driver group plc

ANNUAL REPORT AND ACCOUNTS 2020

> As a consequence of our prompt response and continuing approach to managing the impact of COVID-19 we have remained profitable and cash generative throughout the financial year

STEVEN NORRIS
NON-EXECUTIVE CHAIRMAN

CONTENTS

Highlights 2019/20

Revenue

£53.1m

(2019: £58.5m) -9%

Gross profit

£13.1m

(2019: £13.9m) -6%

Utilisation***

Underlying* profit

£2.5m

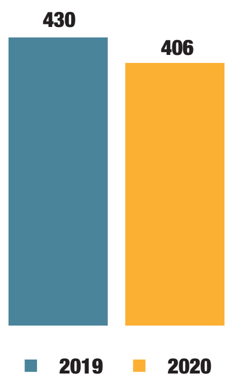
(2019: £3.0m) -17%

Profit for the year

£1.3m

(2019: £2.7m) -51%

Headcount



Net cash**

£8.2m

(2019: £5.4m) 52%

Earnings per share

2.6p

(2019: 5.2p) -50%

- **Revenue decreased by 9% to £53.1m (2019: £58.5m)**
- **Underlying* profit before tax decreased by 17% to £2.5m (2019: £3.0m)**
- **Profit for the year decreased to £1.3m (2019: £2.7m)**
- **Net cash** increased to £8.2m (2019: £5.4m)**
- **Utilisation*** decreased to 72.0% (2019: 76.8%)**
- **Earnings per share decreased to 2.6p (2019: 5.2p)**

* Underlying figures are stated before the share-based payment costs and one off severance costs
** Net cash consists of cash and cash equivalents and bank loans
*** Utilisation % is calculated by dividing the total hours billed by the total working hours available for chargeable staff

Chairman's statement

Steven Norris
Non-Executive Chairman
14 December 2020

IMPACT OF COVID-19

As I reported at the time of the interim results we have been managing the effects and impact of the COVID-19 pandemic across our global business since January 2020. We took action at an early stage to protect both the business and our staff by implementing a clear business continuity strategy which has enabled our clients across key global regions and offices to be serviced effectively, sustainably and without business interruption. As the pandemic spread across the world with varying levels of impact we responded to the requirements of the local governments and regulatory authorities in the relevant jurisdictions and in some circumstances in advance. We moved to a flexible home working model in every region and office worldwide to protect the health and safety of our staff. As local restrictions have been relaxed in some regions we have moved to a hybrid working solution facilitating both a safe work environment for our staff and ensuring our ability to fully service the requirements of our clients.

As a consequence of our prompt response and continuing approach to managing the impact of COVID-19 we have remained profitable and cash generative throughout the financial year. In my report on the interim results in June, I advised that although the impact of COVID-19 on the Company had been limited to date the Board had decided on a course of action which in the interests of prudence, resilience, and long term strategic competitive positioning was designed to maximise liquidity, preserve cash and enhance operational flexibility. I am pleased to report that these prompt actions and strong executive management, supported by more frequent board meetings, have delivered a decent result for the year given all the unprecedented and unavoidable circumstances and have minimised the impact of the pandemic.

Following the appointment of Mark Wheeler as Group Chief Executive Officer on 1st June 2020 a strategic review of the business was commenced. The review is now complete and the Board's agreed objective is to develop Driver Group into a higher margin business on a steady growth curve by focussing on growth in expert and arbitration services and reducing the share of Group revenue derived from lower margin project services. Mark expands further on the new strategy in his report.

THE BUSINESS TRADING PERFORMANCE

It is pleasing to note that whilst COVID-19 has created economic uncertainty across the world which has resulted in lower economic activity we have continued to be profitable and cash generative throughout the financial year and ended the financial year with £8.2m of net cash. The market uncertainty has led to delayed or postponed client decisions which has resulted in lower market activity and consequently Group revenue reduced by 9%. However, as a result of strong management by the executive team we have produced a profitable result allied just as importantly to strong cash generation.

DIVIDEND

One of the decisions made by the Board at the time of the interim results in the early stages of the pandemic was to cancel the interim dividend for the year in order to conserve cash. Given the uncertainty about the effects of the pandemic and the various responses to it by governments around the world including lockdowns of varying severity I am confident this was the right decision. But, given the strength of our operating performance and the strength of the Group balance sheet the Directors now believe that it is appropriate to recommend a final dividend of 0.75p (2019: 0.75p per share).

