board the individual remuneration package of other senior executives (including bonuses, incentive payments and share awards); (iv) approving the design of, and determine targets for, any performance related share schemes operated by the Company; and (v) reviewing the design of all equity-based incentive plans for approval by the Board.

No Director or member of management may be involved in any discussions as to their own remuneration.

The performance of the Chairman and Non-Executive Directors will be reviewed by the Executive Directors.

Performance is normally reviewed in September of each year with any revisions normally taking place in October.

The Company includes a Directors' Remuneration Report in the annual audited accounts.

The terms of reference of the remuneration committee are set out in Appendix 3 of the Corporate Governance Statement on our website.

EXPERIENCE OF THE BOARD

Details of the individual Directors and their experience are set out in the Directors and Advisors section of these Accounts on page 31.

Each individual director has personal responsibility for keeping up to date on matters which may be relevant to their role as a director.

The Company's nominated adviser, retained solicitors and retained auditors are available to deal with any questions which arise in relation to the application of the AIM Rules, legal matters or accountancy matters. Details of the relevant advisers can be found in the Directors and Advisors section of these Accounts on page 31.

In order to ensure their independence, the Non-Executive Directors are also entitled to obtain independent legal advice at the cost of the Company in relation to matters which arise where they consider independent advice is required.

The Company Secretary is responsible for providing support to the Chairman and the Board on corporate governance, regulatory and compliance matters, dealing with procedural matters that arise from time to time and dealing with all matters relating to the annual general meeting and any other shareholder meetings.

During the year ended 30 September 2021, the Company's nominated adviser and auditors have advised the Company on routine matters within the scope of their respective engagement letters. The Company's solicitors have advised on corporate governance matters.

BOARD EVALUATION, EFFECTIVENESS AND SUCCESSION PLANNING

The performance of the Executive Directors as individuals is monitored by the remuneration committee as set out above.

The performance of the Chairman and Non-Executive Directors as individuals is reviewed by the Executive Directors.

A board effectiveness review in relation to the year ended 30 September 2021 has been undertaken through the circulation of an internal questionnaire circulated to all Directors as part of the review of the year end accounts and returned to the Chairman. The questionnaire asked the directors at that time to rate the Board's performance in a number of key areas. The results were considered by the Chairman and it was noted that there were no material areas of concern.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The Directors attendance at meetings of the Board and meetings of the audit committee constituted by the Board since 30 September 2020 are as follows:

Board meetings:

ATTENDANCE	Meetings Eligible to Attend	Meetings Attended
Mark Wheeler	14	14
David Kilgour	14	14
Steven Norris	14	14
Peter Collini	14	14
Elizabeth Filkin CBE	14	14
John Mullen	14	14

Audit Committee meetings:

ATTENDANCE	Meetings Eligible to Attend	Meetings Attended
Peter Collini (Chair)	6	6
Elizabeth Filkin CBE	6	6
John Mullen	2	2

Note 1: John Mullen ceased to be a member of the audit committee in March 2021 and was therefore only eligible to attend two audit committee meetings as a member and he attended both.

Corporate Governance Statement (continued)

Remuneration Committee meetings:

ATTENDANCE	Meetings Eligible to Attend	Meetings Attended
Elizabeth Filkin CBE (Chair)	8	8
Peter Collini	8	8
John Mullen	8	8

NON-EXECUTIVE DIRECTOR TERMS OF APPOINTMENT

Steven Norris, Peter Collini, Elizabeth Filkin CBE and John Mullen have each entered into appointment letters with the Company.

The appointment letter of Steven Norris is terminable by either party on 12 months' written notice and the appointment letters of Peter Collini, Elizabeth Filkin CBE and John Mullen are terminable on 3 months' written notice by either party. The appointment letters contain provisions for earlier termination in certain circumstances. For example, the appointment letters can be terminated earlier for material breach and terminate immediately where a director is not re-elected at an annual general meeting of the Company where he or she is subject to retirement by rotation.

Under the terms of their appointment letters, Steven Norris is paid £6,667 per calendar month and Peter Collini, Elizabeth Filkin CBE and John Mullen are each paid £2,917 per calendar month. Fees are reviewed annually.

EXECUTIVE TERMS OF APPOINTMENT

Mark Wheeler and David Kilgour have each entered into service agreements with the Company.

The service agreement of Mark Wheeler is terminable by either party on 12 months' written notice and the service agreement of David Kilgour is terminable on 6 months' written notice by either party. The service agreements contain provisions for earlier termination in certain circumstances.

For details of the remuneration of the Executive Directors please refer to the Directors' Remuneration Report in these Accounts.

STRATEGY AND BUSINESS MODEL

The Strategic Report (pages 6 to 19) includes a detailed description of our business.

The Strategic Report (Risk Management) includes details of the relevant risks that we consider apply to our business and how we manage those risks.

Details of how the Group have been managing the effects and impact of the COVID-19 pandemic across our global business are set out in the Chairman's Statement.

The Group's agreed objective is to develop Driver Group into a higher margin business on a steady growth curve by focussing on growth in expert and arbitration services and reducing the share of the Group revenue derived from lower margin project services. Further details of our strategy are set out in the Chief Executive Officer's Review.

STAKEHOLDER ENGAGEMENT

Our people, our shareholders and our clients are key stakeholders in our business. Details of why we focus on them and how we engage with them are set out in the Engagement with Stakeholders section of these accounts. The Board do not consider that there are any material action points in terms of engagement with shareholders at the present time.

SOCIAL RESPONSIBILITY

The Strategic Report (Corporate Sustainability) includes details of the steps that the Group has taken in relation to the environment.

The Strategic Report (Caring for our People and Communities) includes details of the approach that the Group has taken to Employee Engagement and Culture, Diversity and Inclusion, Health and Safety, Employee Wellbeing and Mental Health and the Community.

The Group operates an Anti-Slavery and Human Trafficking Policy which is published on our website and has implemented an Anti-Corruption Policy which has been made available to all employees. The Group takes a zero tolerance approach to acts of bribery and corruption.

CORPORATE CULTURE

The Group's culture is one of employee and client focus as both are fundamental to the success of the business.

The Group has also adopted corporate values and policies to encourage employee and client engagement in relation to its business. These are published on our website and set out below:

INNOVATION

Our policy is to try to recruit only the best professionals in the business and utilise their combined skills and experience to create innovative and flexible solutions at every opportunity.

PEOPLE

We value ideas based on merit and regardless of position, treat people with consideration. We strive to lead by example. We also strive to be the employer of choice in our industry, recruiting top quality professionals and providing them with respect, opportunities and the support to excel within our team.

OUR CLIENTS

We focus on building professional relationships, delivering great quality service and real value that supports the requirements for each project. Our commitment to our clients' success is how we measure ourselves.

INTEGRITY

We strive to apply the highest professional, ethical and technical standard throughout our organisation. We encourage accountability at all levels.

TRANSPARENCY

We strive to communicate openly, honestly and with clarity of actions and words at all times. We seek to deliver best practice solutions on every occasion.

The Company welcomes feedback from our employees and clients and will review its corporate culture and ethical values annually.

RISK MANAGEMENT

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.

SHAREHOLDER INFORMATION

The Company announces the voting decisions of shareholder meetings.

In addition, where votes are cast at a general meeting on a show of hands, the votes by proxy received by the Company, including abstentions or votes withheld, will be reported in the Investors section of the Company website under the heading "Voting Results". Where votes are conducted on a poll, the actual votes, including votes withheld and/or abstentions, will be reported in the Voting Results section of our website.

Where a significant proportion of votes (20 per cent or more) have been cast against a resolution at a general meeting, the Company will provide an explanation on its website of what actions it intends to take to understand the reasons behind that vote result and, where appropriate, any different action it has taken, or will take, as a result of the vote.

Notices of all general meetings for the last 5 years can be found in the Investors section of our website under the heading "Notices of General Meetings".

The annual reports and interim reports for the last 5 years can be found in the Investors section of our website under the heading "Financial Reports".

UK CITY CODE ON TAKEOVERS AND MERGERS

The Company is subject to the UK City Code on Takeovers and Mergers.

ANNUAL REVIEW

This Corporate Governance Statement is effective as at 13 December 2021 and was last reviewed on that date.

The Corporate Governance Statement will be updated further on the date of publication of the audited accounts of the Group for the financial year ending 30 September 2022 and thereafter annually at the same time as the publication of the audited accounts of the Company for each financial year.

Directors' Remuneration Report

For the year ended 30 September 2021

The members of the Remuneration Committee are Elizabeth Filkin CBE (Chairman), Peter Collini and John Mullen 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 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

Elizabeth Filkin CBE
Chairman of the Remuneration Committee
21 January 2022

DIRECTORS' REMUNERATION 2021	Salary and fees £	Severance £	Bonus £	Benefits £	Car allowance £	Pension £	Total Remuneration £
Mark Wheeler[(1)]	390,000	-	-	3,143	12,000	9,900	415,043
David Kilgour[(1)]	198,000	-	-	3,511	12,000	-	213,511
Steven Norris[(1) (4)]	80,000	-	-	-	-	-	80,000
Peter Collini	35,000	-	-	-	-	-	35,000
Elizabeth Filkin CBE[(2)]	35,000	-	-	-	-	-	35,000
John Mullen[(3)(5)]	35,000	-	-	-	-	-	35,000
Total	**773,000**	**-**	**-**	**6,654**	**24,000**	**9,900**	**813,554**

DIRECTORS' REMUNERATION 2020	Salary and fees £	Severance £	Bonus £	Benefits £	Car allowance £	Pension £	Total Remuneration £
Gordon Wilkinson[(1)(6)]	372,675	660,421	-	837	8,000	5,333	1,047,266
David Kilgour[(1)]	167,998	-	15,000	6,239	12,000	-	201,237
Mark Wheeler[(1)]	338,250	-	30,000	3,268	12,000	9,900	393,418
Steven Norris[(1)(4)]	60,000	-	-	-	-	-	60,000
Peter Collini	30,000	-	-	-	-	-	30,000
Elizabeth Filkin CBE[(2)]	30,000	-	-	-	-	-	30,000
John Mullen[(3)(5)]	10,000	-	-	-	-	-	10,000
Total	**1,008,923**	**660,421**	**45,000**	**10,344**	**32,000**	**15,233**	**1,771,921**

1 Share option charge in respect of options held by Directors in the year was £nil (2020: £nil).
2 Elizabeth Filkin CBE was appointed as a Non-Executive Director on 1 October 2019.
3 John Mullen was appointed as a Non-Executive Director on 1 June 2020.
4 Steven Norris is a senior advisor for Acuitas Communications. During the year Acuitas Communications were paid £76,500 (2020: £75,000) for services provided to the Group.
5 John Mullen continues to provide expert services and generates income for the Group. During the year, the Group paid Mullen Consult Ltd £189,000 (2020: £169,000).
6 Gordon Wilkinson resigned as Chief Executive Officer on 31 May 2020. His severance payment was as set out in his service contract.

