driver group plc

ANNUAL REPORT AND ACCOUNTS 2022

> ...these changes leave us well-placed for growth in 2022-23, our mission to de-risk and improve the efficiency of our business continues.

STEVEN NORRIS
NON-EXECUTIVE CHAIRMAN

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Key Metrics 2021/22

Revenue

£46.9m

(2021: £48.8m) -4%

Gross profit

£9.6m

(2021: £12.2m) -21%

Utilisation***

Underlying* loss before tax

£1.0m

(2021: profit £2.0m)

Loss for the year

£2.9m

(2021: profit £1.1m)

Headcount****

Net cash**

£4.9m

(2021: £6.5m) -24%

Loss per share

5.5p

(2020: profit 2.1p)

- Revenue decreased by 4% to £46.9m (2021: £48.8m) due to reduced size of Middle East (ME) and Asia Pacific (APAC) businesses
- Underlying* loss before tax of £1.0m (2021: profit £2.0m) due to losses in the ME and APAC
- Loss for the year of £2.4m (2021: profit £1.1m)
- Net cash** decreased to £4.9m (2021: £6.5m)
- Utilisation*** decreased to 67.5% (2021: 72.4%) largely attributable to ME and APAC
- Loss per share of 5.5p (2021: 2.1p)

* Underlying figures are stated before the share-based payment costs and exceptional 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

**** Headcount is the average full time equivalent for the year inclusive of both staff and suib-consultants

Chairman's statement

Steven Norris
Non-Executive Chairman
22 February 2023

OVERVIEW

As I reported in our 2022 interim results, Driver Group's key focus this year has been to take significant early action to address underperforming areas in our global business, mitigate commercial risk, improve operational resilience, and implement systems to enhance profitability and margin performance.

The year was defined by the long-tail legacy effects of the COVID-19 pandemic across the markets in which Driver operates. These post-pandemic issues have been conflated by global energy and supply chain uncertainties, rising interest rates, and the inflationary pressures caused by the conflict in Ukraine. I believe that we have managed these external challenges well for our shareholders and clients, whilst executing our reorganisation strategy in a decisive and effective way. In spite of this difficult global trading environment the measures we have taken have put the business on a strong and sustainable footing which leaves the business well placed to capitalise on future opportunities. Europe and the Americas continue to be our best performing regions and are a central focus of our growth plans in 2023. The Driver Project Services team based in the UK and our Driver Trett team both made a significant contribution to the results, and our US team continues to develop organically into a valuable asset, building out our bridgehead into the highly profitable markets of Central and South America.

A major strategic aim this year has been a policy of risk-reduction across the whole business. We have tackled major legacy issues in the Middle East, streamlining our presence and disposing of loss-making operations and assets. Although reducing our operations in the region has crystallised a charge in the 2022-23 financial year, we are confident that as a result of this reorganisation our presence in the UAE, KSA, Qatar and Oman will now deliver more consistent profitability within the region.

I am pleased to report that we have also executed significant internal administrative changes to improve our performance this coming financial year and beyond. We expect the successful implementation of our new accounting software at the start of the second half of FY22 to have a positive impact on future periods performance, improving visibility over utilisation levels, supporting the collection of outstanding debts, and providing us with cutting edge tools to maximise control over our cashflow. Taken together these measures are expected to have a positive impact on future business efficiency and productivity levels.

TRADING PERFORMANCE

While these changes leave us well-placed for growth, our mission to de-risk and improve the efficiency of our business continues. It is in the nature of a professional services business such as ours that predicting revenue beyond a rolling six-week window has always been difficult. We continue our focus on controlling overhead costs and delivering client servicing more efficiently to enhance our ability to be consistently profitable.

The cost of implementing these risk reduction strategies has been significant but we have ended the year with a healthy cash balance of £4.9m and no debt, reflecting our careful and prudent stewardship.

DIVIDEND

I am pleased to confirm that in spite of a challenging year the Directors have recommended a final dividend of 0.75p (2021: 0.75p per share) in addition to the interim dividend declared at the half year, demonstrating the Directors confidence in the business.

BOARD

The financial year has seen several changes at board level. Our CEO Mark Wheeler continues to guide our strategy and has been greatly assisted by our CFO Charlotte Parsons who has done a first class job since joining us permanently in July 2022. She will continue to provide insightful stewardship over the coming year. Finally, I want to express my thanks to Tom Comerford who has stepped up to the COO role in order to support Mark. These changes have already significantly enhanced our ability to improve our business in the face of global pressures.

On a personal note, having served as your Chairman for over eight years, I will be handing the stewardship of the Group to Shaun Smith who will join the Board and become the Group's new Non Executive Chair following my retirement at the conclusion of the forthcoming AGM on 23rd March. It has been an enormous privilege to lead Driver Group over this period and I am confident that Shaun will continue to drive the business forward.

OUTLOOK

The 2022 financial year has been a period of dynamic change and transition for us all and, for Driver Group, it has been no different. As the world has adjusted to the post-Covid settlement, one characterised by supply chain pressures and rapidly rising inflation across many of our

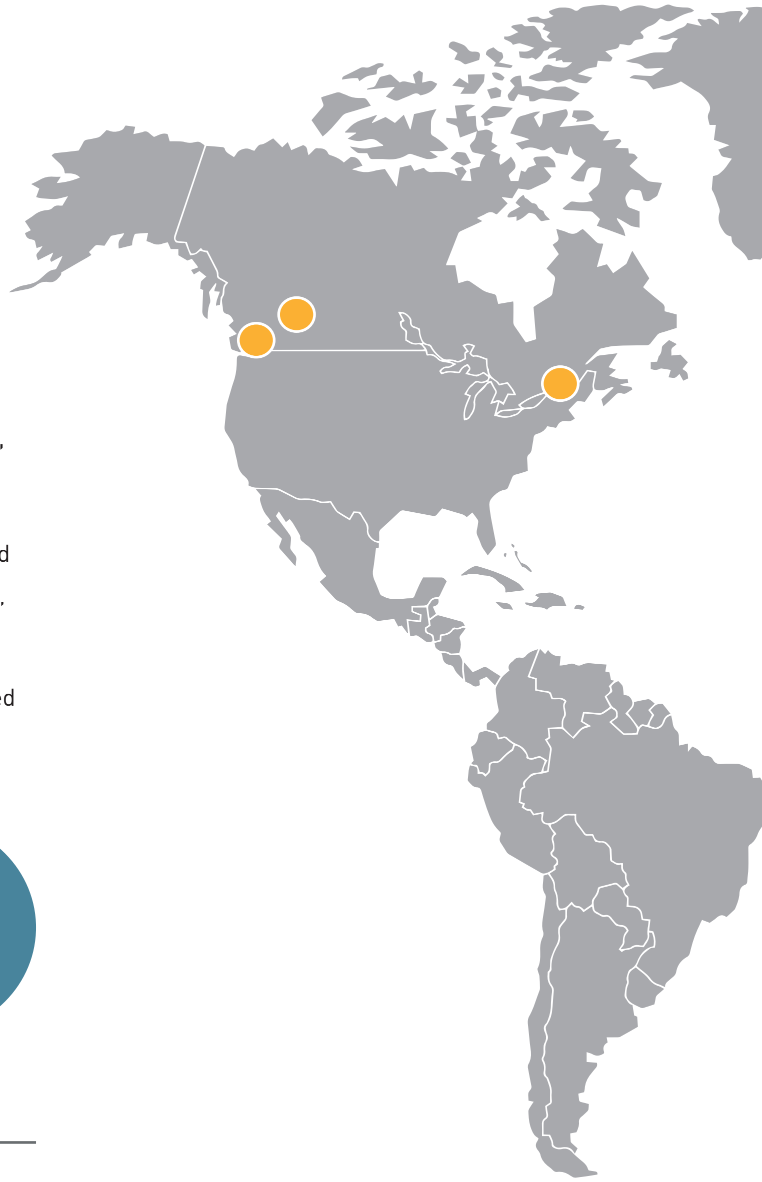
key markets, Driver Group has taken a considered and commercial view about how to get the business on the front foot and ready to take advantage of the opportunities ahead of us.

It is no coincidence that over the last many years Driver Group has sustained a global reputation for competitive performance and professionalism. We have done so directly as a consequence of the loyalty, ingenuity and teamwork of our brilliant staff around the world. I would like to take this opportunity to send every one of them my thanks and best wishes.

I want to express my gratitude to Mark and the executive team and to my non-executive board colleagues for making my role such a rewarding one to fulfil. I am confident that Driver Group will go from strength to strength under my successor and trust he will find his time at the helm as satisfying as I have.

The Board expects to deliver a return to profitability for FY23 and I shall continue to watch Driver Group's fortunes with great affection and interest.

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

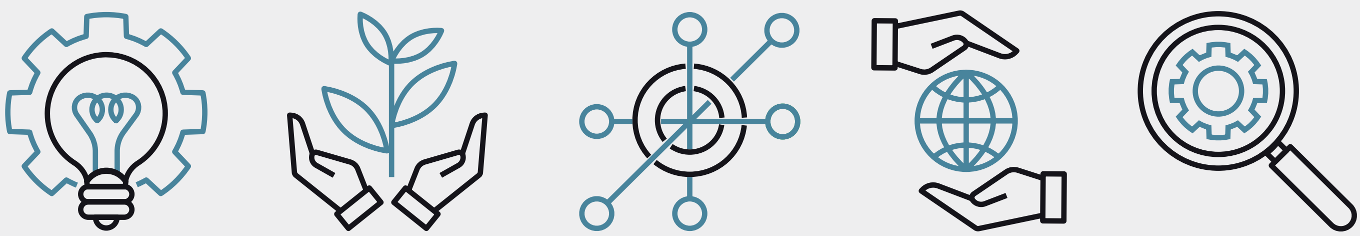
276 STAFF

WORLDWIDE EXPERTISE, DELIVERED LOCALLY

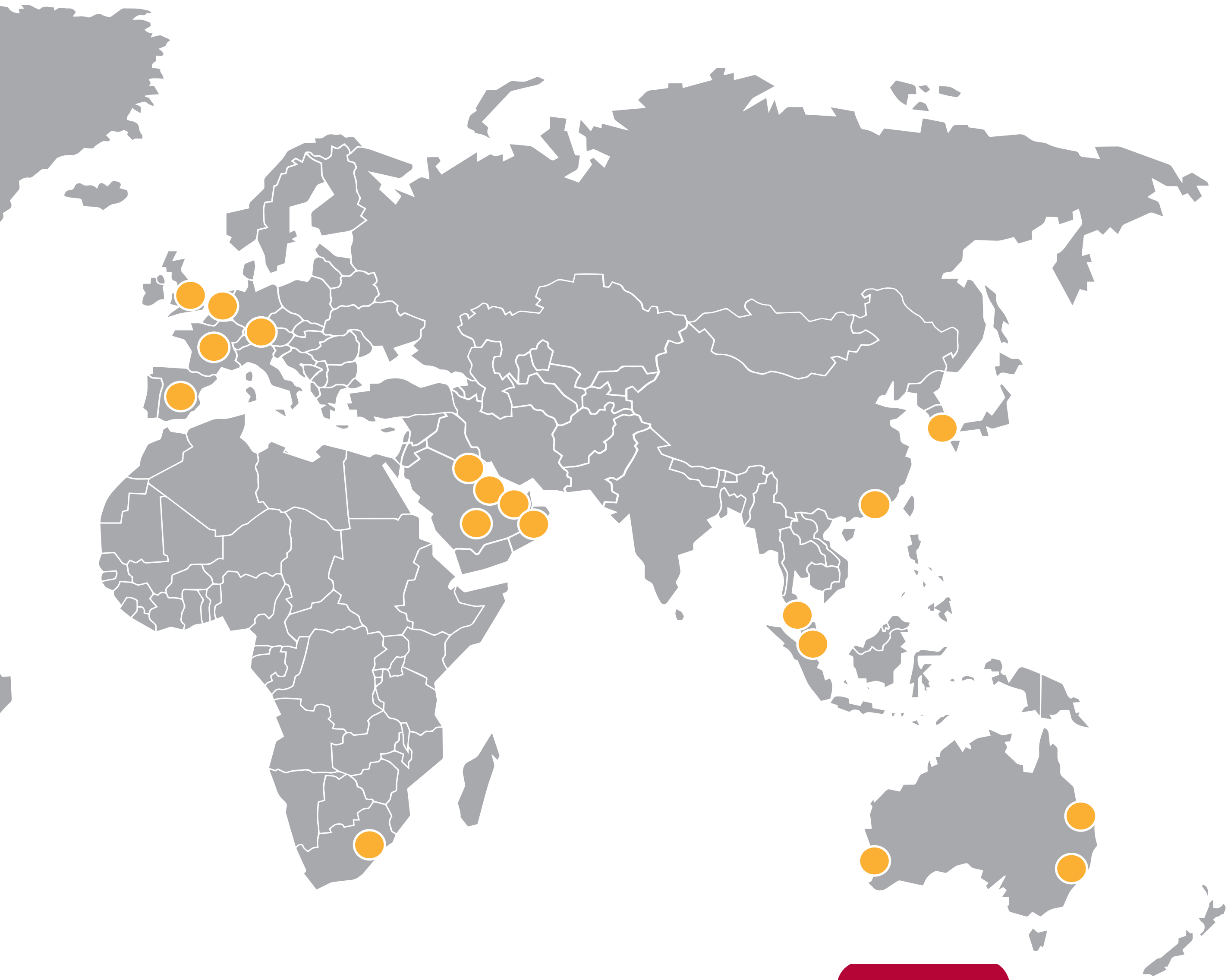
All assignments we undertake are managed by a director who remains personally responsible; right through to conclusion.