BOARD

During the financial year the Board appointed Elizabeth Filkin CBE on 1st October 2019 and John Mullen on 1st June 2020 as Non-executive Directors. Both bring substantial valuable experience to our deliberations. Elizabeth is an acknowledged expert on governance with great experience in both the public and private sectors and John is not only one of the world's most highly regarded quantum experts but knows the business intimately. We are delighted that they have both joined us. On 31st May Gordon Wilkinson left the business with our good wishes, having during his tenure led the business through some extremely challenging times. I am delighted to report that Mark Wheeler has shown excellent leadership since he took over as Chief Executive. His unrivalled understanding not only of our business but of this industry worldwide allied to his personal relationship with so many of our staff has meant that the Group is continuing to meet the challenges of the pandemic while also working on a better, more productive future for the business.

FORWARD GUIDANCE

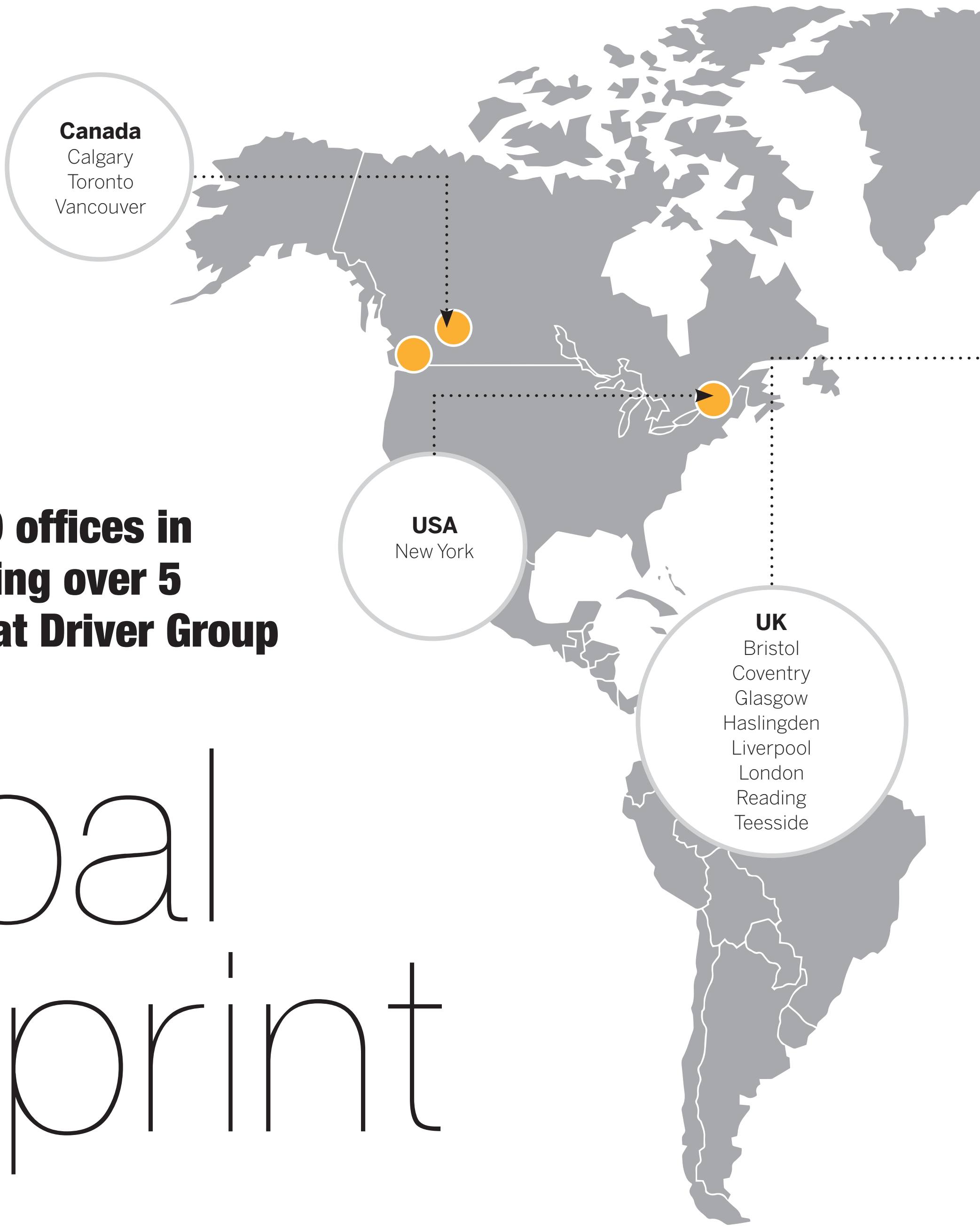
In view of the continuing global uncertainty as a result of the ongoing pandemic we are not in a position to reinstate forward guidance at this point. We will review the position at the time of our half year results.