For the year to 30 September 2021, the remuneration of Non-Executive Directors was set by the Board and consisted of an annual fee paid in equal monthly instalments.

SHARE OPTIONS 2021	Opening Number	Granted Number	Surrendered Number	Lapsed Number	Closing Number	Exercisable at 30 September 2021 Number	Exercise Price £	Value of exercisable shares at grant date £	Value of exercisable shares at 30 September 2021 £
Gordon Wilkinson	1,080,000	-	-	-	1,080,000	1,080,000	Nil	722,400	556,200
David Kilgour	113,336	500,000	-	-	613,336	113,336	Nil	75,735	58,368
Mark Wheeler	453,336	1,500,000	-	-	1,953,336	453,336	Nil	296,935	233,468
Steven Norris	50,000	-	-	-	50,000	50,000	Nil	32,750	25,750
Total	**1,696,672**	**2,000,000**	**-**	**-**	**3,696,672**	**1,696,672**	**-**	**1,127,820**	**873,786**

The value of exercisable options at 30 September 2021 is based on the closing share price on 30 September 2021 of 51.5p.

SHARE OPTIONS 2020	Opening Number	Granted Number	Surrendered Number	Lapsed Number	Closing Number	Exercisable at 30 September 2020 Number	Exercise Price £	Value of exercisable shares at grant date £	Value of exercisable shares at 30 September 2020 £
Gordon Wilkinson	1,680,000	-	-	(600,000)	1,080,000	1,080,000	Nil	722,400	537,300
David Kilgour	163,336	-	-	(50,000)	113,336	113,336	Nil	75,735	56,385
Mark Wheeler	653,336	-	-	(200,000)	453,336	453,336	Nil	296,935	225,535
Steven Norris	100,000	-	-	(50,000)	50,000	50,000	Nil	32,750	24,875
Total	**2,596,672**	**-**	**-**	**(900,000)**	**1,696,672**	**1,696,672**	**-**	**1,127,820**	**844,095**

The value of exercisable options at 30 September 2020 is based on the closing share price on 30 September 2020 of 49.75p.

Statement of Directors' Responsibility

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) and the Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare Financial Statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with IFRS, 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.

Independent auditor's report to the members of Driver Group plc

OPINION

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 2021 and of the Group's profit for the year then ended;
- The Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- 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.

We have audited the financial statements of Driver Group plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2021 which comprise of 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 Group Financial Statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We remain 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

CONCLUSIONS RELATED TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Reviewed and challenged the going concern paper prepared by management by verifying the numerical inputs, accuracy of the calculations and obtaining evidence to support management's decisions. Support was obtained for all inputs in the forecasts;
- Evaluated the appropriateness of the assumptions utilised by management in assessing the Group and company's ability to continue as a going concern by comparing to previous periods and actual results achieved to date. The key assumptions included assessing the timings of future cash receipts from customers, assessing expected sales growth, headroom of available cash and compliance with covenants;
- reviewed the forecasts prepared to 31 December 2022 and stress tests to understand the available headroom. We have challenged the assumptions within the stress test scenarios to understand the headroom impact of reductions in revenue, EBITDA and profit, and any delays in receipts of cash from customers;
- Analysed the share price over the past 12 months to ensure there have been no significant decreases;
- Analysed any further Covid-19 implications and their potential impact.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

OVERVIEW

Coverage[1]	74% (2020: 75%) of Group profit before tax 76% (2020 75%) of Group revenue 80% (2020: 80%) Group total assets
Key audit matters	2020: Trade Receivables Impairment Provisions 2021: Trade Receivables Impairment Provisions and Going Concern Going Concern is no longer considered to be a key audit matter due to Driver Group's continued profitable trading throughout the Covid-19 global pandemic. Driver Group have repaid all their borrowings in the year and hold a sufficient level of cash to remain as a going concern.
Materiality	Group financial statements as a whole £372,000 (2020: £265,000) based on 3% (2020: 2%) of Gross Profit

(1) These are areas which have been subject to a full scope audit by the Group engagement team and component auditors that are all BDO member firms

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Our Group audit scope focused on the Group's principal operating locations being the United Kingdom, United Arab Emirates, Oman and The Netherlands (which all contained significant components). The operations in the United Kingdom and The Netherlands were subject to a full scope audit by the Group audit team while the significant components in United Arab Emirates and Oman were subject to full scope audits carried out by component auditors, these were performed by BDO member firms. 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.

OUR INVOLVEMENT WITH COMPONENT AUDITORS

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

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. For all 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 by the Group audit team for the significant components in the United Arab Emirates and Oman.

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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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) that 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.

Trade Receivables impairment provisions

Note 1 (accounting policies), note 12 (trade and other receivables) and note 25 (critical accounting estimates and judgements, 'Receivables Impairment Provisions')

Management estimate the expected credit loss provision required for impaired receivables. As at 30 September 2021, as shown in note 12, the Group held

Independent auditor's report to the members of Driver Group plc (continued)

trade receivables of £17,526k (2020: £17,226k) and an expected credit loss provision of £2,561k (2020: £2,559k) giving a net figure of £14,965k (2020: £14,667k).

Judgement is required to assess the expected credit loss for receivables, to estimate the provision for receivables which may not be recoverable. Such judgements include management's expectations of future payment based on the forward looking assessment and macroeconomic factors, as applied to the historic default rates considered by the geographical location of the Group's entities, such as Oman and UAE. Management also exercise judgement in determining whether any specific additional provisions are required by judging debtors on an individual basis concerning any factors that may suggest issues with recoverability.

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

How the scope of our audit addressed the key audit matter

We obtained assurance over management's judgements applied in calculating the amount of receivables provisions by:

- Reviewing management's calculation of the expected credit loss provision, including agreeing the inputs to source ledgers and assessing management's judgement on the forward looking assessment by comparison to our understanding of the business and corroboration to macroeconomic reports of the relevant geographies where possible.
- In order to assess whether any specific additional provisions were required, for significant components of the Group, 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, this included agreeing work performed to a timecard and sales invoice. If balances were outstanding for a long period of time and the balance did not appear to be recoverable, then we would determine that a provision would be required.
- For significant foreign components we set trade receivables impairment provisions as a significant risk to the component audit teams. We instructed that appropriate procedures should be performed including, after date cash testing and recoverability testing for outstanding balances. We also instructed the component auditors to include an assessment of IFRS 9 and the impact on trade receivables. We then discussed these matters with the component audit teams and reviewed the component auditor's working papers to conclude on the work and to assess any key judgements that were made as part of the testing.
- For certain non-significant components, we tested management's expected credit loss provisions by comparing to our estimate of the provisions required based on the historic data and consideration of specific provisions required. Furthermore, in order to assess for any specific provisions required, we also reviewed a sample of the aged receivables to payment, or other supporting documentation where this was still outstanding, to verify the recoverability of these balances post year end.

Key observations

Based on the audit procedures performed we considered that management's judgements in relation to the expected credit loss were reasonable.

OUR APPLICATION OF MATERIALITY

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.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. 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.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

Group Financisl Statements		
	2021	**2020**
Materiality	£372,000	£265,000
Basis for determining materiality	3% of Gross Profit	2% of Gross Profit

Rationale for the benchmark applied	We consider gross profit to provide an appropriate and consistent determinant of the Group's financial performance, given the significant fluctuations in the net profit/loss of individual components within the Group over recent years. Group PBT is not deemed to be a stable measure for the basis of materiality. The increase from 2% to 3% is due to our increased knowledge of the entity and the users of its financial statements	
Performance materiality	£279,000 (75%)	£198,750 (75%)
Basis for determining performance materiality	This has been based on management's attitude to adjustments in prior years, low level of adjustments in prior years and relatively low levels of estimation areas within the Group.	

Parent Company Financial Statements

	2021	2020
Materiality	£225,000	£140,000
Basis for determining materiality	2.5% of Total Assets although the balance was capped at component materiality.	2.5% of Total Assets although the balance was capped at component materiality.
Rationale for the benchmark applied	Driver Group company is not a trading company within the Group, it is used as a holding company for the Group's investments, borrowings and any other Group wide assets and liabilities. As the company is an asset holding company, a total asset basis for materiality is considered most appropriate as the entity does not have any revenue, nor does it make any significant or stable profits, therefore these would not be appropriate benchmarks. Despite the above, the Parent Company's materiality has been capped at component materiality in both FY21 and FY20.	
Performance materiality	£168,750 (75%)	£105,000 (75%)
Basis for determining performance materiality	This has been based on management's attitude to adjustments in prior years, low level of adjustments in prior years and relatively low levels of estimation areas within the Group.	

COMPONENT MATERIALITY

Audit work on each component was executed at levels of materiality applicable to each individual entity, which was lower than Group materiality. Component materiality ranged from £50,000 to £279,000 (2020: £24,000 to £140,000). Component materiality was set primarily based on the size of each component, combined with the risk assessment analysis performed by component at Group level. Parent Company materiality was £225,000 (2020: £140,000). Performance materiality for all components was set at a maximum of 75% (2020: 75%).

REPORTING THRESHOLD

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £11,160 (2020: £5,300). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Independent auditor's report to the members of Driver Group plc (continued)

OTHER COMPANIES ACT 2006 REPORTING

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

STRATEGIC REPORT

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

- The information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- Tthe Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTON

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 Statement of Director's Responsibilities 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

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 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.