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
22 February 2023

INTRODUCTION

FY22 has been a period of dynamic change and transition for us all and, for Driver Group, it has been no different. As the world has adjusted to the post-Covid settlement, one characterised by supply chain pressures and rapidly rising inflation across many of our key markets, Driver Group has taken a considered and commercial view about how to get the business on the front foot and ready to take advantage of the opportunities that we can already see ahead of us.

Accordingly, we have implemented a raft of measures designed to improve the resilience and competitiveness of our business going forward: in particular, a focus on risk reduction in the Middle East and Asia Pacific regions has brought Driver the early advantages of significantly stronger long-term positioning.

As we emerged from the pandemic, workload began to increase in line with expectations, and in the second quarter of the year we took steps to restructure our presence in the Middle East. Management has executed a strategy designed to reduce our exposure in this region whilst ensuring seamless continuity of client servicing, which has involved balancing the staff profile with workload and the levels of income that could be generated.

Elsewhere, our businesses in Europe and the UK have delivered strong performance and the growth of our organically generated business in the United States has progressed significantly and successfully, tapping into opportunities in fast growing Latin American markets.

As with many businesses, the ongoing conflict in Ukraine has caused disruption in relation to, a number of our markets for arbitration and major project disputes, for clients working in Russia. Although travel restrictions remain in place, and sanctions are preventing multiple disputes and hearings progressing until the conflict ends, we expect to reengage in these disputes once the situation normalises.

During the current financial year, our management teams will continue to realign our cost base with the revised requirements for business support across our global operations. They will be extracting efficiency gains wherever we deem this appropriate and ensuring the business is exceptionally well positioned for the future development that we anticipate in FY23.

Our key staff have returned to extensive travel post-pandemic to reinforce global relationships and their delivery upon key commissions provides encouragement as we look ahead. We have moved away from regional silos and now operate fluidly around the globe, which will improve our utilisation over the next 12 months.

I would like personally to thank our outgoing Chairman Steven Norris for his service to Driver Group and for his insights and experience which I and my colleagues around the business have benefited from enormously over the last 8 years. I would also like to thank our new CFO, Charlotte Parsons, who has proved to be a great asset to the business; and our new COO, Tom Comerford, for his support over recent months and indeed over 20 years service to date. I also look forward to welcoming Shaun Smith to the Board at our AGM and look forward to working together.

We remain one of the world's largest and most respected practitioners in the specialist fields of Construction, Expert Witness, and Dispute Resolution. Our staff continue to be our greatest asset and enable us to retain and recruit business in a way that promises enhanced levels of profitability in the year ahead.

STRATEGY

Our strategy for developing the business has seen us focused on our staff, our margin, and growth in the areas we have identified. Our business culture and ethos will prioritise the maximal utilisation and profitability of our staff, while our management team remains committed to ensuring these areas receive the attention they deserve and that the benefits flow through to the bottom line in a timely and efficient way.

As a people-led business, we see staff retention as a key area of focus and have made significant progress to ensure that, in a marketplace where disruption from private equity-backed organisations has proved a challenge, our staff benefit to the full from Driver's exceptionally positive working environment and collegiate and inclusive culture. We have taken steps to support our staff around the world during the cost of living crisis, introducing new and innovative staff benefit schemes to ensure our people are best placed to weather the current economic storm. Coupled with the updated staff retention programmes, we are confident this will help the business both secure its existing talent and be well placed to hire additional staff of the appropriately high calibre to work in our business.

Our marketing team have performed extremely effectively in recent years and are now fully integrated with business development to bring in the larger international commissions which have a major positive impact on our utilisation levels. The number of leads in this pipeline of major commissions has significantly increased over the last quarter and we hope to see these early signs of success develop well into 2023 and beyond.

We have now completed the installation of our ERP IT system and expect this to contribute significant new efficiencies over the next 6 to 12 months. I would like to pay particular thanks to our finance team who have worked tirelessly alongside our new CFO to ensure this system runs effectively. The provision of real time management data will be an enormous asset to the business moving forward.

Running a global business in an environmentally responsible and sustainable way, and one that is imbued with high standards of governance and ethics is vital to all of us at Driver Group. The importance that, like our clients, we attach to high standards of ESG performance has been reflected by a migration within the business towards e-communications with our investors and staff, which promises greater time-efficiency, effectiveness and a reduced environmental footprint. The Board remains deeply committed to living our ESG values.

REGIONAL BREAKDOWN

EUROPE AND AMERICAS

The business had another good year in Europe with a significant recovery in the Paris office following a reorganisation of our operations there in the preceding year. We are also delighted to see the addition of a new testifying expert in that office, further developing this aspect of our business and reflecting our desire to compete even more vigorously in this market in the future.

The business in Germany continued to grow consistently and organically in alignment with our strategic outlook, and our longstanding business in the Netherlands also performed well during this period. We are delighted to see the business in Madrid going from strength to strength following a start-up during the pandemic, enhancing our ability to service the important global Spanish-speaking market.

Within the UK business, we supported some staff members through challenging periods of ill health. Despite these challenges, the business achieved similar levels of revenue and profit compared to the preceding year, and is expected to return to its trend growth rate in the current financial year – a level of performance which has been achieved, year over year, for the previous 10 years.

I would like particularly to mention our Driver Project Services business in the North East of England, which has enjoyed a year of exceptional and highly commendable growth. DPS has grown the number of its clients and the number of staff placed on projects significantly during the year, whilst assisting with the challenges of clients in the manufacturing, pharmaceutical and petrochemical industries. It has helped our clients re-engage following the pandemic and then manage the challenging impact of the energy and cost of living crises.

Our business in Canada unfortunately also suffered from some ill-health in its leadership and we have restructured to take that team forward in 2022 and beyond. I would particularly like to thank Kevin O'Neil our former Country Manager, for his unstinting support over the last few years.

Having launched our presence in the US during the pandemic, I am pleased to report that major project work has been secured; the team has doubled every six months since its inception; and we now have a well-established platform ensuring that we are positioned for sustainable future growth. This is a tribute to the team on the ground.

ASIA PACIFIC

In In view of the need to resolve decisively an especially large contract and management changes, the business in the Asia Pacific region has seen the creation of a new leadership team in order to capitalise on our business potential there. As part of this restructuring, we no longer operate from within Hong Kong or Malaysia but continue to service clients in those markets from our operations in Singapore and Australia, delivered in a more flexible, efficient and client-focused way.

> **“Our staff continue to be our greatest asset and enable us to retain and recruit business in a way that promises enhanced levels of profitability in the year ahead.”**

Chief Executive Officer's Review (continued)

Mark Wheeler
Chief Executive Officer
22 February 2023

Our leadership team in this region has been with us for a considerable length of time and has a great track record of success. I am very confident that we can see the return to profit that has taken place in Asia Pacific not only stabilise, but grow, in the next 2 to 3 years, to make a positive contribution to the Group.

I would like particularly to praise our team in Australia who have run a positive and profitable business throughout both the closing phase of the pandemic and some of the global challenges of 2022.

MIDDLE EAST

Staff turnover in this region confirmed our strategy to de-risk without placing undue pressure on debtor balances. The careful implementation of this strategy has equipped us with a more resilient business which is able to respond to client demand across this region and allows us to continue to provide a world-class service.

Thanks to the disposal of loss-making assets in the region, our business in the UAE has returned to profit and has started to contribute to other operations by securing work for Europe or Asia Pacific to deliver. Our business in Qatar has also returned to profit and we look forward to working with enquiries over the legacy of World Cup 2022 projects, which we expect to take this business forward profitably and sustainably over the next couple of years.

The Company no longer operates from Kuwait, although we will continue seamlessly to service clients there from our operations in UAE or Qatar. As in Asia Pacific, this means an identical or even better level of client servicing delivered from a more efficient and effective service platform.

I would like particularly to thank our staff in our office in Oman, who have been admirably resilient and have helped us to secure a very significant reduction in the aging debt relating to this office over the last 12 months: [£650,000] was recovered at the end of the financial year, and a further [£1.2m] was received in October. They have worked tirelessly to return that business to profit and I commend their contribution.

CURRENT TRADING AND OUTLOOK

The year has been one of reviewing, restructuring and resetting. It has been informed by the Board's proactive and prudent approach to servicing our clients in the most efficient and responsible manner, and our desire to return value to shareholders whenever and wherever possible.

The benefits of the steps we took last year are now starting to feed through. We are trading profitably and are now well positioned in FY23 to benefit from that earlier action and I am, therefore, very positive about our ability to meet our strategic aims of driving sustainable value creation for the benefit of our shareholders in the short term, and of delivering an expanding range of opportunities and incentives for our wider stakeholders.

This positive outlook is further encouraged and endorsed by the welcome progress I am pleased to report that we have made in Q1 of FY23. Profitable performance in the first quarter serves only to confirm that the tough decisions we took in the last financial year in order to position ourselves better for the future are already beginning to pay off. Where challenges have emerged, we have dealt with them in a thoughtful, diligent and decisive way, recognising the positive impact on our current cost base and competitiveness and with a keen awareness of the strength such action brings to Driver Group during the current financial year and in future ones.

The collection of [£1.85 million] of aged debts from Oman at the end of the financial year serves as powerful testimony to our staff's patience determination and resourcefulness in helping us deal with legacy issues effectively and to reset our presence in the region where we will in the future pursue a more flexible and dynamic approach.

Going forward, we will be even more focused on ensuring we meet client needs in the most efficient and seamless way, which may mean delivering service from wherever in the world the business's most relevant talents and expertise sit. We will do this in a disciplined and resourceful way that delivers even better value to our clients and, in the process, improves the utilisation of our bench of professional talents and skills. Over the coming year, we expect to see further benefits arising from this enhanced operational focus.

The performance of our operations in Europe and the Americas demonstrates clearly the value Driver Group creates for its shareholders and clients. We ended the year with total revenue exceeding [£36] million and our operations here are a model for us to replicate elsewhere across our global business. Elsewhere, our footprint has been more closely aligned with client need and, again, this is a trend which we expect will continue over the coming period in order to maximise benefits to the Group and its shareholders.

Our healthy cash balance of [£4.9 million] at the end of the year stands us in good stead as we have evolved further our approach and method of client servicing. The financial results for FY22 reflect our strategy of risk and cost reduction and their benefits have, as I have already indicated, been confirmed by our return to profit in the first quarter of the new financial year. I am, therefore, confident that the way in which we have dealt with past challenges leaves us operationally and competitively well positioned for the future.

SUMMARY AND CONCLUSIONS

Despite the success of our strategy to remain focused on higher margins and to increase our profile within expert witness services, 2022 has certainly presented challenges. We have maintained a steady pipeline of work and opportunities whilst effectively securing our long-term prospects through the restructuring of our business in the Middle East this year.

We no longer see COVID restrictions having a significant impact upon the business except in relation to Chinese entities although, at the time of writing, those restrictions appear to be lessening significantly: this holds out the prospect of significant opportunities and progress in the near term in this jurisdiction.

The challenges created by the conflict in Ukraine are still present, but that pipeline of work has not gone away but been deferred pending the resolution of that conflict.