OUTLOOK

Although the 2020 financial year has been challenging as a result of the pandemic, I believe the financial results demonstrate that the executive team have managed the business well in maintaining profits and strong cash generation throughout the year. The Group continues to maintain strict discipline over the management of its net working capital position and I am pleased to report that the Group's net cash balance at the year end was £8.2m. In more normal times, Driver is conditioned to operating with relatively low forward revenue visibility and that has been made even more difficult because the pandemic has resulted in so much global uncertainty. However, activity levels in the early weeks of the new financial year are encouraging and with a strong net cash position and the availability of increased debt facilities, the Directors believe that the Group is well placed to trade through this current uncertain market environment, and to take advantage of the opportunities afforded as a consequence of the disruption of COVID-19 in the Group's target markets.

I would like to pay particular tribute to our CEO Mark Wheeler and CFO David Kilgour for the way they have managed the business through the last year. I thank my Board colleagues, Peter Collini, Elizabeth Filkin and John Mullen for their unstinting support and most of all, I thank every one of our staff wherever they are in the world for their continued diligence and loyalty. I am of course also grateful for the confidence our shareholders have consistently demonstrated and I assure them that the Group will continue to do its utmost to repay that confidence.

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



Operating through 30 offices in 17 Countries, spreading over 5 Continents means that Driver Group plc offers a...