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding and accumulated knowledge of the Group, and the sector in which it operates, we considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as accounting policies, international accounting standards in conformity with the requirements of the Companies Act 2006 and industry related regulations impacting operations. Throughout our audit work we remained alert to any possible non-compliance with all applicable laws and regulations that may have an impact on the financial statements. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and inappropriate revenue recognition. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, such as depreciation, trade receivables impairment provisioning and impairment of assets;
- Identifying and testing journal entries, in particular any journal entries posted with specific keywords, manual journals to revenue and cash, least used accounts and an analysis of user rights;
- Discussions with management and Directors, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Consideration of the adequacy of the disclosure set out in note 27, and an assessment of the impact on the group;
- Review of minutes of Board meetings throughout the period; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

USE OF OUR REPORT

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Gary Harding
Senior Statutory Auditor
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom
21 January 2022

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 2021

	Notes	2021 £000	2020 £000
REVENUE	2	**48,772**	**53,074**
Cost of sales		**(36,350)**	**(39,162)**
Impairment movement	12	**(187)**	**(778)**
GROSS PROFIT		**12,235**	**13,134**
Administrative expenses		**(10,459)**	**(11,413)**
Other operating income		**194**	**130**
Underlying* operating profit		**2,119**	**2,618**
One off severance costs		**-**	**(767)**
Share-based payment charges and associated costs	17	**(149)**	**-**
OPERATING PROFIT	2,4	**1,970**	**1,851**
Finance income		**-**	**14**
Finance costs	6	**(110)**	**(128)**
PROFIT BEFORE TAXATION	2	**1,860**	**1,737**
Tax expense	7	**(746)**	**(399)**
PROFIT FOR THE YEAR		**1,114**	**1,338**
(Loss)/profit attributable to non-controlling interest		**-**	**(1)**
Profit attributable to equity shareholders of the Parent		**1,114**	**1,339**
		1,114	**1,338**
Basic earnings per share attributable to equity shareholders of the Parent (pence)	9	**2.1p**	**2.6p**
Diluted earnings per share attributable to equity shareholders of the Parent (pence)	9	**2.1p**	**2.5p**

* Underlying figures are stated before the share-based payment costs and one off severance costs

The notes on pages 55 to 85 form part of these Financial Statements

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2021

	2021 £000	2020 £000
PROFIT FOR THE YEAR	**1,114**	**1,338**
Other comprehensive income:		
Items that could subsequently be reclassified to the Income Statement:		
Exchange differences on translating foreign operations	38	(24)
OTHER COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR NET OF TAX	**38**	**(24)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**1,152**	**1,314**
Total comprehensive income attributable to:		
Owners of the Parent	1,152	1,315
Non-controlling interest	-	(1)
	1,152	1,314

The notes on pages 55 to 85 form part of these Financial Statements

Consolidated Statement of Financial Position

As at 30 September 2021

	Notes		2021		2020
		£000	£000	£000	£000
NON-CURRENT ASSETS					
Goodwill	11	2,969		2,969	
Property, plant and equipment	10	405		501	
Intangible asset	32	516		182	
Right of use asset	19	1,854		1,831	
Deferred tax asset	16	272		308	
			6,016		5,791
CURRENT ASSETS					
Trade and other receivables	12	18,865		17,819	
Derivative financial asset	21	57		171	
Cash and cash equivalents	15	6,474		11,215	
			25,396		29,205
TOTAL ASSETS			31,412		34,996
CURRENT LIABILITIES					
Borrowings	14	-		(3,000)	
Lease creditor	20	(778)		(679)	
Trade and other payables	13	(8,009)		(9,446)	
Derivative financial liability	21	(169)		(178)	
Current tax payable		(165)		(264)	
			(9,121)		(13,567)
NON-CURRENT LIABILITIES					
Lease creditor	20	(1,023)		(1,040)	
			(1,023)		(1,040)
TOTAL LIABILITIES			(10,144)		(14,607)
NET ASSETS			21,268		20,389
SHAREHOLDERS' EQUITY					
Share capital	17		216		216
Share premium	22		11,496		11,496
Merger reserve	22		1,055		1,055
Currency reserve	22		(411)		(449)
Capital redemption reserve	22		18		18
Treasury shares	22		(1,025)		(1,025)
Retained earnings	22		9,916		9,075
Own shares	22		(3)		(3)
TOTAL SHAREHOLDERS' EQUITY			21,262		20,383
NON-CONTROLLING INTEREST	22		6		6
TOTAL EQUITY			21,268		20,389

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

David Kilgour
Chief Financial Officer
21 January 2022

The notes on pages 55 to 85 form part of these Financial Statements.

Consolidated Cash Flow Statement

For the year ended 30 September 2021

	Notes	2021 £000	2020 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		1,114	1,338
Adjustments for:			
Depreciation	10	261	321
Exchange adjustments		38	55
Amortisation of right of use asset		969	1,051
Finance income		-	(14)
Finance expense	6	110	128
Tax expense	7	746	399
Equity settled share-based payment charge(1)	17	118	-
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS		3,356	3,278
(Increase)/decrease in trade and other receivables		(881)	2,056
(Decrease)/increase in trade and other payables		(1,465)	240
CASH GENERATED IN OPERATIONS		1,010	5,574
Tax paid		(763)	(519)
NET CASH INFLOW FROM OPERATING ACTIVITIES		247	5,055
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		-	14
Acquisition of property, plant and equipment		(187)	(167)
Acquisition of intangible assets		(334)	(182)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(521)	(335)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(110)	(107)
Repayment of borrowings		(3,250)	(2,125)
Proceeds of borrowings		250	3,000
Repayment of lease liabilities		(928)	(1,066)
Purchase of Treasury shares		-	(25)
Dividends paid to equity shareholders of the Parent		(391)	(653)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	15	(4,429)	(976)
Net (decrease)/increase in cash and cash equivalents		(4,703)	3,744
Effect of foreign exchange on cash and cash equivalents		(38)	(55)
Cash and cash equivalents at start of period		11,215	7,526
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15	6,474	11,215

(1) The amount stated reflects only the share-based payment charge and does not include the associated costs that are included within the amount stated on the consolidated Income Statement.

The notes on pages 55 to 85 form part of these Financial Statements

Consolidated Statement of Changes in Equity

For the year ended 30 September 2021

	Share capital £000	Share premium £000	Treasury shares £000	Merger reserve £000	Other reserves[2] £000	Retained earnings £000	Own shares[3] £000	Total[1] £000	Non-controlling interest £000	Total Equity £000
OPENING BALANCE AT 1 OCTOBER 2019	**216**	**11,496**	**(1,000)**	**1,055**	**(407)**	**8,127**	**(3)**	**19,484**	**7**	**19,491**
Profit for the year	-	-	-	-	-	1,339	-	1,339	(1)	1,338
Other comprehensive income for the year	-	-	-	-	(24)	-	-	(24)	-	(24)
Total comprehensive income for the year	-	-	-	-	(24)	1,339	-	1,315	(1)	1,314
Dividends	-	-	-	-	-	(391)	-	(391)	-	(391)
Share-based payment	-	-	-	-	-	-	-	-	-	-
Purchase of Treasury shares	-	-	(25)	-	-	-	-	(25)	-	(25)
Issue of new shares	-	-	-	-	-	-	-	-	-	-
CLOSING BALANCE AT 30 SEPTEMBER 2020	**216**	**11,496**	**(1,025)**	**1,055**	**(431)**	**9,075**	**(3)**	**20,383**	**6**	**20,389**
OPENING BALANCE AT 1 OCTOBER 2020	**216**	**11,496**	**(1,025)**	**1,055**	**(431)**	**9,075**	**(3)**	**20,383**	**6**	**20,389**
Profit for the year	-	-	-	-	-	1,114	-	1,114	-	1,114
Other comprehensive income for the year	-	-	-	-	38	-	-	38	-	38
Total comprehensive income for the year	-	-	-	-	38	1,114	-	1,152	-	1,152
Dividends	-	-	-	-	-	(391)	-	(391)	-	(391)
Share-based payment[4]	-	-	-	-	-	118	-	118	-	118
Purchase of Treasury shares	-	-	-	-	-	-	-	-	-	-
Issue of new shares	-	-	-	-	-	-	-	-	-	-
CLOSING BALANCE AT 30 SEPTEMBER 2021	**216**	**11,496**	**(1,025)**	**1,055**	**(393)**	**9,916**	**(3)**	**21,262**	**6**	**21,268**

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

(2) 'Other reserves' combines the currency 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 22.

(3) The shortfall in the market value of the shares held by the EBT and the outstanding loan is transferred from own shares to retained earnings.

(4) The amount stated reflects only the share-based payment charge and does not include the associated costs that are included within the amount stated on the consolidated Income Statement.

The notes on pages 55 to 85 form part of these Financial Statements

Summary of Significant Accounting Policies

For the year ended 30 September 2021

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) 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 80 to 85.

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.

GOING CONCERN

The Financial Statements have been prepared on a going concern basis. In reaching their assessment, the Directors have considered a period extending at least twelve months from the date of approval of this financial report.

The Directors continue to monitor developments across the markets the Group operate in and the potential impact of COVID-19 in the short and medium term and is in particular focussed on the key risks of: delays by clients in contracting for claims advice; projects being suspended or planned projects not proceeding which could potentially result in a reduction in staff utilisation levels; and the impact of the current situation on the financial stability of clients causing delays to payments.

As Driver's business is geographically well spread across the world the Directors have been managing the impact of COVID-19 since January 2020 when the Singapore and Hong Kong offices started working remotely. As COVID-19 has spread, remote working has been successfully adopted at varying times in the Middle East offices and across Europe including the UK with minimal disruption of service to our clients. The Directors have been closely monitoring the impact on the business ensuring the welfare of the staff and the clients. As measures imposed by governments around the world have slowly begun to relax throughout 2021 the Group has slowly re-opened offices to staff and clients.

The Directors have prepared cash flow forecasts and a reverse stress test covering a period of more than 12 months from the date of releasing these financial statements. This assessment has included consideration of the forecast performance of the business for the foreseeable future, the cash and financing facilities available to the Group and the mitigating actions undertaken to reduce any potential further impact the COVID-19 pandemic may bring. In preparing these forecasts, the Directors have considered sensitivities incorporating the potential impact of COVID-19 such as a reduction in both revenues and debtor receipts. The stressed forecasts show that the Group could incur a reduction in revenues of up to approximately 13% compared to base forecasts combined with a minimal change to the cost base and a reduction of cash collections by up to 14% compared to base forecasts and still have sufficient headroom to operate. In all scenarios, the Group remained in a cash positive position with headroom throughout and as such there were no concerns with the banking covenants associated with the Group's facilities.

At 30 September 2021 the Group had cash reserves of £6.5m with an undrawn amount of £5.0m from a revolving credit facility of £5.0m.

Based on the cash flow forecasts prepared including appropriate stress testing, the Directors are confident that any funding needs required by the business will be sufficiently covered by the existing cash reserves and the undrawn additional credit facility. As such these Financial Statements have been prepared on a going concern basis.

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 as an 'own shares' reserve 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 acquiree's 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. 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.

REVENUE

Revenue is recognised in accordance with IFRS 15 which dictates that revenue is recognised when contracted performance obligations are satisfied. 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, as the services are delivered in line with the contractual arrangements and represents a continual flow of benefits to the customer.

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

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.

GOVERNMENT GRANTS

Government grants received in the year have been recognised as a reduction in the costs to which they relate.