Whilst the increases in the cost of living and fuel prices have undoubtedly posed a number of challenges for our clients and our staff, we have met those challenges with targeted measures designed to support our team through this period. We note that clients experiencing challenges on projects where prices are rising significantly represents a strong stream of work for the Group. In the face of these global challenges, our experts in construction cost and planning and technical matters are exceptionally well placed to help clients deal with finding the right strategy for their projects to cope with rising costs, and I anticipate that further work will result from the current macro-economic and trading environment.
The renewed scope for international travel, to an extent not seen since early 2020, at long last, allows us to return to other important business development activities. These will undoubtedly secure some valuable additional revenue but, above all, the Group's key asset is – as it has always been – its people.

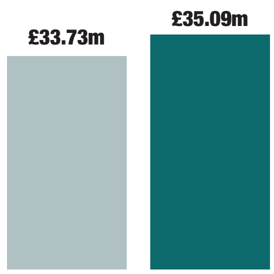
Trading in the first quarter has begun profitably. We have an incredibly talented and committed pool of staff around the globe who I am confident will help the Board steer the business to a return to a profitable trading performance this year and beyond. Taken together with the strategic steps that we have taken to right-size our operations around the world and to make our client servicing more targeted, efficient and cost-effective, the opportunities going forward are, I believe, very significant.

Operational Performance

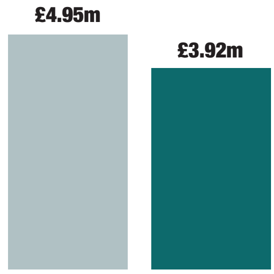
EUROPE AND AMERICAS

2021
2022

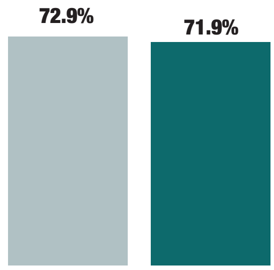
Revenue



Segmental profit



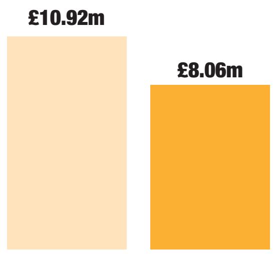
Utilisation



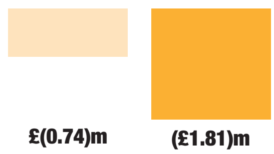
MIDDLE EAST

2021
2022

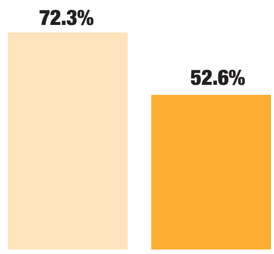
Revenue



Segmental loss



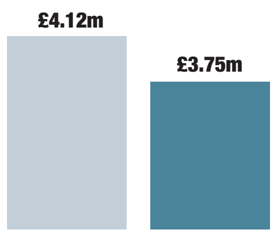
Utilisation



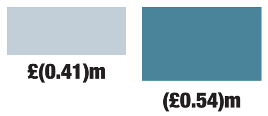
ASIA PACIFIC

2021
2022

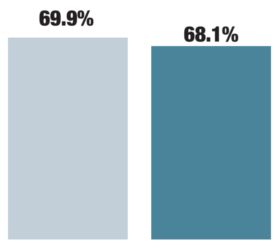
Revenue



Segmental loss



Utilisation



Chief Financial Officer's Review

Charlotte Parsons
Chief Financial Officer
22 February 2023

INCOME STATEMENT	2022 £m	2021 £m
Revenue	46.90	48.77
Cost of sales	(37.10)	(36.35)
Impairment movement	(0.19)	(0.19)
Gross Profit	9.61	12.23
Recurring operating expenses	(9.90)	(10.11)
Net finance costs	(0.10)	(0.11)
Operational (loss)/profit before tax	(0.39)	2.01
One off non-recurring expenses	(0.57)	-
Underlying* (loss)/profit before tax	(0.96)	2.01
Exceptional costs	(1.00)	-
Share-based payments charge	(0.47)	(0.15)
(Loss)/profit before Tax	(2.43)	1.86
Tax expense	(0.46)	(0.75)
(Loss)/profit for the year	(2.89)	1.11

During the first quarter of the financial year to 30 September 2022, as we emerged from the pandemic, workload increased in line with budget. The results in the second quarter were impacted by a combination of a loss-making contract in the APAC region and a drop in revenues in the Middle East region. The Middle East region was also further impacted in Q3 due to the management team transferring to a counterparty from 1 June 2022, along with 25 employees. The EuAm region had another good year with revenues continuing to increase, but, across all regions there was an operational loss before tax of £0.39m for the financial year to 30 September 2022, before one-off APAC and Middle East regions reorganisation costs of £0.57m and an onerous lease provision of £1.0m. The key financial metrics are as follows:

KEY METRICS	2022	2021
Revenue	£46.90m	£48.77m
Gross Margin %	20.5%	25.1%
(Loss)/profit for the year	£(2.89)m	£1.11m
Utilisation Rates**	67.5%	72.4%
Basic (loss)/earnings per share	(5.5)p	2.1p

Total revenue decreased by 3.8% to £46.90m (2021: £48.77m) and gross profit decreased by 21.4% to £9.61m (2021: £12.23m). The reduction in gross profit was a result of the loss-making contract in the APAC region and decreased revenue in the ME region, the impact of which has been offset by a reduction in costs. This resulted in an underlying* loss for the year of £0.96m, in-line with our expectations, compared to an underlying profit before tax of £2.01m in 2021. The net cash** at the year-end was £4.93m (2021: £6.47m), after funding a dividend payment of £0.78m (2021: £0.39m) and a share buyback programme of £0.50m (2021:Nil).

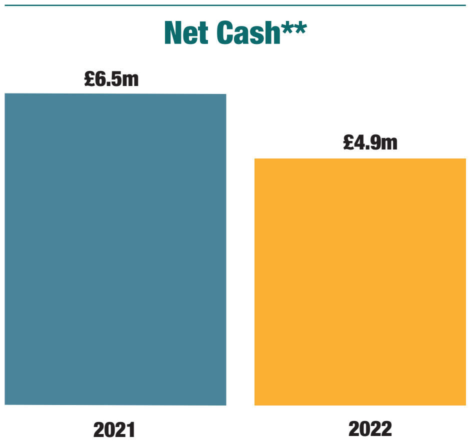
The EuAm region increased revenue by 3.8% to £35.01m (2021: £33.73m) with a decrease in segmental profit of 20.8% to £3.92m (2021: £4.95m). This strong performance was driven by good revenues in the UK of £24.88m (2021: £25.25m) an increase in revenues in mainland Europe of 12.6% to £7.35m (2021: £6.53m) and an increase in revenues in North America of 45.9% to £2.86m (2021: £1.96m).

The ME region saw revenues decrease during the year by 26.2% to £8.06m (2021: £10.92m) primarily as a result of the management team responsible for the APAC and Middle East regions transferring to a counterparty from 1 June 2022, along with 25 employees. The segmental result for the region was a loss of £1.81m (2021: segmental loss £0.74m).

The APAC region saw revenues reduce by 9.0% to £3.75m (2021: £4.12m). The revenues in Australia increased by 12.4% to £1.63m (2021: £1.45m), which helped to offset the reduction in the remainder of the region. The segmental result for the year was a loss of £0.54m (2021: segmental loss £0.41m) which reflects the impact of the loss-making contract in the region. Increasing utilisation will continue to be a key focus for the Group going forward.

The utilisation*** rate of chargeable staff across the business as a whole for the year fell to 67.5% (2021: 72.4%). Across the regions this was 71.9% in EuAm, 68.1% in APAC and 52.6% in the Middle East, reflecting the challenges highlighted above in APAC and the Middle East.

After a net interest charge of £0.10m (2021: £0.11m) the operational loss before tax was £0.39m (2021: £2.01m) and the reported loss before tax was £2.43m post one-off Middle



East reorganisation costs of £0.57m and an onerous lease provision of £1.00m (2021: £1.86m). The current year profit before tax includes a charge for share-based payments of £0.47m (2021:£0.15m).

NET WORKING CAPITAL

Net cash** remained healthy, closing the year at £4.93m (2021: £6.47m) with a reduction in net working capital following an increase in outstanding debtors and an increase in creditors.

TAXATION

The Group incurred a tax charge of £0.46m (2021: £0.75m). 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 18.9% (2021: 40.3%). The decrease in the effective rate is mainly due to the onerous lease provision offset by losses or reduced profits made in jurisdictions with either nil or lower tax rates which results in no relief for tax losses.

EARNINGS PER SHARE

The basic loss per share was 5.5 pence (2021: profit 2.1 pence). Underlying* continuing basic loss per share was 2.7p pence (2021: profit 2.4 pence).

CASH FLOW

There was a net cash outflow from operating activities before changes in working capital of £1.26m (2021: £3.36m), including the current year benefit of £0.96m (2021: £0.97m) from the amortisation of right of use assets under IFRS16. The movement also reflects the reported loss for the year of £2.89m (2021: profit £1.11m) after depreciation of £0.24m (2021: £0.26m). There was an increase of £1.33m in trade and other receivables (2021: increase of £0.88m) reflecting the more difficult market conditions during the year, and an increase in trade and other payables of £4.00m (2021: decrease £1.47m) resulting in a net cash inflow from operating activities of £0.87m (2021: £0.25m). Net tax paid in the year was £0.54m (2021: £0.76m).

There was a net cash outflow from investing activities of £0.57m (2021: £0.52m) which is a result of increased capital expenditure, including IT spend.

Net cash flow from financing activities was an outflow of £2.20m (2021: £4.43m) with the current year reflecting the dividends paid of £0.78m (2021: £0.39m), share buyback programme £0.50m and lease repayments under IFRS 16 of £0.82m (2021: £0.93m).

CASH FLOW	£m
Net cash** at 30 September 2021	6.47
Operating cash flow before changes in working capital	(1.26)
Increase in Trade and other receivables	(1.33)
Increase in Trade and other payables	4.00
Tax paid	(0.54)
Net interest paid	(0.10)
Net Capital spend	(0.57)
Dividends paid	(0.78)
Purchase of Treasury shares	(0.50)
Repayment of leases	(0.82)
Effects of Foreign Exchange	0.36
Net cash** at 30 September 2022	4.93

LIQUIDITY AND GOING CONCERN

The Group is in a strong financial position. At the year end the Group had net cash balances of £4.93m (2021: £6.47m). The net cash position is appropriate for the Group's operating requirements going forward but the current borrowing facilities are no longer suitable and will be replaced by a more flexible working capital arrangement.

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 any continuing impact of the COVID-19 pandemic and related risks. Under all scenarios modelled the Directors anticipate that any funding needs required would be sufficiently covered by the existing cash reserves. 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 2022 of 0.75p per share (2021: 0.75p per share) in addition to the interim dividend paid in October 2022 of 0.75p per share (2021: 0.75p) This will be paid on 13 April 2023 to shareholders who are on the register of members at the close of business on 3 March 2023, with an ex-dividend date of 2 March 2023, subject to approval at the Group's forthcoming Annual General Meeting.

* Underlying figures are stated before the share-based payment costs and exceptional 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 through a hybrid working model to help 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	135,836	25
Purchase of electricity for our own use	176,446	34
Total emissions per full-time equivalent member of staff of Driver Group Plc the parent	12,746	2

The emission factors used were from the UK Government's GHG Conversion Factors for Company Reporting 2022. 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 with home working and 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. The Group also offers access to number of health related assistance apps for it's employees.

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:

- Volunteering with local regional charities
- Sponsored Chairty Dinners
- Charity golf days
- Christmas donations to local and regional charities in lieu of cards.
- Donations to local hospices and sponsorship of local football teams

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 had cash balances of £4.9m and an undrawn revolving credit facility of £5.0m (2021: £5.0m) agreed to March 2023. Post year end this facility was cancelled due to there no longer being a requirement.
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 workloads 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 increased levels of cybercrime), 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 war in Ukraine and increased cost pressures due to high inflation globally and increasing interest rates effecting the cost of borrowing.	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 any economic downturns. Costs are continually reviewed by the board and managed in-line with the Group's projected revenue forecasts. The Group is in a cash positive position and as such currently benefits from the increased interest rates,

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 80% and 95% of the net income statement exposure. Other currencies are hedged where outstanding amounts become material. This policy is being reviewed by the Board post year end. Details of the foreign currency financial instruments in place at 30 September 2022 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.