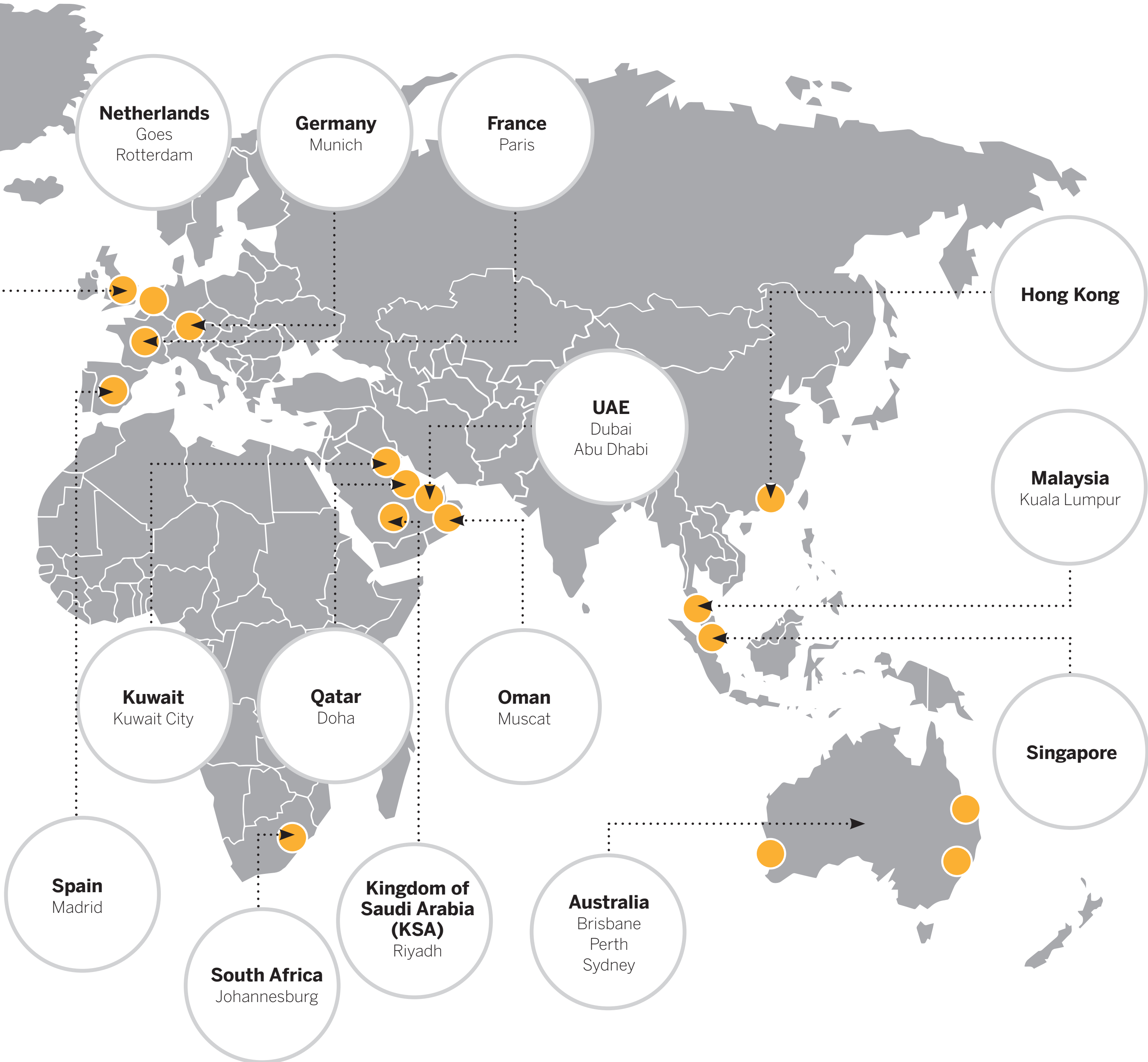
Global footprint

driver trett

Driver Trett provides 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 programming; assistance and forensic delay analysis; dispute avoidance, dispute resolution support and expertise; as well as training and seminars tailored to our clients' needs.

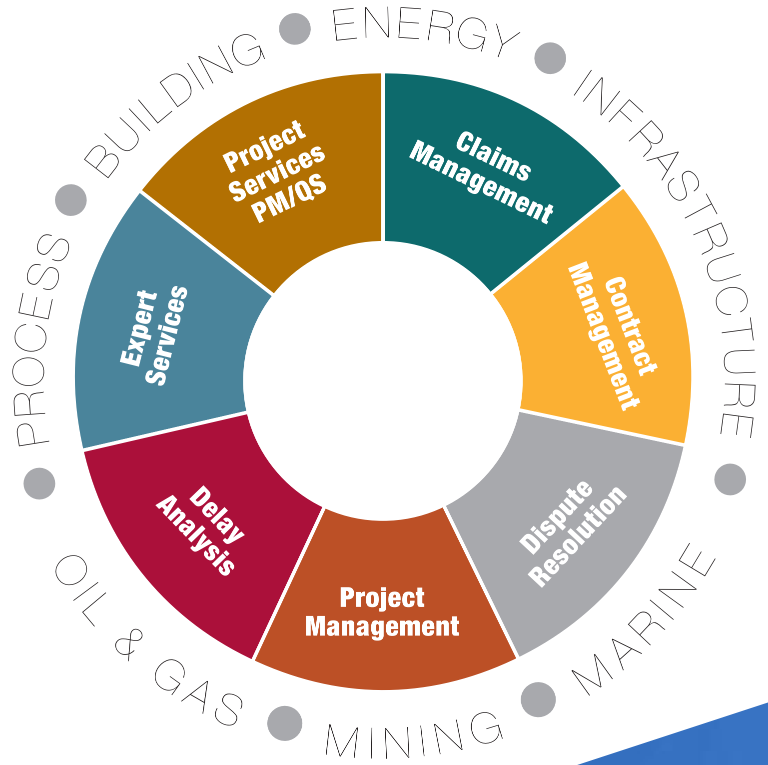
driver project services

Driver Project Services provides site-based commercial management, project management and planning and programming services to our clients. Our staff work seamlessly with our clients' teams, offering additional project support at the point of need or for the duration of the project.



Diales is the Group's Expert Witness and expert advisory services provider. Our world-class quantum, delay, and technical experts assist in litigation, arbitration, and adjudication, as well as in negotiation, mediation, and other dispute resolution forums. Diales also provides highly experienced adjudicators, arbitrators, and mediators, as well as offering third party neutral evaluation and determination.

Driver Group: What we do



Our expertise supports the delivery of major projects worldwide and bridges the gaps between the construction, legal, and financial sectors.

Goodwood Festival of Speed Sculpture 2019
Design and Production: Gerry Judah
Engineering: Diales Technical

COMMERCIAL AND CONTRACT

Having a clear contractual and commercial strategy for managing the work and the associated risks is essential for the delivery of a project. We offer tailored risk analysis, and risk management assistance, prior to the commencement of a contract, during the construction phase, and at the completion of the project. Our consultancy team have a sharp commercial focus, ensuring that our dual-qualified staff deliver results that add value beyond client expectations.