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

From the 1 October 2019 leased assets are recognised in accordance with IFRS 16 which replaces IAS 17 and provides a single lessee accounting model. In line with IFRS 16, a right of use asset is recognised in relation to all leases entered into by the Group that are greater than one year in length. The amount initially recognised as an asset is equal to the present value of the minimum lease payments payable over the term of the lease. The asset is then amortised over the lease term. 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.

For leases under one year in length, the asset is not capitalised and the total rentals payable under the lease are charged to the Consolidated Income Statement on a straight-line basis over the lease term. Details of the impact on the financial statements at 1 October 2019 due to the adoption of IFRS 16 can be found in note 18.

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 retained earnings.

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.

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 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

Under IFRS 9, the classification of financial assets is based both on the business model of which the asset is held and the contractual cash flow characteristics of the asset. There are three principal classification categories for financial assets that are debt instruments: (i) amortised cost, (ii) fair value through other comprehensive income (FVTOCI) and (iii) fair value through profit or loss (FVTPL). IFRS 9 has had no effect on the classification of financial instruments held by the Group.

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.

Financial assets at amortised cost

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 for trade receivables are recognised using the "expected credit loss model" within the scope of IFRS 9 and as such the Group has adopted a provisions matrix as a method of calculating expected credit losses on trade receivables under the simplified approach. This provision matrix has been calculated based on geographical location of the Group's entities and considers historical default rates, projecting this forward taking into account any specific debtors and forecasts relating to local economies. The movement in the expected credit loss provision is reflected within gross profit in the Consolidated Income Statement.

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. Only where there is a significant delay to the new expected cash flows would the Group discount the amounts due.

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 LIABILITIES

Financial liabilities at amortised cost

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 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:

- 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.

EMPLOYEE BENEFIT TRUST

The Group Statement of Financial Position incorporates the results of the 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. The shortfall in the market value of the shares held by the EBT and the outstanding loan is transferred from own shares to retained earnings.

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.

STANDARDS ADOPTED FOR THE FIRST TIME - PRIOR YEAR

IFRS 16 Leases: is effective for periods beginning on or after 1 January 2019 and the Group transitioned on 1 October 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 in the statement of financial position. The presentation and timing of income and expense recognition in the income statement has also changed. Management conducted a review of the Group's operating lease position on transition and adopted the modified retrospective approach. Details and a reconciliation of the impact of the new standard at 1 October 2019 can be found in note 18 of these financial statements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Details of the Group's accounting estimates and judgements are included in note 25.

Notes to the Financial Statements

For the year ended 30 September 2021

2 SEGMENTAL ANALYSIS

REPORTABLE SEGMENTS

For management purposes, the Group is organised into three operating divisions: Europe & Americas (EuAm), Middle East (ME) and Asia Pacific (APAC). This has remained unchanged from the previous year. These divisions are the basis on which the Group is structured and managed, based on its geographic structure. The following key service provisions are provided across all three operating divisions: quantity surveying, planning / programming, quantum and planning experts, dispute avoidance / resolution, litigation support, contract administration and commercial advice / management. Segment information about these reportable segments is presented below.

YEAR ENDED 30 SEPTEMBER 2021	Europe & Americas £000	Middle East £000	Asia Pacific £000	Eliminations £000	Unallocated £000	Consolidated £000
Total external revenue	33,734	10,919	4,119	-	-	48,772
Total inter-segment revenue	468	798	220	(1,486)	-	-
Total revenue	34,202	11,717	4,339	(1,486)	-	48,772
Segmental profit/(loss)	4,947	(737)	(408)	-	-	3,802
Unallocated corporate expenses[1]	-	-	-	-	(1,683)	(1,683)
Share-based payments charge and associated costs	-	-	-	-	(149)	(149)
One off severance costs	-	-	-	-	-	-
Operating profit/(loss)	4,947	(737)	(408)	-	(1,832)	1,970
Finance income	-	-	-	-	-	-
Finance expense	-	-	-	-	(110)	(110)
Profit/(loss) before taxation	4,947	(737)	(408)	-	(1,942)	1,860
Taxation	-	-	-	-	(746)	(746)
Profit/(loss) for the period	4,947	(737)	(408)	-	(2,688)	1,114
OTHER INFORMATION						
Non current assets	3,224	249	74	-	2,449	6,016
Reportable segment assets	14,865	10,051	2,401	-	4,095	31,412
Capital additions[2]	88	71	12	-	350	521
Depreciation and amortisation	602	240	157	-	231	1,230

(1) Unallocated costs represent Directors' remuneration (the audited Directors' remuneration report can be found on page 40 of these financial statements), administration staff, corporate head office costs and expenses associated with AIM. (2) Capital additions comprise additions to property, plant and equipment and intangible assets. No client had revenue exceeding 10% of the Group's revenue in the year to 30 September 2021.

YEAR ENDED 30 SEPTEMBER 2020	Europe & Americas £000	Middle East £000	Asia Pacific £000	Eliminations £000	Unallocated £000	Consolidated £000
Total external revenue	31,033	14,373	7,668	-	-	53,074
Total inter-segment revenue	53	576	24	(653)	-	-
Total revenue	31,086	14,949	7,692	(653)	-	53,074
Segmental profit	3,988	111	511	-	-	4,610
Unallocated corporate expenses[1]	-	-	-	-	(1,992)	(1,992)
One off severance costs	-	-	-	-	(767)	(767)
Operating profit	3,988	111	511	-	(2,759)	1,851
Finance income	-	-	-	-	14	14
Finance expense	-	-	-	-	(128)	(128)
Profit before taxation	3,988	111	511	-	(2,873)	1,737
Taxation	-	-	-	-	(399)	(399)
Profit for the period	3,988	111	511	-	(3,272)	1,338
OTHER INFORMATION						
Non current assets	3,192	270	87	-	2,242	5,791
Reportable segment assets	16,061	8,796	2,117	-	8,022	34,996
Capital additions[2]	82	37	18	-	212	349
Depreciation and amortisation	543	327	247	-	255	1,372

(1) Unallocated costs represent Directors' remuneration (the audited Directors' remuneration report can be found on page 40 of these financial statements), administration staff, corporate head office costs and expenses associated with AIM. (2) Capital additions comprise additions to property, plant and equipment and intangible assets. No client had revenue exceeding 10% of the Group's revenue in the year to 30 September 2020.

Notes to the Financial Statements (continued)

GEOGRAPHICAL INFORMATION

EXTERNAL REVENUE BY LOCATION OF CUSTOMERS	2021 £000	2020 £000
United Kingdom	18,892	17,622
United Arab Emirates	3,474	5,757
Netherlands	3,186	2,230
Saudi Arabia	3,137	2,589
Oman	3,065	5,043
Qatar	2,581	1,877
Germany	1,856	2,193
Australia	1,462	1,393
Singapore	1,266	2,413
Ireland	1,151	1,599
Canada	1,146	1,027
France	1,030	1,953
Spain	955	955
United States	932	943
Kuwait	845	286
Italy	502	506
Malaysia	473	949
South Korea	437	210
Russia	391	353
Denmark	366	390
Indonesia	255	1,006
Belgium	224	365
South Africa	209	15
Poland	119	327
Myanmar (Burma)	116	-
Algeria	106	-
Austria	104	96
Hong Kong	74	193
Other countries	418	784
	48,772	53,074

GEOGRAPHICAL INFORMATION OF NON CURRENT ASSETS

	2021 £000	2020 £000
UK	5,347	4,929
Oman	123	123
UAE	125	275
Singapore	25	46
Qatar	41	53
Malaysia	58	75
Kuwait	8	12
Hong Kong	9	68
Netherlands	211	144
France	21	33
Australia	10	19
Canada	5	8
USA	8	8
Spain	25	-
	6,016	5,791

3 EMPLOYEES

STAFF COSTS INCLUDING DIRECTORS' REMUNERATION

	2021 £000	2020 £000
Wages and salaries	30,082	33,343
Social security costs	1,837	1,770
Other pension costs	873	909
Share-based payment charges and associated costs	149	-
	32,941	36,022

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

BY ROLE	2021	2020
Directors	6	6
Fee-earners	238	272
Administration	74	77
	318	355

KEY MANAGEMENT AND DIRECTORS' REMUNERATION

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

	2021 £000	2020 £000
Remuneration	2,051	2,741
Social security costs	178	206
Short term benefits	2	4
Money purchase pension contributions	62	57
Compensation for loss of office	-	660
	2,293	3,668
Share-based compensation	70	-
Total key management compensation	2,363	3,668

Key management consists of the statutory Executive Directors of the Company plus a further 5 (2020: 4) Operational Directors who form part of the Global Management Board.

The Executive Directors' remuneration is shown below:

	2021 £000	2020 £000
Emoluments	804	1,096
Compensation for loss of office	-	660
Money purchase pension contributions	10	15
Total remuneration	814	1,771

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

	2021 £000	2020 £000
Emoluments	405	382
Compensation for loss of office	-	660
Money purchase pension contributions	10	5
Total remuneration	415	1,047

The number of Directors to whom retirement benefits are accruing:

	2021	2020
Money purchase pension schemes	1	1

Notes to the Financial Statements (continued)

4 PROFIT FROM OPERATIONS

Profit from operations includes the following significant expenses:

	2021 £000	2020 £000
Depreciation and amounts written off property, plant and equipment – owned assets	261	321
Amortisation of right of use assets	969	1,051
Audit services:		
– statutory audit of Parent	12	11
– statutory audit of subsidiaries	94	83
– audit regulatory reporting – interim review	13	15
Tax services:		
– compliance	11	11
– other services – iXBRL	5	3
Exchange loss	263	135

5 DIVIDENDS

	2021 £000	2020 £000
The aggregate amount of equity dividends comprises:		
Final dividend paid in respect of prior year	391	391
Interim dividend in respect of the previous year	-	-
Aggregate amount of dividends paid in the financial year	391	391
Equity dividends proposed for approval at Annual General Meeting (not recognised at year end)		
Final dividend for 2021: 0.75p (2020: Nilp)	391	-

An interim dividend in respect of the year ended September 2021 was paid in October 2021 for £391,000, 0.75p per share (2020: £nil). This is not recognised in these Financial Statements.

Equity dividends are payable to all the registered shareholders other than the Driver Group Employee Benefit Trust and those held in treasury.