Charlotte Parsons
Chief Financial Officer

Charlotte has over 23 years' experience in international property, engineering, and construction consultancies, where she has an established track record of providing high-level strategic and change management advice to the boards of PLCs and LLPs. Charlotte's experience as Finance Director at High-Point Rendel Ltd (since acquired by KPMG), and Chief Financial Officer of James R. Knowles (Holdings) PLC (since acquired by Hill International), means that she has a strong understanding of many of the same issues, sectors, markets and jurisdictions as those in which Driver Group operates.

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
Charlotte Parsons

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SOLICITORS
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NOMINATED ADVISORS
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London, EC2N 2AX

BROKERS
Singer Capital Markets,
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REGISTRARS
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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 which proved invaluable during the COVID-19 pandemic enabling staff to continually communicate and interact across the business with both clients and colleagues. To encourage a more unified business across the Group, there was an initiative introduced called "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. There is also a monthly "Business Update" call where the Group's CEO provides all employees with what is happening within the Group. 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. It also offers a number of non monetary benefits to staff.
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 had an unprecedented impact across the world and as such 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 offering staff a more flexible work offering.
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 Charlotte Parsons (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 Group's results. Regular contact is also maintained between the bank and the senior finance staff members ensuring the correct amount of facilities and support requirement is maintained for the best interest of the Group.

Report of the Directors

Charlotte Parsons
Chief Financial Officer
22 February 2023

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 2022.

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
- C L Parsons (appionted 27 July 2022)
- D J Kilgour (resigned 31 July 2022)
- 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 2022 Ordinary 0.4p Shares	30 September 2021 Ordinary 0.4p Shares
S J Norris	380,062	293,062
M Wheeler	335,000	310,000
C L Parsons	-	-
D J Kilgour	173,336	60,000
J P Mullen	2,062,428	2,062,428
E J Filkin CBE	37,000	-
P M Collini	103,500	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. During the year Mr Kilgour exercised the 113,336 options with none now outstanding.

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. As Mr Kilgour resigned from the board during the year all of the above share options have now lapsed.

During the year Mr Norris purchased of his own accord 87,000 shares, of which, 37,000 were at 27.0p each and 50,000 were at 46.5p each.

During the year Mr Wheeler purchased of his own accord 25,000 shares at 39.5p each.

During the year Mr Collini purchases of his own accord 43,500 shares, of which, 18,500 were at 27.0p each and 25,000 were at 39.5p each.

During the year Ms Filkin purchased of her own accord 37,000 shares at 27.0p each.

Mr Wilkinson who was a Director for the company until resigning on 31 May 2020 had 1,080,000 share options unexercised at 30 September 2021. During the year, Mr Wilkinson exercised all of these share options with none now outstanding.

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 2022, the Trust owned 3,677 (2021: 3,677) shares which it acquired at an average of 73p per share (note 12).

During the year, the Company repurchased 1,456,088 shares at a cost of £500,000 to be held in treasury and it utilised 1,531,493 treasury shares to settle outstanding share options. At 30 September the company holds a total of 1,712,406 treasury shares (2021: 1,787,811).

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

There have been no significant events requiring disclosure since 30 September 2022.

AUDITORS

Kreston Reeves LLP, who were appointed in the year, 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:

Charlotte Parsons
Chief Financial Officer

Corporate Governance Statement

OVERVIEW

As Chairman of the Board of Directors of Driver Group Plc (the "Company" or the "Group"), it is my duty to ensure the Group has both good corporate governance and an effective Board.

The Board recognises the importance of good corporate governance and has elected to adopt the QCA Corporate Governance Code (the "QCA Code"), which requires companies to adopt and comply with each of the principles or explain non-compliance.

The Board considers the QCA Code appropriate and suitable, having regard to the group's size and complexity. Below is the Company's explanation of how it has complied with the 10 principles of the QCA Code during the year including any deviation from those principles.

QCA PRINCIPLES

1. ESTABLISH A STRATEGY AND BUSINESS MODEL WHICH PROMOTES LONG-TERM VALUE FOR SHAREHOLDERS

The Board of Directors has determined that the Company's growth strategy will deliver the greatest medium and long-term value to its shareholders.

Driver Group Plc provides specialist commercial management, planning, programming and scheduling, project management, and dispute resolution support services, to the global engineering and construction industry. The Company supports clients from project inception and business case; pre-contract preparation, measurement, tendering, and procurement; the construction phase, from managing change, through to completion and agreement of the final accounts; to supporting the asset in use, through to refurbishment, re-purposing, and decommissioning.

The Company's plan for growth has been centred on making a difference by delivering robust and dynamic commercial solutions on time and within budget, either as a standalone service or as part of an integrated team within clients' existing commercial and construction management.

The Group's strategy, together with the principal risks and uncertainties facing the Group, are set out in the Strategic Report on pages 4 to 32 of the 2021 Annual Report.

2. SEEK TO UNDERSTAND AND MEET SHAREHOLDER NEEDS AND EXPECTATIONS

The Group places a great amount of importance on maintaining communication with stakeholders and is committed to having constructive dialogue with its shareholders.

The AGM provides an excellent opportunity for shareholders to engage with the Board and ask questions. All shareholders are invited to attend the AGM and sign up for the Company's investor alert service to ensure that they receive financial results and other key shareholder messages directly from the Company as soon as they become available. Investors also have access to current information on the Company's website.

The Company is open to receiving feedback from key stakeholders and will take action where appropriate.

3. TAKE INTO ACCOUNT WIDER STAKEHOLDER AND SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

The Board recognises that the continued growth and long-term success of the Company is reliant upon open communication with its internal and external stakeholders: professional advisers, shareholders, suppliers, regulators and other stakeholders.

The Company has an ongoing relationship with a broad range of its stakeholders and has regular and direct interaction with stakeholders provides them with opportunities to raise issues and provide feedback to the Company. The Board takes account of such feedback when discussing the Group's strategy.

Driver Group's environmental and community impact is minimal but this is constantly monitored and action will be taken if this changes in the future.

4. EMBED EFFECTIVE RISK MANAGEMENT, CONSIDERING BOTH OPPORTUNITIES AND THREATS, THROUGHOUT THE ORGANISATION

The Board is responsible for overseeing the Group's risk management and internal controls. It ensures that procedures are in place and implemented effectively to identify, evaluate, and manage the significant risks faced by the Company.

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.

The principal risks and uncertainties affecting the Group are set out on pages 30 and 31 of the 2021 Annual Report.

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. However, the Board will continue to monitor the need for an internal audit function as the Company grows and develops.

5. MAINTAIN THE BOARD AS A WELL-FUNCTIONING, BALANCED TEAM LED BY THE CHAIR

The Board comprises of two Executive Directors and four Non-Executive Directors as follows:

Executives

- Group Chief Executive Officer: Mark Wheeler;
- Chief Financial Officer: Charlotte Parsons;

Non-executives

- Non-Executive Chairman: Steven Norris;
- Non-Executive Director: Peter Collini;
- Non-Executive Director: Elizabeth Filkin CBE; and
- Non-Executive Director: John Mullen.

Further information about the Directors can be found on the Company's website.

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.

All Directors are subject to re-election every three years in accordance with both the requirements of the UK Companies Act and the Company's articles of association.

Directors meet formally and informally both in person and remotely. Board meetings are open and constructive, with every Director participating fully.

Given the nature and purpose of the Company, the experience of the Directors and the Company's proposed strategy, the Directors believe that the composition of the Board is appropriate and suitable.

The Executive Directors are employed on a full-time basis. Each Non-Executive Director must be able to devote sufficient time to the role to discharge their responsibilities effectively.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The Directors attendance at meetings of the Board and its committees during the year to 30 September 2022 are as follows:

Board meetings:

ATTENDANCE	Meetings Eligible to Attend	Meetings Attended
Mark Wheeler	17	17
Charlotte Parsons	8	8
David Kilgour	9	9
Steven Norris	17	17
Peter Collini	17	17
Elizabeth Filkin CBE	17	17
John Mullen	17	17

Audit Committee meetings:

ATTENDANCE	Meetings Eligible to Attend	Meetings Attended
Mark Wheeler*	-	2
Charlotte Parsons*	-	1
David Kilgour*	-	2
Steven Norris*	-	2
Peter Collini (Chair)	3	3
Elizabeth Filkin CBE	3	3
John Mullen*	-	2

Remuneration Committee meetings:

ATTENDANCE	Meetings Eligible to Attend	Meetings Attended
Elizabeth Filkin CBE (Chair)	1	1
Peter Collini	1	1
John Mullen	1	1

* Attendance through invitation

Charlotte Parsons was appointed as Chief Financial Officer on 27 July 2022

David Kilgour resigned as Chief Financial Officer on 31 July 2022

Directors' conflict of interest

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

All Directors are reminded periodically of their obligations to notify the Company of any changes in their statement of interests and to declare any benefits received from third parties (if any) in their capacity as a Director of the Group.

6. ENSURE THAT BETWEEN THEM THE DIRECTORS HAVE THE NECESSARY UP-TO-DATE EXPERIENCE, SKILLS AND CAPABILITIES

The Company believes that the Directors have appropriate experience in relevant sectors, providing the ability to fulfil their roles. Each individual director has personal responsibility for keeping up to date on matters which may

Corporate Governance Statement (continued)

be relevant to their role as a director.

Details of the individual Directors and their experience are set out on the Company's website.

The Company's nominated adviser, solicitors, corporate governance advisors and 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 here.

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 2022, the Company's nominated adviser and auditors have advised the Company on routine matters within the scope of their respective engagement letters.

7. EVALUATE BOARD PERFORMANCE BASED ON CLEAR AND RELEVANT OBJECTIVES, SEEKING CONTINUOUS IMPROVEMENT

The Remuneration Committee is responsible for monitoring the performance of the Executive Directors. The performance of the Chairman and Non-Executive Directors as individuals is reviewed by the Executive Directors.

In 2022, the Board conducted a formal externally-led board evaluation process to ensure that members of the Board collectively function in an efficient manner. All directors completed a confidential survey providing feedback on various aspects of the Board's performance. Detailed feedback was provided to, and considered by, the Board. Although the evaluation noted that the Board and Committees are working well, areas for improvement were highlighted, which will be addressed by the Board in the coming year.

8. PROMOTE A CORPORATE CULTURE THAT IS BASED ON ETHICAL VALUES AND BEHAVIOURS

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole, which in turn will impact the Company's performance. 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.

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.

9. MAINTAIN GOVERNANCE STRUCTURES AND PROCESSES THAT ARE FIT FOR PURPOSE AND SUPPORT GOOD DECISION-MAKING BY THE BOARD

The Company's governance structures are appropriate for a company of its size. The Board meets at least six times a year and is responsible for the overall strategy and financial performance of the Group. 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 practices agreed by the Board.

The Board delegates certain duties and, where applicable, authority, to two Committees to assist it with accomplishing its business objectives and maintain a strong system of internal control and risk management. The Committees meet independently of Board meetings. The current Governance structure is outlined below:

AUDIT COMMITTEE

The Audit Committee comprises of Peter Collini (as Chair) and Elizabeth Filkin CBE as a member. 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 Audit Committee is expected to meet at least three times a year and at such other times as may be required. Other directors may attend meetings of the Audit Committee by invitation.

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.

REMUNERATION COMMITTEE

The Remuneration Committee is chaired by Elizabeth Filkin CBE, with Peter Collini and John Mullen as members. It 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:

- recommending to the Board a remuneration policy for directors and executives and monitoring its implementation;
- 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);
- approving and recommending to the Board the individual remuneration package of other senior executives (including bonuses, incentive payments and share awards);
- approving the design of, and determining targets for, any performance-related share schemes operated by the Company; and
- 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 is reviewed by the Executive Directors. Performance is normally reviewed in September of each year with any revisions normally taking place in October.

Considering the size of the board of directors of the Company, the Directors do not consider it necessary to establish a Nomination Committee; however, the Directors will keep this under regular review. The functions of a Nomination Committee are undertaken by the Board as a whole.

10. COMMUNICATE HOW THE COMPANY IS GOVERNED AND IS PERFORMING BY MAINTAINING A DIALOGUE WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

The Board is committed to maintaining effective communication and having constructive dialogue with its shareholders. This is done through Interim and Annual Reports along with Regulatory News Service announcements.

Shareholders are encouraged to attend the Company's AGM, where they will be given the opportunity to interact with the Directors. The Board maintains that, if there is a resolution passed at a general meeting with 20% votes against, the Company will seek to understand the reason for the result and, where appropriate, take suitable action. At the last AGM in March 2022, all resolutions passed with at least 98% support.

Investors also have access to the latest information on the Group through its website.

On behalf of the Board:

Steven Norris
Chairman

Directors' Remuneration Report

For the year ended 30 September 2022

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
22 February 2023

DIRECTORS' REMUNERATION 2022	Salary and fees £	Severance £	Bonus £	Benefits £	Car allowance £	Pension £	Total Remuneration £
Mark Wheeler[(1)]	390,000	-	-	4,211	12,000	9,900	416,111
David Kilgour[(1)(4)]	209,231	-	-	4,161	11,969	-	225,361
Charlotte Parsons[(5)]	35,538	-	-	-	-	330	35,868
Steven Norris[(1) (2)]	80,000	-	-	-	-	-	80,000
Peter Collini	35,000	-	-	-	-	-	35,000
Elizabeth Filkin CBE	35,000	-	-	-	-	-	35,000
John Mullen[(3)]	35,000	-	-	-	-	-	35,000
Total	**819,769**	**-**	**-**	**8,372**	**23,969**	**10,230**	**862,340**

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)(4)]	198,000	-	-	3,511	12,000	-	213,511
Charlotte Parsons[(5)]	-	-	-	-	-	-	-
Steven Norris[(1) (2)]	80,000	-	-	-	-	-	80,000
Peter Collini	35,000	-	-	-	-	-	35,000
Elizabeth Filkin CBE	35,000	-	-	-	-	-	35,000
John Mullen[(3)]	35,000	-	-	-	-	-	35,000
Total	**773,000**	**-**	**-**	**6,654**	**24,000**	**9,900**	**813,554**

1 Share option charge in respect of options held by Directors in the year was £nil (2021: £nil).
2 Steven Norris is a senior advisor for Acuitas Communications. During the year Acuitas Communications were paid £72,000 (2021: £76,500) for services provided to the Group.
3 John Mullen continues to provide expert services and generates income for the Group. During the year, the Group paid Mullen Consult Ltd £370,000 (2021: £189,000).
4 David Kilgour resigned as Chief Financial Officer on 31 July 2022. He was paid for all contractual entitlements until 28 September 2022.
5 Charlotte Parsons was appointed as Chief Financial Officer on 27 July 2022.

For the year to 30 September 2022, the remuneration of Non-Executive Directors was set by the Board and consisted of an annual fee paid in equal monthly instalments.

SHARE OPTIONS 2022	Opening Number	Granted Number	Exercised Number	Lapsed Number	Closing Number	Exercisable at 30 September 2022 Number	Exercise Price £	Value of exercisable shares at grant date £	Value of exercisable shares at 30 September 2022 £
Gordon Wilkinson*	1,080,000	-	(1,080,000)	-	-	-	Nil	-	-
David Kilgour	613,336	-	(113,336)	(500,000)	-	-	Nil	-	-
Mark Wheeler	1,953,336	-	-	-	1,953,336	453,336	Nil	296,935	142,801
Steven Norris	50,000	-	-	-	50,000	50,000	Nil	32,750	15,750
Total	**3,696,672**	**-**	**(1,193,336)**	**(500,000)**	**2,003,336**	**503,336**	**-**	**329,685**	**158,551**

The value of exercisable options at 30 September 2022 is based on the closing share price on 30 September 2022 of 31.5p.

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.

*Gordon Wilkinson was the Group's previous Chief Executive Officer who resigned from the board on 31 May 2020. During the year Mr Wilkinson exercised all of his 1,080,000 outstanding share options.

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

We have audited the financial statements of Driver Group PLC (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 September 2022 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated and company statements of financial position, consolidated cash flow statement, consolidated and company statements of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation of the group financial statements is applicable law and UK adopted international accounting standards.

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 2022 and of the Group's loss for the year then ended; and
- Have been properly prepared in accordance with UK adopted international accounting standards; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS 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:

- Analysing the financial performance and financial strength of the business based on recently audited annual results, including an assessment of liquidity in the business; and
- Review and challenge of the forecasts prepared by management by investigating the rationale behind the numerical inputs and by considering the accuracy of historic forecasting by management; and
- Evaluating post year end performance of the business up to the date of the approval of these financial statements to gain additional assurance over the continued profitable operation and financial health of the Group; and
- Analysis of the share price over the past 12 months to ensure there have been no significant decreases and further investigations of the Group's reputation in the marketplace to assess for any evidence of material threats to going concern.

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.

OUR APPLICATION OF MATERIALITY

Group Financisl Statements	
	2022
Materiality	£469,700
Basis for determining materiality	1% of revenues
Rationale for the benchmark applied	The group's principal activity of that of consultancy specifically providing it to the engineering and construction industry. Therefore a benchmark for materiality of revenue of the group is considered to be appropriate.
Performance materiality	£352,300
Basis for determining performance materiality	75% of materiality
Rationale for benchmark applied	Given the size and listed nature of the group, as well as a number of significant accounting estimates, a performance materiality has been applied reflecting that the level of audit risk involved.

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

Parent Company Financial Statements	
	2022
Materiality	£345,830
Basis for determining materiality	3% Gross assets
Rationale for the benchmark applied	The company operates as a holding company for the group and has no external income. To this end a benchmark based on the gross assets of the company is considered to be appropriate.
Performance materiality	£276,700
Basis for determining performance materiality	80% of materiality
Rationale for benchmark applied	The Parent company is a holding company and has no trade. As such it is considered to have a lower risk profile than the overall group.

We reported all audit differences found in excess of our triviality threshold of £ 47,000 to the directors and the management board.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the parent company, the accounting processes and controls, and the industry in which they operate.

Our scoping considerations for the Group audit were based both on financial information and risk. The below table summarises for the parent company, and its subsidiaries, in terms of the level of assurance gained:

Group Component	Level of assurance
Driver Group Plc	Full statutory audit
Driver Consult Limited	Full statutory audit
Driver Project Services Limited	Full statutory audit
Trett Holdings Limited	Full statutory audit
Trett Limited	Full statutory audit
Driver Consult Oman (LLC)	Full statutory audit (component auditor – H.C. Shah Chartered Accountants)
Driver Consult (UAE) LLC	Full statutory audit (component auditor – Kreston Menon Chartered Accountants)
Driver Consult Qatar LLC	Full statutory audit (component auditor – Kreston SVP Chartered Accountants)
Other group subsidiaries (see full disclosure of these in note 12)	Limited assurance review on transactions or balances deemed to be material to the group

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

COVERAGE OVERVIEW

	Group revenue	Group loss before tax	Group net assets
Totals at 30 September 2022:	£46.9m	(£2.42m)	£16.36m
Full statutory audit	£38.0m	(£2.02m)	£12.67m
Limited procedures	£8.9m	(£0.4m)	£3.69m

USE OF COMPONENT AUDITORS

At the planning stage of the audit a scoping assessment was undertaken to determine which elements of the group are material to the overall Group financial statements. Component auditors were then appointed for subsidiaries deemed to be material outside of our initial scope as UK auditors. This was 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, Oman and Qatar.
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 judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

REVENUE RECOGNITION: £46.9M (2021: £48.8M)

Significance and nature of key risk

The Group's revenue is attributable from consultancy, contract administration and project consultancy services.

We have focused on these revenue streams due to the potential for material misstatement of revenue, whether caused by fraud or error, which would fundamentally change the outlook of the financial statements to stakeholder and other users.

The group's revenue accounting policy is outlined in note 1 of these financial statements.

How our audit addressed the key risk

The revenue recognition policies for each revenue stream were reviewed to ensure these are in line with the full requirements of IFRS 15.

A sample from each revenue stream was substantively verified by: Agreeing to underlying agreement or contract, including confirming agreed hourly charge-out rates of staff; confirming the total amount of staff time charged to the project in the year and agreeing the recalculated revenue to be recognised to the sales invoice(s) issued.

Revenue was further analytically reviewed by reference to our own expectations based on previous years, budgets and other information.

Walkthrough testing was undertaken to ensure that the design and implementation of systems and controls in place in respect of the revenue cycle were appropriate and that there were being correctly applied in the business.

Key observations communicated to the Risk and Audit Committee

We have no concerns over the material accuracy of revenue recognised in the financial statements.

VALUATION/IMPAIRMENT OF GOODWILL: £3M (2021: £3M) AND INTANGIBLE ASSETS: £0.8M (2021: £0.5M)

Significance and nature of key risk

Goodwill represents the excess of the cost of a business combination over the interest in the fair value of subsidiaries previously acquired.

Intangible assets relate to the Group's development of a new timesheet and finance system being capitalised.

We have focused on these balances due to the inherent management judgement involved. In respect of goodwill the judgement that these acquisitions continue to represent bespoke revenue generating assets. In respect of intangible assets the judgement that these development costs be treated as assets of the group rather than expenses.
The group's revenue accounting policies relating to goodwill and intangible assets are outlined in note 1 of these financial statements.

How our audit addressed the key risk

Goodwill - We reviewed goodwill calculations to ensure that these have been correctly calculated in line with the requirements of IFRS 3. The historic inputs into these calculations was vouched to appropriate audit evidence. Recent trading results were assessed to ensure these did not suggest material impairment to the goodwill models. Ownership documentation was also obtained to ensure current ownership of the cash generating units with goodwill recorded.
Intangible assets - We reviewed the breakdown of items capitalised as part of the timesheet & finance system software being developed. For each item sampled we ensured that these meet the full requirements for recognition under IAS 38.
We considered management's judgement in respect of the determined useful economic life of the asset to ensure that the associated amortisation charge applied is reasonable.
Both - Management's impairment assessments were considered. We undertook our own assessments of potential impairment indicators, as guided by IAS 36.

Key observations communicated to the Risk and Audit Committee

We have no concerns over the material accuracy of goodwill and intangible asset values recognised in the financial statements.

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 report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- The information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The 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 o the Directors' report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our 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.
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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement (set out on page 45), 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 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 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

CAPABILITY OF THE AUDIT IN DETECTING IRREGULARITIES, INCLUDING FRAUD

Based on our understanding of the group and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. 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 to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of intangible assets. Audit procedures performed by the group engagement team and component auditors included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Conducting interviews with appropriate personnel to gain further insight into the control systems implemented, and the risk of irregularity; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, and reviewing correspondence with relevant tax and regulatory authorities; and
- Substantiating expenses capitalised in intangible assets to ensure that these are legitimate expenses, both in nature and amount, to be considered an asset of the business under IAS 38; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying, through the use of data analytics, and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

USE OF OUR REPORT

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

Anne Dwyer
BSc(Hons) FCA (Senior Statutory Auditor)
For and on behalf of
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London
22 February 2023

Consolidated Income Statement

For the year ended 30 September 2022

	Notes	2022 £000	2021 £000
REVENUE	2	**46,897**	**48,772**
Cost of sales		**(37,095)**	**(36,350)**
Impairment movement	13	**(188)**	**(187)**
GROSS PROFIT		**9,614**	**12,235**
Administrative expenses		**(12,107)**	**(10,459)**
Other operating income		**167**	**194**
Underlying* operating (loss)/profit		**(861)**	**2,119**
Exceptional costs	10	**(1,000)**	**-**
Share-based payment charges and associated costs	18	**(465)**	**(149)**
OPERATING (LOSS)/PROFIT	2,4	**(2,326)**	**1,970**
Finance income		**-**	**-**
Finance costs	6	**(100)**	**(110)**
(LOSS)/PROFIT BEFORE TAXATION	2	**(2,426)**	**1,860**
Tax expense	7	**(460)**	**(746)**
(LOSS)/PROFIT FOR THE YEAR		**(2,886)**	**1,114**
Loss attributable to non-controlling interest		**(2)**	**-**
(Loss)/Profit attributable to equity shareholders of the Parent		**(2,884)**	**1,114**
		(2,886)	**1,114**
Basic (loss)/earnings per share attributable to equity shareholders of the Parent (pence)	9	**(5.5)p**	**2.1p**
Diluted (loss)/earnings per share attributable to equity shareholders of the Parent (pence)	9	**(5.3)p**	**2.1p**

* Underlying figures are stated before the share-based payment costs and exceptional costs