6 FINANCE EXPENSE

	2021 £000	2020 £000
Bank interest	95	107
Finance lease interest	15	21
	110	128

7 TAXATION

ANALYSIS OF THE TAX CHARGE

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

	2021 £000	2020 £000
Current tax:		
UK corporation tax on profit for the year	540	88
Non-UK corporation tax	173	388
Adjustments to the prior period estimates	(3)	(37)
	710	439
Deferred tax:		
Origination and reversal of temporary differences (note 16)	36	(40)
Tax charge for the year	746	399

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:

	2021 £000	2020 £000
Profit before tax	1,860	1,737
Expected tax charge based on the standard average rate of corporation tax in the UK of 19% (2020: 19%)	353	330
Effects of:		
Expenses not deductible	20	8
Deferred tax – other differences	36	(40)
Foreign tax rate differences	375	124
Adjustment to prior period estimates	(3)	(37)
Utilisation of losses	(24)	(47)
Unprovided losses	(11)	61
Tax charge for the year	746	399

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Following Royal Assent of the Finance Bill 2021 an increase to the main rate of UK corporation tax has been announced, increasing this to 25% from 1 April 2023.

8 PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the Parent Company is not presented as part of these Financial Statements. The Parent Company's loss for the financial period was £1,311,000 (2020: Profit £714,000). The Company has elected to prepare the Parent Company Financial Statements in accordance with FRS 102.

9 EARNINGS PER SHARE

	2021 £000	2020 £000
Profit for the financial year attributable to equity shareholders	1,114	1,339
Compensation for loss of office	-	767
Share-based payment charges and associated costs (note 17)	149	-
Underlying profit for the year before share-based payments and compensation for loss of office	1,263	2,106
Weighted average number of shares:		
- Ordinary shares in issue	53,962,868	53,962,868
- Shares held by EBT	(3,677)	(3,677)
- Treasury shares	(1,787,811)	(1,786,937)
Basic weighted average number of shares	52,171,380	52,172,254
Effect of Employee share options	2,125,958	2,558,796
Diluted weighted average number of shares	54,297,338	54,731,050
Basic earnings per share	2.1p	2.6p
Diluted earnings per share	2.1p	2.5p
Underlying basic earnings per share before share-based payments and compensation for loss of office	2.4p	4.0p

Notes to the Financial Statements (continued)

10 PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
COST				
At 1 October 2019	1,667	1,909	384	3,960
Additions	26	141	-	167
Disposals	(5)	(8)	-	(13)
Foreign exchange movement	(40)	(33)	(34)	(107)
At 30 September 2020	1,648	2,009	350	4,007
DEPRECIATION				
At 1 October 2019	1,333	1,558	384	3,275
Charge for year	139	182	-	321
Disposals	(1)	(1)	-	(2)
Foreign exchange movement	(30)	(24)	(34)	(88)
At 30 September 2020	1,441	1,715	350	3,506
NET BOOK VALUE				
At 30 September 2020	207	294	-	501
At 30 September 2019	334	351	-	685
COST				
At 1 October 2020	1,648	2,009	350	4,007
Additions	36	151	-	187
Disposals	(7)	(1)	(170)	(178)
Foreign exchange movement	(42)	(36)	(15)	(93)
At 30 September 2021	1,635	2,123	165	3,923
DEPRECIATION				
At 1 October 2019	1,441	1,715	350	3,506
Charge for year	104	157	-	261
Disposals	-	(1)	(170)	(171)
Foreign exchange movement	(34)	(29)	(15)	(78)
At 30 September 2021	1,511	1,842	165	3,518
NET BOOK VALUE				
At 30 September 2021	124	281	-	405
At 30 September 2020	207	294	-	501

11 GOODWILL

	£000
COST	
At 1 October 2020	2,969
At 30 September 2021	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 factor would need to increase by more than 9% or revenues need to decrease in excess of 13% 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:

	2021 £000	2020 £000
Europe & Americas	2,969	2,969

The calculations use 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% – 33%
- Growth rate 2%
- Discount rate 18% (pre-tax)

Management determined the gross margin rate based on past performance and future trading conditions. The growth rates are believed to be conservative growth rates for this business. The discount rate used is pre-tax to ensure consistency with the pre-tax cash flows and reflects the risk of the business segment.

Details of subsidiaries included in the Consolidated Financial Statements are as follows:

Subsidiary undertakings	Country of registration or incorporation	Principal activity	Percentage* of ordinary shares held	
Driver Consult Ltd	England and Wales	Construction consultancy services	100%	
Driver Project Services Ltd	England and Wales	Construction consultancy services	100%	
Driver Consult Oman LLC	Oman	Construction consultancy services	65%	(1)
Driver Consult UAE LLC	Abu Dhabi	Construction consultancy services	49%	(2)
Driver 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) Pte. 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%	(3)
Driver Trett France SAS	France	Construction consultancy services	100%	
Driver Trett Kuwait General Contracting for Building Co. W.L.L.	Kuwait	Construction consultancy services	49%	
Diales Ltd	England and Wales	Dormant	100%	
Driver Trett Spain S.L.	Spain	Construction consultancy services	100%	(4)
Driver Group Germany GmbH	Germany	Construction consultancy services	100%	(4)
Driver Trett USA Inc	United States of America	Construction consultancy services	100%	

* 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) Driver Trett Canada is a joint operation with MHPM Partners Limited to provide consultancy services. This operation had a profit of £56,000 (2020 loss: £22,000) to net margin during the financial period.

(4) Driver Trett Spain and Driver Group Germany GmbH were both incorporated during the year.

In addition to the above investments, the Company has loaned funds of £950,275 and made contribution to the Driver Group Employee Benefit Trust, which in turn has purchased 1,700,645 shares in the Company for £1,242,206. On 29 July 2013 the Trust disposed of 575,645 shares for net proceeds of £506,567. On 10 December 2013 the Trust disposed of 500,000 shares for net proceeds of £107,500. On 12 August 2014 the Trust disposed of 28,323 shares for net proceeds of £27,615. 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. During the year ended 30 September 2018 the Trust transferred 155,000 shares to a number of employees in settlement of share options. At 30 September 2021 the assets of the Trust comprised 3,677 (2020: 3,677) of the Company's own shares with a nominal value of £15 (2020: £15) and a market value of £1,894 (2020: £1,829). 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.

Notes to the Financial Statements (continued)

12 TRADE AND OTHER RECEIVABLES

	2021 £000	2020 £000
Trade receivables	**14,965**	**14,667**
Other receivables	**1,275**	**1,264**
Prepayments	**1,276**	**1,213**
Accrued income	**1,349**	**675**
	18,865	**17,819**

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. Included within the prior year other receivables and accrued income is £571,000 which were due after 1 year but that has now become due within the year.

As at 30 September 2021 trade receivables past due and net of provision were £6,409,000 (2020: £7,899,000). The ageing analysis of trade receivables is as follows:

		Debt age – "days overdue"			
30 September 2021	**Current (not yet overdue) £000**	**0-30 days £000**	**31-60 days £000**	**Over 60 days £000**	**Total £000**
Gross Trade receivables	8,556	2,112	874	5,984	17,526
Expected credit loss provision	-	-	(9)	(2,552)	(2,561)
Trade Receivables	8,556	2,112	865	3,432	14,965
Expected credit loss %	0%	0%	1%	43%	15%
30 September 2020					
Gross Trade receivables	7,638	2,118	1,246	6,224	17,226
Expected credit loss provision	-	-	(14)	(2,545)	(2,559)
Trade Receivables	7,638	2,118	1,232	3,679	14,667
Expected credit loss %	0%	0%	1%	41%	15%

As at 30 September 2021 the Group has an impairment allowance against trade receivables of £2,561,000 (2020: £2,559,000). The impairment provisions for trade receivables are recognised using the "expected credit loss model" within the scope of IFRS 9 and the Group has adopted a simplified model to recognise lifetime expected credit losses to trade receivables. This provision matrix has been calculated based on geographical location of the Group's entities and considers historical default rates, projecting this forward taking into account any specific debtors and forecasts relating to local economies.

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

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

	2021 £000	2020 £000
At the beginning of the year	**2,559**	**2,384**
Increase during the year	**187**	**778**
Receivables written off during the year as uncollectible	**(185)**	**(603)**
At the end of the year	**2,561**	**2,559**

The movement in the impairment allowance for trade receivables is shown on the Consolidated Income Statement for the current year.

Movements in the Group's accrued income are as follows:

	2021 £000	2020 £000
At the beginning of the year	**675**	**956**
Transfers in the period from accrued income to trade receivables	**(675)**	**(956)**
Time recorded and not yet invoiced	**1,349**	**675**
At the end of the year	**1,349**	**675**

13 TRADE AND OTHER PAYABLES

	2021 £000	2020 £000
Trade payables	2,915	2,082
Social security and other taxes	1,258	1,745
Other payables	1,114	2,214
Accrued expenses	2,722	3,405
	8,009	9,446

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

14 BORROWINGS

An analysis of the maturity of loans is given below:

	2021 £000	2020 £000
Current:		
Bank loan and overdraft	-	3,000
Lease liability	778	679
	778	3,679
Non-current falling due between one and two years:		
Lease liability	575	393
	575	393
Non-current falling due between two and five years:		
Lease liability	448	647
	448	647

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

As at 30 September 2021 the banking facilities with HSBC consisted of:

	Facility	Interest rate (annual)
Overdraft facility	£100	3.00% over Base
Revolving credit facility repayable on 18 March 2023	£5,000,000	1.60% over Libor

As at 30 September 2021 the Company had access to cash balances of £6,474,000 in addition to the unutilised revolving credit facility of £5,000,000. The Group's borrowings are secured by debentures over the Group's assets.

15 CASH AND CASH EQUIVALENTS

	2021 £000	2020 £000
Cash at bank	6,474	11,215

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, Hong Kong Dollars, Canadian Dollars and Kuwaiti Dinar.

16 DEFERRED TAXATION

Deferred tax has been calculated at 19% (2020: 19%) based on expected future tax rates in jurisdictions where the deferred tax is expected to reverse. In the finance bill for 2021, the UK government announced that the main rate of corporation tax would increase to 25% from 1 April 2023.

DEFERRED TAX LIABILITY

	2021 £000	2020 £000
At the beginning of the year	-	-
Credit for the year recognised in the Income Statement	-	-
Temporary differences on property credited to the Income Statement	-	-
At the end of the year	-	-

Notes to the Financial Statements (continued)

DEFERRED TAX ASSET

	2021 £000	2020 £000
At the beginning of the year	308	268
(Charge)/credit for the year recognised in the Income Statement	(36)	40
At the end of the year	272	308

The elements of the deferred tax balances are as follows:

	Assets		Liabilities	
	2021 £000	2020 £000	2021 £000	2020 £000
Temporary differences on property	-	-	-	-
Capital allowances difference to depreciation	-	-	-	-
Other short term temporary differences	272	308	-	-
	272	308	-	-

The Group had taxable losses of £7,153,000 (2020 losses: £7,052,000) 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.

17 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal Value	2021 £000	2020 £000
53,962,868	Ordinary	0.4p	216	216

Ordinary shares of 0.4p each	2021 Number	2021 £000	2020 Number	2020 £000
At beginning of the year	53,962,868	216	53,962,868	216
Issued during the year	-	-	-	-
At end of the year	53,962,868	216	53,962,868	216

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 no options were exercised. 100,000 of these options remain outstanding at the year end.

During 2016, 1,300,000 share options were granted plus the potential for further performance options. 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. 1,080,000 were exercisable at 30 September 2018, of which 80,000 of these shares are in relation to the additional performance options. During the year none have been exercised.

During 2018 2,046,672 options were granted plus the potential for further performance options. These were granted with an exercise price of nil p and a vesting period between 0 and 3 years. 200,000 of these options vested immediately in recognition of contributions made and 50,000 of these options were dependant on the employee also purchasing 50,000 options which was satisfied in that year. The remaining options are conditional on profit targets. At 30 September 2018, 416,672 of the options conditional on profit targets were exercisable including 66,672 in relation to the further performance options. 350,000 of these shares lapsed during the year ended 2019 and a further 950,000 lapsed during the year ended 2020. No options have been exercised during the year.

During the year, 4,430,000 share options were granted. These were granted with an exercise price of nil p and a vesting period between 0 and 3 years. 160,000 shares could be exercised immediately. The balance of 4,270,000 shares vest after 3 years and must be excerised within 10 years of grant. Of this remaining balance, 756,674 shares are dependant on the employees remaining employed within the Group until 30 September 2023. A further, 756,663 shares are dependant upon regional performance targets for the years 2021, 2022 and 2023, in the regions where the employees are based and the final 2,756,663 shares are dependant upon Group performance targets for the years 2021, 2022 and 2023. Both the Group and regional targets can also be based on cummulative results. During the year none of the shares issued have been exercised.

At 30 September 2021 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 23 employees (2020: 6):

Year of grant	Vesting period	Exercise price per 0.4p share (pence)	2021 Number	2020 Number
2011	23-01-2011 to 01-10-2014	21.5p	100,000	100,000
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
2018	29-01-2018 to 01-10-2018	Nilp	50,000	50,000
	22-02-2018 to 22-02-2018	Nilp	200,000	200,000
	22-02-2018 to 01-10-2018	Nilp	250,000	250,000
	22-02-2018 to 22-02-2019	Nilp	50,000	50,000
	22-02-2018 to 01-10-2019	Nilp	50,000	50,000
	30-09-2018 to 01-10-2018	Nilp	146,672	146,67
2021	01/08/2020 to 31/07/2021	Nilp	25,000	-
	01/10/2020 to 30/09/2021	Nilp	50,000	-
	01/10/2020 to 30/09/2022	Nilp	35,000	-
	05/03/2021 to 30/09/2023	Nilp	2,801,000	-
	01/04/2021 to 31/03/2024	Nilp	50,000	-
	27/07/2021 to 30/09/2023	Nilp	1,469,000	-
			6,276,672	1,846,672

	2021		2020	
	Options	Weighted average exercise price per share (pence)	Options	Weighted average exercise price per share (pence)
Outstanding at 1 October	1,846,672	1	2,796,672	1.0
Granted during the year	4,430,000	-	-	-
Lapsed during the year	-	-	(950,000)	-
Exercised during the year	-	-	-	-
Outstanding at 30 September	6,276,672	0.3	1,846,672	1.0
Exercisable at 30 September	1,921,672	1.1	1,846,672	1.2

The options outstanding at 30 September 2021 had an exercise price between nil p and 21.5p and a weighted average remaining contractual life of 8.95 years.
The Group has recognised a charge in the current year in relation to share options of £149,000 (2020: £Nil).
The Directors' interests in share options are shown on pages 34 and 35 in the Report of the Directors.

18 NEW STANDARDS ADOPTED - PRIOR YEAR

IFRS 16

IFRS 16 Leases: is effective for periods beginning on or after 1 January 2019 and the Group transitioned on 1 October 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 the statement of financial position. The presentation and timing of income and expense recognition in the income statement has also changed. On transition, management adopted the modified retrospective approach and as such, comparative figures have not been restated. As a result of the new accounting standard, the statement of financial position as at 30 September 2020 saw an increase in non current assets of £1.8m, a decrease in prepayments of £0.1m and a resulting increase in liabilities of £1.7m, of which, £0.7m is a current liability and £1.0m is a non current liability. Overall profit did not materially change, however, EBITDA and cash flow from operating activities both increased by £1.1m due to IFRS 16. Leases of under one year in length and low value assets were not capitalised as they are exempt from IFRS 16.

The treasury function of the Group is managed centrally along with any borrowing requirements the Group may have. Any borrowings are secured over the Group's assets as a whole. At the date of transition, the Group was in a net cash position but did have borrowings outstanding. The rate of interest on these borrowings was 2.85%. As such a discount rate equal to this was used at transition to reflect this centrally managed borrowing facility.

Notes to the Financial Statements (continued)

The following table presents the impact of adopting IFRS 16 on the statement of financial position as at 1 October 2019:

	30 September 2019 £000	IFRS 16 £000	1 October 2019 £000
ASSETS			
Right of use asset	-	2,605	**2,605**
Trade & other receivables	**20,189**	(240)	**19,949**
LIABILITIES			
Trade & other payables	**(9,197)**	74	**(9,123)**
Lease liabilities	-	(2,439)	**(2,439)**

The following table reconciles the minimum lease commitments disclosed in the Group's 30 September 2019 financial statements to the amount of lease liabilities recognised on 1 October 2019:

	1 October 2019 £000
Minimum operating lease commitment at 30 September 2019	**3,224**
Less: short-term and low value leases not recognised under IFRS 16	**(455)**
Less: amounts transferred from prepayments	**(240)**
Add: accrued rent due	**19**
Undiscounted lease payments	**2,548**
Effect of discounting	**(109)**
Lease Liability at 1 October 2019	**2,439**

19 RIGHT OF USE ASSET

The following right of use assets have been recognised in line with IFRS 16 and are amortised over the period of the lease term.

	2021 £000	2020 £000
Right of use asset at 30 September 2019	-	-
Transition of IFRS 16	-	**2,605**
Right of use asset at 1 October	**1,831**	**2,605**
Additions during the year	**992**	**277**
Amortisation charged to the income statement	**(969)**	**(1,051)**
Right of use asset at 30 September	**1,854**	**1,831**

20 LEASES

The following leases have been recognised in line with IFRS 16. The net carrying value of these right of use assets at 30 September 2021 was £1,854,000 (2020: £1,831,000).

The present values of future lease payments are analysed as:

	2021 £000	2020 £000
Current liabilities	**778**	**679**
Non-current liabilities	**1,023**	**1,040**
	1,801	**1,719**

All leases within the group relate to right of use assets, the movement in relation to these leases is analysed as:

	2021 £000	2020 £000
At 1 October	**1,719**	**2,439**
Additions	**992**	**277**
Interest expense	**15**	**21**
Accrual and Prepayment movement	**3**	**48**
Repayments	**(928)**	**(1,066)**
At 30 September	**1,801**	**1,719**

The total future value of minimum lease commitments under non-cancellable leases that are exempt from IFRS 16 due to either their short life or low value are due as follows:

	2021		2020	
	Land and buildings £000	Other Leases £000	Land and buildings £000	Other Leases £000
Due:				
Not later than one year	120	-	111	2
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	120	-	111	2

The minimum rents receivable under non-cancellable leases are as follows:

	2021 £000	2020 £000
Not later than one year	145	145
Later than one year and not later than five years	37	182
	182	327

21 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments held by the Group, as detailed in this note, are classified as 'Financial Assets Measured at Amortised Cost' (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		Financial assets at amortised cost	
	2021 £000	2020 £000	2021 £000	2020 £000
FINANCIAL ASSETS				
Cash and cash equivalents	-	-	6,474	11,215
Trade and other receivables	-	-	17,589	16,606
Derivative financial assets	57	171	-	-
TOTAL FINANCIAL ASSETS	57	171	24,063	27,821

	Financial liabilities at fair value through income statement		Financial liabilities at amortised cost	
	2021 £000	2020 £000	2021 £000	2020 £000
FINANCIAL LIABILITIES				
Trade and other payables	-	-	6,751	7,701
Loans and borrowings	-	--	-	3,000
Lease creditor	-	-	1,801	1,719
Derivative financial liabilities	169	178	-	-
TOTAL FINANCIAL LIABILITIES	169	178	8,552	12,420

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.

(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

Notes to the Financial Statements (continued)

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 undrawn committed facilities in respect of which all conditions precedent had been met:

	2021 £000	2020 £000
Undrawn borrowing facilities at 30 September	5,000	4,000
Cash and cash equivalents	6,474	11,215
Available funds	11,474	15,215

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.

30 SEPTEMBER 2021	Due within 1 year £000	Due between 1 and 5 years £000	Total £000
Non-derivative financial liabilities			
Bank loans and overdrafts	-	-	-
Finance lease creditor	778	1,023	1,801
Trade and other payables	6,751	-	6,751
Total	7,529	1,023	8,552

30 SEPTEMBER 2020	Due within 1 year £000	Due between 1 and 5 years £000	Total £000
Non-derivative financial liabilities			
Bank loans and overdrafts	3,000	-	3,000
Finance lease creditor	679	1,040	1,719
Trade and other payables	7,701	-	7,701
Total	11,380	1,040	12,420

As at 30 September 2021 the banking facilities with HSBC consisted of:

	Facility	Interest rate (annual)
Overdraft facility	£100	3.00% over Base
Revolving credit facility repayable on 18 March 2023	£5,000,000	1.60% over Libor

As at 30 September 2021 the Company had access to cash balances of £6,474,000 in addition to the unutilised revolving credit facility of £5,000,000. The Group's borrowings are secured by debentures over the Group's assets.

(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:

	2021 £000	2020 £000
Asset	57	171
Liability	(169)	(178)
	(112)	(7)

The balances are all current with assets of £57,000 (2020: £171,000) and liabilities of £169,000 (2020: £178,000).