The notes on pages 57 to 87 form part of these Financial Statements

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2022

	2022 £000	2021 £000
(LOSS)/PROFIT FOR THE YEAR	**(2,886)**	**1,114**
Other comprehensive income:		
Items that could subsequently be reclassified to the Income Statement:		
Exchange differences on translating foreign operations	**(970)**	**38**
OTHER COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR NET OF TAX	**(970)**	**38**
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	**(3,856)**	**1,152**
Total comprehensive income attributable to:		
Owners of the Parent	**(3,854)**	**1,152**
Non-controlling interest	**(2)**	**-**
	(3,856)	**1,152**

The notes on pages 57 to 87 form part of these Financial Statements

Consolidated Statement of Financial Position

As at 30 September 2022

	Notes		2022		2021
COMPANY NUMBER: 3475146		£000	£000	£000	£000
NON-CURRENT ASSETS					
Goodwill	12	2,969		2,969	
Property, plant and equipment	11	384		405	
Intangible asset	32	798		516	
Right of use asset	19	1,375		1,854	
Deferred tax asset	17	192		272	
			5,718		6,016
CURRENT ASSETS					
Trade and other receivables	13	20,281		18,865	
Derivative financial asset	21	-		57	
Current tax receivable		470		-	
Cash and cash equivalents	16	4,931		6,474	
			25,682		25,396
TOTAL ASSETS			31,400		31,412
CURRENT LIABILITIES					
Lease creditor	20	(754)		(778)	
Trade and other payables	14	(11,296)		(8,009)	
Derivative financial liability	21	(1,938)		(169)	
Current tax payable		(251)		(165)	
			(14,239)		(9,121)
NON-CURRENT LIABILITIES					
Lease creditor	20	(634)		(1,023)	
Deferred tax liabilities	17	(169)		-	
			(803)		(1,023)
TOTAL LIABILITIES			(15,042)		(10,144)
NET ASSETS			16,358		21,268
SHAREHOLDERS' EQUITY					
Share capital	18		216		216
Share premium	22		11,496		11,496
Merger reserve	22		1,055		1,055
Currency reserve	22		(1,381)		(411)
Capital redemption reserve	22		18		18
Treasury shares	22		(1,525)		(1,025)
Retained earnings	22		6,478		9,916
Own shares	22		(3)		(3)
TOTAL SHAREHOLDERS' EQUITY			16,354		21,262
NON-CONTROLLING INTEREST	22		4		6
TOTAL EQUITY			16,358		21,268

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

Charlotte Parsons
Chief Financial Officer
22 February 2023

The notes on pages 57 to 87 form part of these Financial Statements.

Consolidated Cash Flow Statement

For the year ended 30 September 2022

	Notes	2022 £000	2021 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit for the year		**(2,886)**	**1,114**
Adjustments for:			
Depreciation	11	**239**	**261**
Exchange adjustments		**(361)**	**38**
Amortisation of right of use asset		**917**	**969**
Amortisation of intangible asset		**40**	**-**
Finance expense	6	**100**	**110**
Tax expense	7	**460**	**746**
Equity settled share-based payment charge[1]	18	**229**	**118**
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS		**(1,262)**	**3,356**
Increase in trade and other receivables		**(1,330)**	**(881)**
Increase/(decrease) in trade and other payables		**4,000**	**(1,465)**
CASH GENERATED IN OPERATIONS		**1,408**	**1,010**
Tax paid		**(539)**	**(763)**
NET CASH INFLOW FROM OPERATING ACTIVITIES		**869**	**247**
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**-**	**-**
Acquisition of property, plant and equipment		**(398)**	**(187)**
Proceeds from the disposal of property, plant and equipment		**150**	**-**
Acquisition of intangible assets		**(321)**	**(334)**
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(569)**	**(521)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		**(100)**	**(110)**
Repayment of borrowings		**(1,000)**	**(3,250)**
Proceeds of borrowings		**1,000**	**250**
Repayment of lease liabilities		**(821)**	**(928)**
Purchase of Treasury shares		**(500)**	**-**
Dividends paid to equity shareholders of the Parent		**(783)**	**(391)**
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	16	**(2,204)**	**(4,429)**
Net (decrease)/increase in cash and cash equivalents		**(1,904)**	**(4,703)**
Effect of foreign exchange on cash and cash equivalents		**361**	**(38)**
Cash and cash equivalents at start of period		**6,474**	**11,215**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16	**4,931**	**6,474**

(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 57 to 87 form part of these Financial Statements

Consolidated Statement of Changes in Equity

For the year ended 30 September 2022

	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 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	-	-	-	-	-	-	-	-	-	-
CLOSING BALANCE AT 30 SEPTEMBER 2021	**216**	**11,496**	**(1,025)**	**1,055**	**(393)**	**9,916**	**(3)**	**21,262**	**6**	**21,268**
OPENING BALANCE AT 1 OCTOBER 2021	**216**	**11,496**	**(1,025)**	**1,055**	**(393)**	**9,916**	**(3)**	**21,262**	**6**	**21,268**
Loss for the year	-	-	-	-	-	(2,884)	-	(2,884)	(2)	(2,886)
Other comprehensive loss for the year	-	-	-	-	(970)	-	-	(970)	-	(970)
Total comprehensive loss for the year	-	-	-	-	(970)	(2,884)	-	(3,854)	(2)	(3,856)
Dividends	-	-	-	-	-	(783)	-	(783)	-	(783)
Share-based payment[4]	-	-	-	-	-	229	-	229	-	229
Purchase of Treasury shares	-	-	(500)	-	-	-	-	(500)	-	(500)
CLOSING BALANCE AT 30 SEPTEMBER 2022	**216**	**11,496**	**(1,525)**	**1,055**	**(1,363)**	**6,478**	**(3)**	**16,354**	**4**	**16,358**

(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 57 to 87 form part of these Financial Statements

Summary of Significant Accounting Policies

For the year ended 30 September 2022

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 82 to 87.

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 have prepared cash flow forecasts 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. At 30 September 2022 the Group had cash reserves of £4.9m with an undrawn amount of £5.0m from a revolving credit facility of £5.0m. However, post period end this £5.0m revolving credit facility was cancelled. The strong cash position was after a year of change and restructure within the Group, particularly for the Middle East and Asia Pacific regions during the year which meant the Group incurred one off losses.

The Directors have also prepared a stress case scenario that demonstrates the Group's ability to continue as a going concern even with a significant drop in revenues and limited mitigating cost reduction to re-align with the revenue drop.

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. 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.

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.

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.

INTANGIBLE ASSETS

Intangible assets held which consists of the Group's new finance systme is held at cost less accumulated amortisation. The Group have estimated the useful economic life to be 10 years.

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.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

FUTURE IFRS ACCOUNTING STANDARD CHANGES

Standard	Effective date	Overview
IFRS 17 Insurance Contracts	1 January 2023 (early adoption permitted)	IFRS 17 will replace IFRS 4 Insurance Contracts, a temporary standard which permits a variety of accounting practices for insurance contracts
Amendments to IFRS 17 – Initial Application of IFRS 17 & IFRS 9	1 January 2023 (early adoption permitted)	Many insurance entities will now be applying both IFRS 17 and IFRS 9 for the first time in annual reporting periods beginning on or after 1 January 2023.
Amendments to IAS 1 - Presentation of Financial Statements	1 January 2023 (early adoption permitted)	The standard has been amended to clarify that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period.
Amendments to IAS 1 and IFRS Practice Statement 2 – Making Materiality Judgements	1 January 2023 (early adoption permitted)	The amendments to IAS 1 will require an entity to disclose material accounting policies. Accounting policy information is likely to be considered material if users need the disclosure to understand other material information in the accounts.
Amendments to IAS 12 – Income Taxes	1 January 2023 (early adoption permitted)	The amendment to IAS 12 Income Taxes introduces an exception to the "initial recognition exemption" when the transaction gives rise to equal taxable and deductible temporary differences.
Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023 (early adoption permitted)	The amendments introduce a definition for accounting estimates which is 'monetary amounts in financial statements that are subject to measurement uncertainty'. Measurement uncertainty will arise when monetary amounts required to apply an accounting policy cannot be observed directly. In such cases, accounting estimates will need to be developed using judgements and assumptions.

None of the above standard changes will have a material effect on the Group Financial Statements.

Notes to the Financial Statements

For the year ended 30 September 2022

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 2022	Europe & Americas £000	Middle East £000	Asia Pacific £000	Eliminations £000	Unallocated £000	Consolidated £000
Total external revenue	35,089	8,063	3,745	-	-	46,897
Total inter-segment revenue	1,093	754	551	(2,398)	-	-
Total revenue	36,182	8,817	4,296	(2,398)	-	46,897
Segmental profit/(loss)	3,923	(1,814)	(544)	-	-	1,565
Unallocated corporate expenses(1)	-	-	-	-	(2,426)	(2,426)
Share-based payments charge and associated costs	-	-	-	-	(465)	(465)
Exceptional costs	-	-	-	-	(1,000)	(1,000)
Operating profit/(loss)	3,923	(1,814)	(544)	-	(3,891)	(2,326)
Finance income	-	-	-	-	-	-
Finance expense	-	-	-	-	(100)	(100)
Profit/(loss) before taxation	3,923	(1,814)	(544)	-	(3,991)	(2,426)
Taxation	-	-	-	-	(460)	(460)
Profit/(loss) for the period	3,923	(1,814)	(544)	-	(4,451)	(2,886)
OTHER INFORMATION						
Non current assets	3,241	245	48	-	2,184	5,718
Reportable segment assets	17.780	9,617	2,148	-	1,855	31,400
Capital additions(2)	138	249	6	-	326	719
Depreciation and amortisation	566	214	157	-	259	1,196

(1) Unallocated costs represent Directors' remuneration (the audited Directors' remuneration report can be found on page 42 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 2022.

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)
Exceptional 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 42 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.

Notes to the Financial Statements (continued)

GEOGRAPHICAL INFORMATION

EXTERNAL REVENUE BY LOCATION OF CUSTOMERS	2022 £000	2021 £000
United Kingdom	21,624	18,892
Netherlands	3,241	3,186
Germany	3,154	1,856
United Arab Emirates	2,074	3,474
Australia	2,041	1,462
South Korea	1,372	437
Qatar	1,357	2,581
Oman	1,327	3,065
Singapore	1,156	1,266
Saudi Arabia	1,150	3,137
France	1,107	1,030
Canada	1,059	1,146
Spain	975	955
United States	876	932
Italy	707	502
Hong Kong	626	74
Ireland	403	1,151
Kuwait	341	845
Peru	328	16
Belgium	279	224
Serbia	233	-
Norway	198	43
Russia	192	391
Malaysia	170	473
South Africa	149	209
Philippines	107	-
Chile	105	-
Indonesia	99	255
Other countries	447	1,170
	46,897	48,772

GEOGRAPHICAL INFORMATION OF NON CURRENT ASSETS

	2022 £000	2021 £000
UK	5,094	5,347
Oman	140	123
UAE	63	125
Singapore	121	25
Qatar	42	41
Malaysia	34	58
Kuwait	-	8
Hong Kong	-	9
Netherlands	148	211
France	11	21
Australia	9	10
Canada	3	5
USA	8	8
Spain	6	25
Germany	39	-
	5,718	6,016

3 EMPLOYEES

STAFF COSTS INCLUDING DIRECTORS' REMUNERATION

	2022 £000	2021 £000
Wages and salaries	29,065	30,082
Social security costs	2,012	1,837
Other pension costs	990	873
Share-based payment charges and associated costs	465	149
	32,532	32,941

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

BY ROLE	2022	2021
Directors	6	6
Fee-earners	215	238
Administration	73	74
	294	318

KEY MANAGEMENT AND DIRECTORS' REMUNERATION

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

	2022 £000	2021 £000
Remuneration	2,117	2,051
Social security costs	218	178
Short term benefits	3	2
Money purchase pension contributions	55	62
	2,393	2,293
Share-based compensation	88	70
Total key management compensation	2,481	2,363

Key management consists of the statutory Executive Directors of the Company plus a further 5 (2021: 5) Operational Directors who form part of the Global Management Board.