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

FINANCIAL ASSETS 2021	Cash and cash equivalents £000	Trade and other receivables £000
GBP	3,271	5,983
EUR	476	1,483
CAD	134	308
AED	138	1,882
OMR	1,307	4,085
KWD	40	360
USD	514	720
QAR	181	1,541
SGD	64	669
MYR	88	304
HKD	4	20
AUD	257	234
Total	**6,474**	**17,589**

FINANCIAL LIABILITIES 2021	Trade and other payables £000	Loans and borrowings £000
GBP	3,512	1,571
EUR	411	163
CAD	421	-
AED	855	36
OMR	589	-
KWD	206	-
USD	181	-
QAR	302	3
SGD	75	8
MYR	24	19
HKD	15	-
AUD	160	-
Total	**6,751**	**1,801**

FINANCIAL ASSETS 2020	Cash and cash equivalents £000	Trade and other receivables £000
GBP	9,705	5,388
EUR	675	1,472
CAD	124	174
AED	188	2,078
OMR	30	4,808
KWD	90	245
USD	87	781
QAR	99	611
SGD	74	386
MYR	64	352
HKD	19	42
AUD	60	269
Total	**11,215**	**16,606**

Notes to the Financial Statements (continued)

FINANCIAL LIABILITIES 2020	Trade and other payables £000	Loans and borrowings £000
GBP	3,347	4,293
EUR	774	149
CAD	306	-
AED	1,532	134
OMR	947	13
KWD	180	-
USD	59	-
QAR	240	7
SGD	106	16
MYR	47	45
HKD	4	51
AUD	159	11
Total	**7,701**	**4,719**

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

SENSITIVITY ANALYSIS – IMPACT ON INCOME STATEMENT AND ON EQUITY

% change in Sterling relative to:	Income statement 10% £000	20% £000	Equity 10% £000	20% £000
Sterling strengthens relative to Euro	(65)	(119)	(49)	(89)
Sterling weakens relative to Euro	80	179	60	134
Sterling strengthens relative to US Dollar	34	64	58	107
Sterling weakens relative to US Dollar	(42)	(94)	(70)	(158)
Sterling strengthens relative to Malaysian Ringgit	3	5	2	4
Sterling weakens relative to Malaysian Ringgit	(4)	(8)	(3)	(6)
Sterling strengthens relative to Singapore Dollar	55	101	46	84
Sterling weakens relative to Singapore Dollar	(68)	(152)	(56)	(126)
Sterling strengthens relative to Australian Dollar	(18)	(32)	(13)	(23)
Sterling weakens relative to Australian Dollar	22	49	15	34
Sterling strengthens relative to Hong Kong Dollar	20	37	17	31
Sterling weakens relative to Hong Kong Dollar	(25)	(56)	(21)	(47)
Sterling strengthens relative to Canadian Dollar	(5)	(9)	(4)	(6)
Sterling weakens relative to Canadian Dollar	6	14	5	10
Sterling strengthens relative to Kuwaiti Dinar	(17)	(31)	(14)	(26)
Sterling weakens relative to Kuwaiti Dinar	21	46	18	39

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

(C) INTEREST RATE RISK

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

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

30 SEPTEMBER 2021	Fixed rate £000	Floating rate £000	Non-interest bearing £000	Total £000
Cash and cash equivalents	-	6,474	-	6,474
Trade and other receivables	-	-	17,589	17,589
Derivative financial instrument – asset	-	-	57	57
Trade and other payables	-	-	(6,751)	(6,751)
Derivative financial instrument – liability	-	-	(169)	(169)
Bank loans and overdrafts	-	-	-	-
Finance lease creditor	-	-	(1,801)	(1,801)
	-	6,474	8,925	15,399

30 SEPTEMBER 2020	Fixed rate £000	Floating rate £000	Non-interest bearing £000	Total £000
Cash and cash equivalents	-	11,215	-	11,215
Trade and other receivables	-	-	16,606	16,606
Derivative financial instrument – asset	-	-	171	171
Trade and other payables	-	-	(7,701)	(7,701)
Derivative financial instrument – liability	-	-	(178)	(178)
Bank loans and overdrafts	-	(3,000)	-	(3,000)
Finance lease creditor	-	-	(1,719)	(1,719)
	-	8,215	7,179	15,394

Interest rates on bank loans are disclosed in note 14.

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.

IMPACT ON INCOME STATEMENT AND EQUITY	2021 £000
1% increase in base rate of interest	-
2% increase in base rate of interest	-

(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. Following the implementation of IFRS 9, management have adopted a simplified model for recognising lifetime expected credit losses against trade receivables. This new provision matrix has been calculated based on geographical location of the Group's entities and considers historical default rates, projecting these forward taking into account any specific debtors and forecasts relating to local economies. The ageing profile of the Group's debtors is disclosed in note 12.

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.

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 22). Net borrowings include short and long term borrowings (including overdrafts and lease obligations) net of cash and cash equivalents.

Notes to the Financial Statements (continued)

(F) MARKET RISK

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

22 RESERVES

SHARE CAPITAL

The share capital account includes the nominal value for all shares issued and outstanding.

SHARE PREMIUM

The share premium account comprises the premium over nominal value on issued shares 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 the 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 2021 was 3,677 (2020: 3,677).

TREASURY SHARES

Treasury shares are held as a deduction from equity and are held at cost price.

23 RELATED PARTY TRANSACTIONS

Other than the transactions with Directors noted in the Directors' Remuneration Report (page 40) during the financial year, the Group had no transactions with other related parties as defined by IAS 24 'Related Party Disclosures'.

The transactions with Mullen Consult Limited during the year are classed as a related party transaction due to the common Directorship of John Mullen. During the year the Group paid Mullen Consult Limited £189,000 (2020: £169,000) in relation to fee earning expert services provided by John Mullen. At 30 September 2021 there was a balance owed to Mullen Consult Limited of £50,000 inc VAT (2020: £53,000 inc VAT).

24 MAJOR SHAREHOLDERS

The major shareholders (more than 3%) as at 30 September 2021 are:

	Percentage Shareholding	Number of Shares 30 September 2021
Gresham House	20.32%	10,601,013
AB Traction (Stockholm)	19.56%	10,202,880
Allianz Global Investors	9.09%	4,745,000
Mr Adrian J Williams	7.74%	4,036,167
Ruffer	6.69%	3,490,000
Mr John P Mullen	3.95%	2,062,428
The Ramsey Partnership Fund Ltd	3.92%	2,042,801
Unicorn Asset Management	3.12%	1,626,936
Teviot Partners	3.12%	1,626,000

25 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.

The following are considered to be key accounting estimates:

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 11.

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 the expected credit loss within IFRS 9. This is calculated using a simplified model of recognising lifetime expected losses based on the geographical location of the Group's entities and considers historical default rates, projecting these forward taking into account any specific debtors and forecasts relating to local economies. At the Statement of Financial Position date a £2,561,000 (2020: £2,559,000) provision was required. If management's estimates changed in relation to the recoverability of specific trade receivables the provision could increase or decrease. 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.

Notes to the Financial Statements (continued)

26 GOVERNMENT GRANTS

During the prior year the Group was in receipt of government support grants due to the COVID-19 pandemic. It received £61,000 from the UK Government's furlough scheme for a small number of staff who were furloughed for a short period of time. It was also in receipt of £277,000 from the Singapore Government where a universal grant was made to all resident companies. The amount of this grant was determined by a percentage of the Company's salary costs. During the current year the Group repaid the £61,000 received from the UK Government of it's own accord.

27 POST BALANCE SHEET EVENTS

Further to our announcement of 09 December 2021 (RNS number 0504V) Driver Group have become aware that its principal customer in the Sultanate of Oman is being investigated by the public prosecutor and these investigations include a party connected to the Driver Group's Oman based subsidiary. Driver Group has been making its own enquiries to understand the nature of the investigation, details of which are not in the public domain. Our enquiries indicate that the investigation does not concern the Driver Group's Oman based subsidiary's operations and the subsidiary itself is not believed to be part of the investigation.

28 SUBSIDIARY COMPANY DETAILS

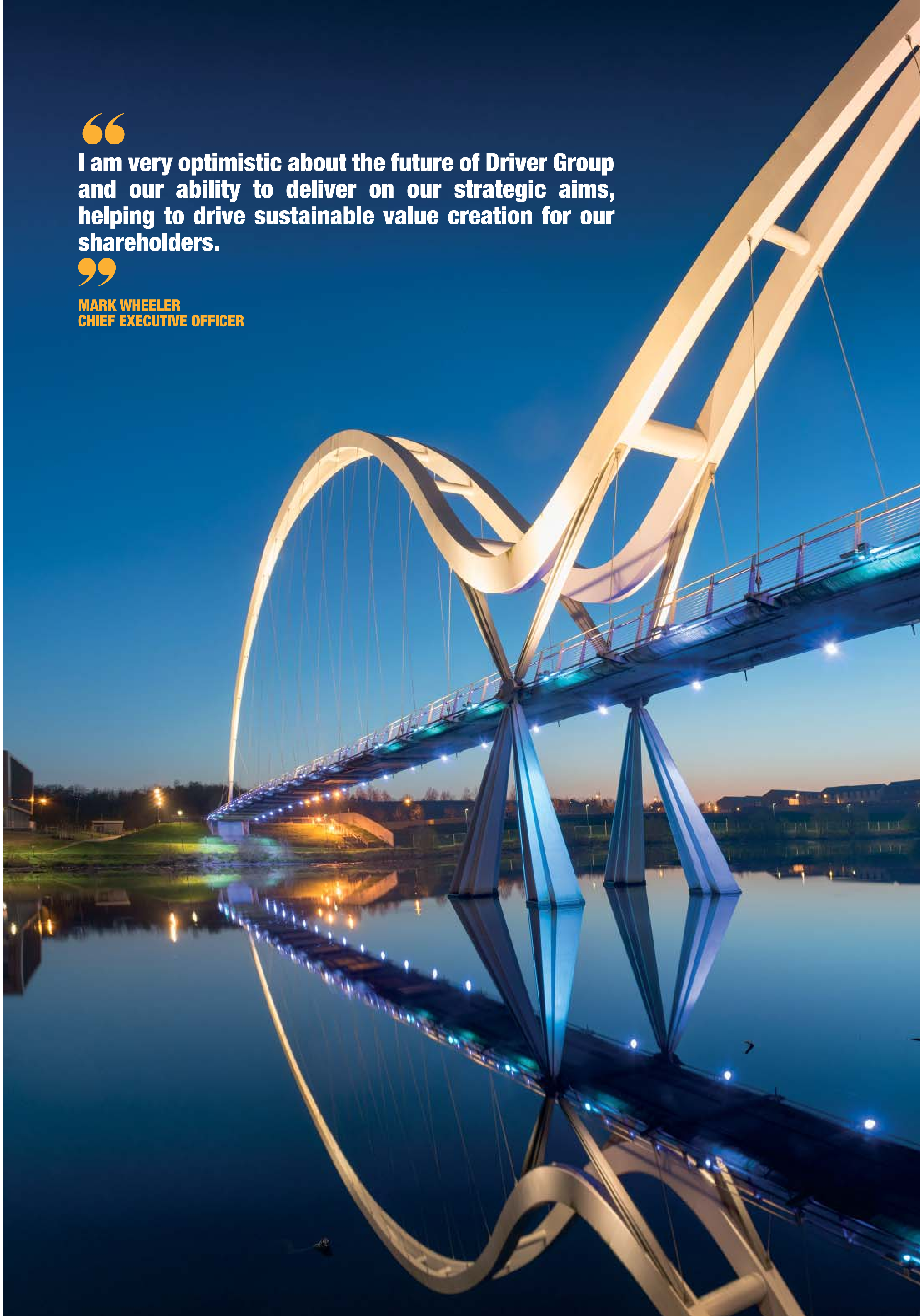
Subsidiary	Registered Address	Company No:
Driver Consult Ltd	Driver House, 4 St Crispin Way, Haslingden, Lancashire, BB4 4PW	3881875
Driver Project Services Ltd	Driver House, 4 St Crispin Way, Haslingden, Lancashire, BB4 4PW	2785199
Driver Consult Oman LLC	Building No: 2847, Way No: 4247, Al Ghubra, PO Box 363 Postal Code 121, Seeb, Sultanate of Oman	1049477
Driver Consult UAE LLC	Office No. 11A, Tamouh Tower, Al Reem Island, P.O. 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	Unit E, 14/F., Neich Tower, 128 Gloucester Road, Wan Chai, Hong Kong	725638
Driver Trett (Singapore) Pte. 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	Unit 2A-6-1, Block 2A, Plaza Sentral, Jalan Stesen Sentral 5, 50470 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
Driver Trett Kuwait General Contracting for Building Co. W.L.L.	PO Box 9337, Villa 4, Block 4, Compound 54, Coastal Road, Mahboula, Kuwait	379592
Diales Ltd	Driver House, 4 St Crispin Way, Haslingden, Lancashire, BB4 4PW	10476443
Driver Trett Spain S.L.	C/ Maldonado, 31, 1B, 28006, Madrid , Spain	42786145
Driver Trett Germany GmbH	Leopoldstrasse 244, 80807, Munich, Germany	HRB263675
Driver Trett USA Inc	251 Little Falls Drive, Wilmington, New Castle, DE 19808, USA	N/A