The Executive Directors' remuneration is shown below:

	2022 £000	2021 £000
Emoluments	852	804
Compensation for loss of office	-	-
Money purchase pension contributions	10	10
Total remuneration	862	814

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

	2022 £000	2021 £000
Emoluments	406	405
Compensation for loss of office	-	-
Money purchase pension contributions	10	10
Total remuneration	416	415

The number of Directors to whom retirement benefits are accruing:

	2022	2021
Money purchase pension schemes	2	1

Notes to the Financial Statements (continued)

4 PROFIT FROM OPERATIONS

Profit from operations includes the following significant expenses:

	2022 £000	2021 £000
Depreciation and amounts written off property, plant and equipment – owned assets	239	261
Amortisation of right of use assets	917	969
Amortisation of intangible asset	40	-
Audit services:		
– statutory audit of Parent	49	12
– statutory audit of subsidiaries	24	94
– audit regulatory reporting – interim review	17	13
Tax services:		
– compliance	10	11
– other services – iXBRL	1	5
Exchange (gain)/loss	(211)	263

5 DIVIDENDS

	2022 £000	2021 £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	391	-
Aggregate amount of dividends paid in the financial year	783	391
Equity dividends proposed for approval at Annual General Meeting (not recognised at year end)		
Final dividend for 2022: 0.75p (2021: 0.75p)	391	391

An interim dividend in respect of the year ended September 2022 was paid in October 2022 for £391,000, 0.75p per share (2021: £391,000). 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

	2022 £000	2021 £000
Bank interest	85	95
Finance lease interest	15	15
	100	110

7 TAXATION

ANALYSIS OF THE TAX CHARGE

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

	2022 £000	2021 £000
Current tax:		
UK corporation tax on profit for the year	71	540
Non-UK corporation tax	140	173
Adjustments to the prior period estimates	-	(3)
	211	710
Deferred tax:		
Origination and reversal of temporary differences (note 17)	249	36
Tax charge for the year	460	746

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:

	2022 £000	2021 £000
(Loss)/profit before tax	(2,426)	1,860
Expected tax charge based on the standard average rate of corporation tax in the UK of 19% (2021: 19%)	(461)	353
Effects of:		
Expenses not deductible	237	20
Deferred tax – other differences (note 17)	249	36
Share options exercised	(99)	-
Foreign tax rate differences	554	375
Adjustment to prior period estimates	-	(3)
Utilisation of losses	(32)	(24)
Unprovided losses	12	(11)
Tax charge for the year	460	746

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 £3,264,000 (2021: £1,311,000). The Company has elected to prepare the Parent Company Financial Statements in accordance with FRS 102.

9 EARNINGS PER SHARE

	2022 £000	2021 £000
(Loss)/profit for the financial year attributable to equity shareholders	(2,884)	1,114
Exceptional costs	1,000	-
Share-based payment charges and associated costs (note 18)	465	149
Underlying (loss)/profit for the year before share-based payments and exceptional costs	(1,419)	1,263
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	(1,405,839)	(1,787,811)
Basic weighted average number of shares	52,553,352	52,171,380
Effect of Employee share options	2,309,028	2,125,958
Diluted weighted average number of shares	54,862,380	54,297,338
Basic (loss)/earnings per share	(5.5)p	2.1p
Diluted (loss)/earnings per share	(5.3)p	2.1p
Underlying basic earnings per share before share-based payments and exceptional costs	(2.7)p	2.4p

10 EXCEPTIONAL ITEMS

	2022 £000	2021 £000
Onerous lease on Haslingden office	1,000	-
	1,000	-

Notes to the Financial Statements (continued)

11 PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
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 2020	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
COST				
At 1 October 2021	1,635	2,123	165	3,923
Additions	248	150	-	398
Disposals	(354)	(67)	-	(421)
Foreign exchange movement	191	151	34	376
At 30 September 2022	1,720	2,357	199	4,276
DEPRECIATION				
At 1 October 2021	1,511	1,842	165	3,518
Charge for year	97	142	-	239
Disposals	(159)	(46)	-	(205)
Foreign exchange movement	168	138	34	340
At 30 September 2022	1,617	2,076	199	3,892
NET BOOK VALUE				
At 30 September 2022	103	281	-	384
At 30 September 2021	124	281	-	405

12 GOODWILL

	£000
COST	
At 1 October 2021	2,969
At 30 September 2022	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 14% or revenues need to decrease in excess of 20% 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:

	2022 £000	2021 £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%	
Driver Trett Saudi Administrative Consultancy LLC	Kingdom of Saudi Arabia	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 (2021: £56,000) to net margin during the financial period.

(4) Driver Trett Saudi Administrative Consultancy LLC was 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 2022 the assets of the Trust comprised 3,677 (2021: 3,677) of the Company's own shares with a nominal value of £15 (2021: £15) and a market value of £1,158 (2021: £1,894). 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)

13 TRADE AND OTHER RECEIVABLES

	2022 £000	2021 £000
Trade receivables	**16,699**	**14,965**
Other receivables	**1,347**	**1,275**
Prepayments	**977**	**1,276**
Accrued income	**1,258**	**1,349**
	20,281	**18,865**

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

As at 30 September 2022 trade receivables past due and net of provision were £9,913,000 (2021: £6,409,000). The ageing analysis of trade receivables is as follows:

	Debt age – "days overdue"				
30 September 2022	**Current (not yet overdue) £000**	**0-30 days £000**	**31-60 days £000**	**Over 60 days £000**	**Total £000**
Gross Trade receivables	6,786	1,452	1,695	9,925	19,858
Expected credit loss provision	-	-	(12)	(3,147)	(3,159)
Trade Receivables	6,786	1,452	1,683	6,778	16,699
Expected credit loss %	0%	0%	1%	32%	16%
30 September 2021					
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%

As at 30 September 2022 the Group has an impairment allowance against trade receivables of £3,159,000 (2021: £2,561,000). 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:

	2022 £000	2021 £000
At the beginning of the year	**2,561**	**2,559**
Charge to the income statement during the year	**188**	**187**
Foreign exchange Impact on translation of overases balances	**410**	**(81)**
Receivables written off during the year as uncollectible	**-**	**(104)**
At the end of the year	**3,159**	**2,561**

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:

	2022 £000	2021 £000
At the beginning of the year	**1,349**	**675**
Transfers in the period from accrued income to trade receivables	**(1,349)**	**(675)**
Time recorded and not yet invoiced	**977**	**1,349**
At the end of the year	**977**	**1,349**

14 TRADE AND OTHER PAYABLES

	2022 £000	2021 £000
Trade payables	2,621	2,915
Social security and other taxes	1,292	1,258
Other payables	2,783	1,114
Accrued expenses	4,600	2,722
	11,296	8,009

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

15 BORROWINGS

An analysis of the maturity of loans is given below:

	2022 £000	2021 £000
Current:		
Bank loan and overdraft	-	-
Lease liability	754	778
	754	778
Non-current falling due between one and two years:		
Lease liability	368	575
	368	575
Non-current falling due between two and five years:		
Lease liability	266	448
	266	448

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

As at 30 September 2022 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 2022 the Company had access to cash balances of £4,931,000 with the revolving credit facility of £5,000,000 unutilised. The net cash position is appropriate for the Group's operating requirements going forward but the committed borrowing facilities are no longer suitable and will be replaced by a more flexible working capital arrangement and as such this facility was cancelled post year end. The Group's borrowings are secured by debentures over the Group's assets.

16 CASH AND CASH EQUIVALENTS

	2022 £000	2021 £000
Cash at bank	4,931	6,474

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.

17 DEFERRED TAXATION

Deferred tax has been calculated at 25% (2021: 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

	2022 £000	2021 £000
At the beginning of the year	-	-
Charge for the year recognised in the Income Statement	169	-
Temporary differences on property credited to the Income Statement	-	-
At the end of the year	169	-

Notes to the Financial Statements (continued)

DEFERRED TAX ASSET

	2022 £000	2021 £000
At the beginning of the year	272	308
(Charge)/credit for the year recognised in the Income Statement	(80)	(36)
At the end of the year	192	272

The elements of the deferred tax balances are as follows:

		Assets		Liabilities
	2022 £000	2021 £000	2022 £000	2021 £000
Temporary differences on property	-	-	-	-
Capital allowances difference to depreciation	-	-	-	-
Other short term temporary differences	192	272	(169)	-
	192	272	(169)	-

The Group had taxable losses of £7,226,000 (2021: losses £7,163,000) 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.

18 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal Value	2022 £000	2021 £000
53,962,868	Ordinary	0.4p	216	216

Ordinary shares of 0.4p each	2022 Number	2022 £000	2021 Number	2021 £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 and the remaining 100,000 of these options lapsed during the year.

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 all these options were 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 were 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. During the year the 50,000 options dependant on the employee purchasing shares were exercised, along with 113,336 of the performance options. At the year end a total of 503,336 shares were unexercised.

During 2021, 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, 60,000 of these shares were exercised and 1,172,000 of these shares lapsed.

During the year, 1,100,000 share options were granted. 335,000 of these could be exercised immediately and of this amount 185,000 have been exercised in the year. The remianing 765,000 options vest after 3 years and must be excerised within 10 years of grant. , 255,006 shares are dependant on the employees remaining employed within the Group until 30 September 2023. A further, 254,997 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 254,997 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.

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 24 employees (2021: 23):

Year of grant	Vesting period	Exercise price per 0.4p share (pence)	2022 Number	2021 Number
2011	23-01-2011 to 01-10-2014	21.5p	-	100,000
2016	22-09-2016 to 30-09-2016	Nilp	-	400,000
	22-09-2016 to 30-09-2017	Nilp	-	300,000
	22-09-2016 to 30-09-2018	Nilp	-	300,000
2018	29-01-2018 to 01-10-2018	Nilp	-	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
	22-02-2018 to 01-10-2019	Nilp	-	50,000
	30-09-2018 to 01-10-2018	Nilp	53,336	146,672
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	2,301,000	2,801,000
	01/04/2021 to 31/03/2024	Nilp	50,000	50,000
	27/07/2021 to 30/09/2023	Nilp	947,000	1,469,000
	08/10/2021 to 30/09/2023	Nilp	680,000	-
	04/11/2021 to 30/09/2023	Nilp	85,000	-
	13/06/2022 to 30/09/2025	Nilp	150,000	-
			4,716,336	6,276,672

	2022		2021	
	Options	Weighted average exercise price per share (pence)	Options	Weighted average exercise price per share (pence)
Outstanding at 1 October	6,276,672	1.1	1,846,672	1.0
Granted during the year	1,100,000	-	4,430,000	-
Lapsed during the year	(1,172,000)	2.0	-	-
Exercised during the year	(1,488,336)	-	-	-
Outstanding at 30 September	4,716,336	Nilp	6,276,672	0.3
Exercisable at 30 September	653,336	Nilp	1,921,672	1.1

The options outstanding at 30 September 2022 had an exercise price of nil p and a weighted average remaining contractual life of 8.54 years. The Group has recognised a charge in the current year in relation to share options of £465,000 (2021: £149,000).

The Directors' interests in share options are shown on pages 36 and 37 in the Report of the Directors and page 43 in the Directors remuneration report.

Notes to the Financial Statements (continued)

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.

	2022 £000	2021 £000
At 1 October	1,854	1,831
Additions during the year	776	992
Disposals during the year	(338)	-
Amortisation charged to the income statement	(917)	(969)
At 30 September	1,375	1,854

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 2022 was £1,375,000 (2021: £1,854,000).

The present values of future lease payments are analysed as:

	2022 £000	2021 £000
Current liabilities	754	778
Non-current liabilities	634	1,023
	1,388	1,801

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

	2022 £000	2021 £000
At 1 October	1,801	1,719
Additions during the year	776	992
Disposals during the year	(354)	-
Interest expense	15	15
Accrual and Prepayment movement	18	3
Repayments	(868)	(928)
At 30 September	1,388	1,801

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:

		2022		2021
	Land and buildings £000	Other Leases £000	Land and buildings £000	Other Leases £000
Due:				
Not later than one year	131	-	120	-
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	131	-	120	-

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

	2022 £000	2021 £000
Not later than one year	37	145
Later than one year and not later than five years	-	37
	37	182

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	
	2022 £000	2021 £000	2022 £000	2021 £000
FINANCIAL ASSETS				
Cash and cash equivalents	-	-	4,931	6,474
Trade and other receivables	-	-	19,023	17,589
Derivative financial assets	-	57	-	-
TOTAL FINANCIAL ASSETS	-	57	23,954	24,063

	Financial liabilities at fair value through income statement		Financial liabilities at amortised cost	
	2022 £000	2021 £000	2022 £000	2021 £000
FINANCIAL LIABILITIES				
Trade and other payables	-	-	10,005	6,751
Loans and borrowings	-	-	-	-
Lease creditor	-	-	1,388	1,801
Derivative financial liabilities	1,938	169	-	-
TOTAL FINANCIAL LIABILITIES	1,938	169	11,393	8,552

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 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:

	2022 £000	2021 £000
Undrawn borrowing facilities at 30 September	5,000	5,000
Cash and cash equivalents	4,931	6,474
Available funds	9.931	11,474

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.