29 NOTE SUPPORTING STATEMENT OF CASHFLOWS

	At 1 October 2020 £000	Cashflows £000	Non-Cashflows £000	At 30 September 2021 £000
Cash and cash equivalents	11,215	(4,741)	-	6,474
Borrowings	(3,000)	3,000	-	-
Finance lease creditor	(1,719)	928	(1,010)	(1,801)
	6,496	(813)	(1,010)	4,673

“I am very optimistic about the future of Driver Group and our ability to deliver on our strategic aims, helping to drive sustainable value creation for our shareholders.”

MARK WHEELER
CHIEF EXECUTIVE OFFICER



Driver Group plc (Company) Statement of Financial Position

As at 30 September 2021

			2021		2020
COMPANY NUMBER: 3475146	Notes	£000	£000	£000	£000
FIXED ASSETS					
Tangible assets	30	51		68	
Investments	31	8,203		8,085	
Intangible assets	32	516		182	
Deferred Tax	36	50		154	
			8,820		8,489
CURRENT ASSETS					
Debtors	33	4,443		5,892	
Cash and cash equivalents		2,135		6,272	
			6,578		12,164
CREDITORS					
Amounts falling due within one year	34	(958)		(4,629)	
NET CURRENT ASSETS			5,620		7,535
TOTAL ASSETS LESS CURRENT LIABILITIES			14,440		16,024
CREDITORS					
Amounts falling due after more than one year	35	-			-
NET ASSETS			14,440		16,024
CAPITAL RESERVES					
Called up share capital	37		216		216
Share premium	38		11,496		11,496
Treasury Shares	38		(1,025)		(1,025)
Capital redemption reserve	38		18		18
Retained earnings	38		3,738		5,322
Own shares	39		(3)		(3)
SHAREHOLDERS' FUNDS			14,440		16,024

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 £1,311,000 (2020: profit of £714,000).

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

David Kilgour
Chief Financial Officer
21 January 2022

The notes on pages 81 to 85 form part of the Financial Statements

Statement of Changes in Equity – Company

For the year ended 30 September 2021

	Share capital £000	Share premium £000	Treasury Shares £000	Capital redemption reserve £000	Retained earnings £000	Own shares £000	Total equity £000
OPENING BALANCE AT 30 SEPTEMBER 2019	**216**	**11,496**	**(1,000)**	**18**	**5,000**	**(3)**	**15,727**
Profit for the year	-	-	-	-	714	-	714
Total comprehensive income for the year	-	-	-	-	714	-	714
Share-based payment costs	-	-	-	-	-	-	-
Investment in subsidiary – Share options	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-
Dividend	-	-	-	-	(392)	-	(392)
Purchase of Treasury shares	-	-	(25)	-	-	-	(25)
CLOSING BALANCE AT 30 SEPTEMBER 2020	**216**	**11,496**	**(1,025)**	**18**	**5,322**	**(3)**	**16,024**
Loss for the year	-	-	-	-	(1,311)	-	(1,311)
Total comprehensive income for the year	-	-	-	-	(1,311)	-	(1,311)
Share-based payment costs	-	-	-	-	-	-	-
Investment in subsidiary – Share options	-	-	-	-	118	-	118
Issue of share capital	-	-	-	-	-	-	-
Dividend	-	-	-	-	(391)	-	(391)
Purchase of Treasury shares	-	-	-	-	-	-	-
CLOSING BALANCE AT 30 SEPTEMBER 2021	**216**	**11,496**	**(1,025)**	**18**	**3,738**	**(3)**	**14,440**

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 the Financial Reporting Standards 102 '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.

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.

Notes to the Financial Statements (continued)

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 asset and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the Profit and Loss Account over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Company (an "operating lease"), the total rentals payable under the lease are charged to the Profit and Loss Account on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

PENSIONS

The Company operates a defined contribution pension scheme. Contributions payable for the year are charged in the Profit and Loss Account as incurred.

EMPLOYEE BENEFIT TRUST

In accordance with 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 to 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 17. 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, 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.

31 TANGIBLE FIXED ASSETS

	Fixtures and fittings £000	Computer equipment £000	Total £000
COST OR VALUATION			
At 30 September 2020	262	716	978
Additions	-	16	16
Disposals	-	-	-
At 30 September 2021	262	732	994
DEPRECIATION			
At 1 October 2020	251	659	910
Charge for year	6	27	33
Disposals	-	-	-
At 30 September 2021	257	686	943
NET BOOK VALUE			
At 30 September 2021	5	46	51
At 30 September 2020	11	57	68

32 FIXED ASSET INVESTMENTS

	Shares in Group Undertakings £000
COST	
At 1 October 2020	8,085
Capital investment	118
Disposal	-
At 30 September 2021	8,203
NET BOOK VALUE	
At 30 September 2021	8,203
At 30 September 2020	8,085

The capital investment during the year is in relation to share options.

The list of subsidiaries that the Company has a direct and indirect interest in can be found in note 11 of the Consolidated Financial Statements.

33 INTANGIBLE ASSETS

During the prior year the Company started the development of a new timesheet and finance system. The costs associated with this project from the date of sign off by the Board have been capitalised. Amortisation will start to be charged once the system goes live.

	2021 £000
At 1 October 2020	**182**
Additions	**334**
At 30 September 2021	**516**

34 DEBTORS

Amounts falling due within one year:

	2021 £000	2020 £000
Trade debtors	**29**	**1**
Amounts owed by Group undertakings	**3,838**	**5,408**
Prepayments and accrued income	**576**	**483**
	4,443	**5,892**

Notes to the Financial Statements (continued)

35 CREDITORS

Amounts falling due within one year:

	2021 £000	2020 £000
Trade creditors	657	130
Bank loans and overdrafts	-	3,000
Social security and other taxes	-	543
Accrued expenses	301	956
	958	4,629

Amounts falling due after more than one year:

	2021 £000	2020 £000
Bank loan (note 35)	-	-
	-	-

36 BANK LOAN AND OVERDRAFTS

An analysis of the maturity of loans is given below:

	2021 £000	2020 £000
Amounts falling due within one year or on demand:		
Bank loans and overdrafts	-	3,000
	-	3,000
Amounts falling due between one and two years:		
Bank loan	-	-
Amounts falling due between two and five years:		
Bank loan	-	-
	-	-

As at 30 September 2021 the banking facilities with HSBC consisted of:

	Facility	Interest rate (annual)
Overdraft facility	£100	3.00% over Base
Revolving credit facility repayable on 18 March 2023	£5,000,000	1.60% over Libor

As at 30 September 2021 the Company had access to cash balances of £6,474,000 in addition to the unutilised revolving credit facility of £5,000,000. The Group's borrowings are secured by debentures over the Group's assets.

37 DEFERRED TAX

Deferred tax liability

	2021 £000	2020 £000
At the beginning of the year	-	-
Credit for the year	-	-
At the end of the year	-	-

Deferred tax asset

	2021 £000	2020 £000
At the beginning of the year	154	111
(Charge)/credit for the year recognised in the Income Statement for deferred tax relating to share options and capital allowances	(104)	43
At the end of the year	50	154

The elements of the deferred tax balances are as follows:

	Assets		Liabilities	
	2021 £000	2020 £000	2021 £000	2020 £000
Deferred tax relating to share options and capital allowances	50	154	-	-
	50	154	-	-

38 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal Value	2021 £000	2020 £000
53,962,868	Ordinary	0.4p	**216**	216

Ordinary shares of 0.4p each	2021 Number	2021 £000	2020 Number	2020 £000
At beginning of the year	**53,962,868**	**216**	**53,962,868**	**216**
Issued during the year	-	-	-	-
At end of the year	**53,962,868**	**216**	**53,962,868**	**216**

Information relating to the Company's share option scheme is detailed in note 17 of the Consolidated Group Accounts.

39 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.

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.

TREASURY SHARES

Treasury shares are held as a deduction from equity and are held at cost price.

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.

40 OWN SHARES

	£000
At 1 October 2020	3
At 30 September 2021	3

41 COMMITMENTS

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

	Land and buildings	
	2021 £000	2020 £000
Due		
Not later than one year	**571**	**277**
Later than one year and not later than five years	**1,114**	**840**
Later than five years	**-**	**55**
	1,685	**1,172**

Included in the above is a lease where the charge to the Income Statement for the lease will be borne by Driver Consult Ltd. The amounts in relation to this lease are as follows: due not later than one year £361,000 (2020: £67,000) and due later than one year and not later than five years £429,000 (2020: £Nil).

42 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 transactions disclosed on page 40 and with further disclosure in note 23. There is no ultimate controlling party.

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