Notes to the Financial Statements (continued)

30 SEPTEMBER 2022	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	754	634	1,388
Trade and other payables	10,005	-	10,005
Total	10,759	634	11,393

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

As at 30 September 2022 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 2022 the Company had access to cash balances of £4,931,000 with the revolving credit facility of £5,000,000 unutilised. The net cash position is appropriate for the Group's operating requirements going forward but the committed borrowing facilities are no longer suitable and will be replaced by a more flexible working capital arrangement and as such this facility was cancelled post year end. 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:

	2022 £000	2021 £000
Asset	-	57
Liability	(1,938)	(169)
	(1,938)	(112)

The balances are all current with assets of £nil (2021: £57,000) and liabilities of £1,938,000 (2021: £169,000).

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

FINANCIAL ASSETS 2022	Cash and cash equivalents £000	Trade and other receivables £000
GBP	2,031	5,953
EUR	1,039	1,871
CAD	45	579
AED	223	3,432
OMR	885	3,328
KWD	32	296
USD	259	1,778
QAR	114	899
SGD	27	173
MYR	161	100
HKD	30	1
AUD	85	613
Total	**4,931**	**19,023**

FINANCIAL LIABILITIES 2022	Trade and other payables £000	Loans and borrowings £000
GBP	6,267	1,164
EUR	566	94
CAD	449	-
AED	996	-
OMR	390	-
KWD	141	-
USD	398	-
QAR	360	130
SGD	97	-
MYR	60	-
HKD	17	-
AUD	264	-
Total	**10,005**	**1,388**

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**

Notes to the Financial Statements (continued)

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**

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	(125)	(229)	(94)	(172)
Sterling weakens relative to Euro	153	344	115	258
Sterling strengthens relative to US Dollar	41	76	86	159
Sterling weakens relative to US Dollar	(51)	(116)	(107)	(241)
Sterling strengthens relative to Malaysian Ringgit	-	-	-	-
Sterling weakens relative to Malaysian Ringgit	-	(1)	-	(1)
Sterling strengthens relative to Singapore Dollar	108	198	89	164
Sterling weakens relative to Singapore Dollar	(132)	(297)	(110)	(247)
Sterling strengthens relative to Australian Dollar	(51)	(93)	(36)	(65)
Sterling weakens relative to Australian Dollar	62	140	43	98
Sterling strengthens relative to Hong Kong Dollar	2	4	2	3
Sterling weakens relative to Hong Kong Dollar	(3)	(6)	(3)	(5)
Sterling strengthens relative to Canadian Dollar	-	(1)	-	(1)
Sterling weakens relative to Canadian Dollar	1	1	-	-
Sterling strengthens relative to Kuwaiti Dinar	5	10	4	8
Sterling weakens relative to Kuwaiti Dinar	(7)	(15)	(6)	(13)

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 2022	Fixed rate £000	Floating rate £000	Non-interest bearing £000	Total £000
Cash and cash equivalents	-	4,931	-	4,931
Trade and other receivables	-	-	19,023	19,023
Derivative financial instrument – asset	-	-	-	-
Trade and other payables	-	-	(10,005)	(10,005)
Derivative financial instrument – liability	-	-	(1,938)	(1,938)
Bank loans and overdrafts	-	-	-	-
Finance lease creditor	-	-	(1,388)	(1,388)
	-	4,931	5,692	10,623

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

Interest rates on bank loans are disclosed in note 15.

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	2022 £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 13.

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 2022 was 3,677 (2021: 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 (pages 42 and 43) 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 £370,000 (2021: £189,000) in relation to fee earning expert services provided by John Mullen. At 30 September 2022 there was a balance owed to Mullen Consult Limited of £24,000 inc VAT (2021: £50,000 inc VAT).

24 MAJOR SHAREHOLDERS

The major shareholders (more than 3%) as at 30 September 2022 are:

	Percentage Shareholding	Number of Shares 30 September 2022
AB Traction (Stockholm)	21.10%	11,022,880
Gresham House	20.29%	10,601,013
Mr Adrian J Williams	8.36%	4,336,167
Allianz Global Investors	7.17%	3,745,000
Ruffer	6.68%	3,490,000
Mr John P Mullen	3.95%	2,062,428
The Ramsey Partnership Fund Ltd	3.91%	2,042,801
Unicorn Asset Management	3.11%	1,626,936

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 12.

RECEIVABLES IMPAIRMENT PROVISIONS

The amounts presented in the Consolidated Statement of Financial Position are net of allowances for doubtful receivables, estimated by the Group's management based on 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 £3,159,000 (2021: £2,561,000) 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.

26 POST BALANCE SHEET EVENTS

There have been no significant events requiring disclosure since 30 September 2022.

Notes to the Financial Statements (continued)

27 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
Driver Trett Saudi Administrative Consultancy LLC	Office 417, Hamad Tower, Kind Fahad Road, Riyadh, Kingdom of Saudi Arabia	1010586233

28 NOTE SUPPORTING STATEMENT OF CASHFLOWS

	At 1 October 2021 £000	Cashflows £000	Non-Cashflows £000	At 30 September 2022 £000
Cash and cash equivalents	6,474	(1,543)	-	4,931
Borrowings	-	-	-	-
Finance lease creditor	(1,801)	821	(408)	(1,388)
	4,673	(722)	(408)	3,543

Driver Group plc (Company) Statement of Financial Position

As at 30 September 2022

			2022		2021
COMPANY NUMBER: 3475146	Notes	£000	£000	£000	£000
FIXED ASSETS					
Tangible assets	30	33		51	
Investments	31	8,524		8,203	
Intangible assets	32	798		516	
Deferred Tax	36	-		50	
			9,355		8,820
CURRENT ASSETS					
Debtors	33	3,128		4,443	
Cash and cash equivalents		537		2,135	
			3,665		6,578
CREDITORS					
Amounts falling due within one year	34	(2,734)		(958)	
NET CURRENT ASSETS			931		5,620
TOTAL ASSETS LESS CURRENT LIABILITIES			10,286		14,440
CREDITORS					
Amounts falling due after more than one year	36		(167)		-
NET ASSETS			10,119		14,440
CAPITAL RESERVES					
Called up share capital	37		216		216
Share premium	38		11,496		11,496
Treasury Shares	38		(1,525)		(1,025)
Capital redemption reserve	38		18		18
Retained earnings	38		(83)		3,738
Own shares	39		(3)		(3)
SHAREHOLDERS' FUNDS			10,119		14,440

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 £3,264,000 (2021: £1,311,000).

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

Charlotte Parsons
Chief Financial Officer
22 February 2023

The notes on pages 83 to 87 form part of the Financial Statements

Statement of Changes in Equity – Company

For the year ended 30 September 2022

	Share capital £000	Share premium £000	Treasury Shares £000	Capital redemption reserve £000	Retained earnings £000	Own shares £000	Total equity £000
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
Exercised share options	-	-	-	-	-	-	-
Dividend	-	-	-	-	(391)	-	(391)
Purchase of Treasury shares	-	-	-	-	-	-	-
CLOSING BALANCE AT 30 SEPTEMBER 2021	**216**	**11,496**	**(1,025)**	**18**	**3,738**	**(3)**	**14,440**
Loss for the year	-	-	-	-	(3,264)	-	(3,264)
Total comprehensive income for the year	-	-	-	-	(3,264)	-	(3,264)
Share-based payment costs	-	-	-	-	143	-	143
Investment in subsidiary – Share options	-	-	-	-	321	-	321
Exercised share options	-	-	-	-	(238)	-	(238)
Dividend	-	-	-	-	(783)	-	(783)
Purchase of Treasury shares	-	-	(500)	-	-	-	(500)
CLOSING BALANCE AT 30 SEPTEMBER 2022	**216**	**11,496**	**(1,525)**	**18**	**(83)**	**(3)**	**10,119**

29 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements.

BASIS OF PREPARATION

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

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.

INTANGIBLE ASSETS

Amortisation is provided on intangible assets in order to write off each asset over its estimated useful life.

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 18. 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.

30 TANGIBLE FIXED ASSETS

	Fixtures and fittings £000	Computer equipment £000	Total £000
COST			
At 30 September 2021	262	732	994
Additions	-	11	11
Disposals	-	(2)	(2)
At 30 September 2022	262	741	1003
DEPRECIATION			
At 1 October 2021	257	686	943
Charge for year	3	24	27
Disposals	-	-	-
At 30 September 2022	260	710	970
NET BOOK VALUE			
At 30 September 2022	2	31	32
At 30 September 2021	5	46	51

31 FIXED ASSET INVESTMENTS

	Shares in Group Undertakings £000
COST	
At 1 October 2021	8,203
Capital investment	321
Disposal	-
At 30 September 2022	8,524
NET BOOK VALUE	
At 30 September 2022	8,524
At 30 September 2021	8,203

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 12 of the Consolidated Financial Statements.

32 INTANGIBLE ASSETS

During the prior two financial years 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. The new sytem was live from 1 April 2022 and amortisation started from that date.

	2022 £000	**2021 £000**
At 1 October	**516**	**182**
Additions	**322**	**334**
Amortisation	**(40)**	**-**
At 30 September	**798**	**516**

33 DEBTORS

Amounts falling due within one year:

	2022 £000	**2021 £000**
Trade debtors	**29**	**29**
Amounts owed by Group undertakings	**2,657**	**3,838**
Prepayments and accrued income	**442**	**576**
	3,128	**4,443**

Notes to the Financial Statements (continued)

34 CREDITORS

Amounts falling due within one year:

	2022 £000	2021 £000
Trade creditors	624	657
Bank loans and overdrafts	-	-
Social security and other taxes	630	-
Accrued expenses	1,480	301
	2,734	958

Amounts falling due after more than one year:

	2022 £000	2021 £000
Bank loan (note 35)	-	-
	-	-

35 BANK LOAN AND OVERDRAFTS

An analysis of the maturity of loans is given below:

	2022 £000	2021 £000
Amounts falling due within one year or on demand:		
Bank loans and overdrafts	-	-
	-	-
Amounts falling due between one and two years:		
Bank loan	-	-
Amounts falling due between two and five years:		
Bank loan	-	-
	-	-

As at 30 September 2022 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 2022 the Company had access to cash balances of £4,931,000 with the revolving credit facility of £5,000,000 unutilised. The net cash position is appropriate for the Group's operating requirements going forward but the committed borrowing facilities are no longer suitable and will be replaced by a more flexible working capital arrangement and as such this facility was cancelled post year end. The Group's borrowings are secured by debentures over the Group's assets.

36 DEFERRED TAX

Deferred tax liability

	2022 £000	2021 £000
At the beginning of the year	-	-
Credit for the year	167	-
At the end of the year	167	-

Deferred tax asset

	2022 £000	2021 £000
At the beginning of the year	50	154
Chargefor the year	(50)	(104)
At the end of the year	-	50

The elements of the deferred tax balances are as follows:

		Assets		Liabilities
	2022 £000	2021 £000	2022 £000	2021 £000
Deferred tax relating to share options and capital allowances	-	50	167	-
	-	50	167	-

37 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal Value	2022 £000	2021 £000
53,962,868	Ordinary	0.4p	**216**	216

Ordinary shares of 0.4p each	2022 Number	2021 £000	2021 Number	2021 £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 18 of the Consolidated Group Accounts.

38 RESERVES

SHARE CAPITAL

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

SHARE PREMIUM

The share premium account comprises the premium over nominal value on issued shares. The use of this reserve is restricted by the Companies Act 2006.

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.

39 OWN SHARES

	£000
At 1 October 2021	3
At 30 September 2022	3

40 COMMITMENTS

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

	Land and buildings	
	2022 £000	2021 £000
Due		
Not later than one year	**571**	**571**
Later than one year and not later than five years	**543**	**1,114**
Later than five years	-	-
	1,114	**1,685**

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 (2021: £361,000) and due later than one year and not later than five years £68,000 (2021: £429,000).

41 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption included in section 33 of FRS 102 and has not disclosed transactions with other wholly owned members of the Group headed by Driver Group plc. Transactions with Directors include transactions disclosed on page 42 and with further disclosure in note 23. There is no ultimate controlling party.

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