DELAY AND ANALYSIS

Our experts have a proven track record in understanding all of the available techniques for analysing delay and in identifying the most appropriate approach in the circumstances. This knowledge and expertise is invaluable in the delivery of credible and robust reports which are simple to understand yet detailed enough to withstand challenge.

DISPUTE RESOLUTION

Driver Group work closely with our clients, including contractors, subcontractors, employers, and legal firms to deliver robust and effective solutions. Our involvement can start at the preliminary, investigative and preparation stage and run through commercial discussions, negotiations, or formal dispute processes such as mediators, adjudicators, arbitration and litigation.

EXPERT SERVICES

Driver Group have been providing expert services for nearly four decades. The Driver Group team has extensive expert knowledge in high profile litigation and arbitration. We deliver uncompromised service across a wide range of sectors and expertise across the construction and engineering industry, specialising in quantum, delay analysis and technical; which include architectural; mechanical; electrical; and project management.

PLANNING AND PROGRAMMING

We offer a full range of planning services for both construction and civil engineering projects. Our planning capability spans the complete cycle from concept and feed through to detailed design and delivery, and onto the full life cycle asset management via a maintenance and shutdown regime. Commissions are carried out by project planners and lead or senior planners, across the spectrum of sectors and disciplines.

PRE-CONTRACT

We offer a full range of pre-tender and measurement services for both construction and civil engineering projects.

Commissions are carried out by quantity surveyors, specifically trained in these processes, and who have a wealth of experience. Both computer-aided and traditional methods of measurement are used to guarantee a fast, cost-effective, and reliable self-checking service.

PROJECT MANAGEMENT

Driver Group has an established track record of successful delivery of projects in public and private sectors. Driver Group has the ability to carefully match the three pillars of project management – time, cost and quality – to individual customer requirements in terms of programme, value for money and design aspiration. The role of project management is to deliver projects through the effective management of all briefing, design, cost, programme, procurement, and construction processes. We adopt a planned, organised, and controlled approach to project management, to deliver successful construction projects. Efficient project management stems from two essential qualities: communication and organisation. Our project managers are chosen for their ability to combine both, using personal, technical and professional skills to respond to every aspect of project delivery.

QUANTITY SURVEYING

Driver Group are able to offer clients both pre-contract and post-contract professional services. Pre-contract services are essential for maintaining proper contractual, programming and financial control from the earliest stages. This will help to avoid problems such as prejudice to tender prospects, uncertainty over contract terms, lack of identifiable intent and method statements, disparity between scope of work and price, and the unwitting acceptance of onerous terms.

Driver Group also provides a range of services to secure tight financial and contractual control of a project by minimising costs, maximising value and controlling contractual risk. A full and active role in the post-contract management period is designed to optimise the client's financial and contractual position. Furthermore, this can be provided at the highest level through strategic management expertise.

TRAINING AND SEMINARS

Driver Group has a vast internal knowledge base resulting from extensive experience each of our members of staff have amassed, the varied sectors in which they have worked, and the solutions and strategies that they have developed and delivered to our clients.

Chief Executive Officer's Review

Mark Wheeler
Chief Executive Officer
14 December 2020

INTRODUCTION

I am pleased to present my first CEO report in what has been a very challenging but successful year. The COVID-19 pandemic has caused significant market disruption globally which has seen a reduction in activity as the economic uncertainty has resulted in delays in claims and disputes proceeding. In response, we have actively managed the business and our cost base to ensure we have maintained profitability throughout the year.

It is especially pleasing that during the pandemic we have achieved a strong cash performance increasing the net cash balance from £3.3m at 31 March 2020 to £8.2m at 30 September 2020.

The Group's global operating footprint has proven to be a source of significant operational strength and diversified risk with a strong result in the Europe & Americas (EuAm) region offsetting weaker performance in the Middle East (ME) and Asia Pacific (APAC) regions following a greater early impact in these markets from the pandemic. The market disruption has resulted in challenging trading conditions during the year. However, we believe that based on our track record of prudent business planning and management, our exceptional team of world-class professional services experts and our specialist understanding of sectors, markets and disciplines we will be able to continue to perform well. Driver is well positioned to benefit from the expected increase in dispute resolution activity in the future as globally we move beyond the pandemic to a market which will have seen significant numbers of contracts having faced some form of disruption as a consequence of COVID-19, and hence, requiring our services.

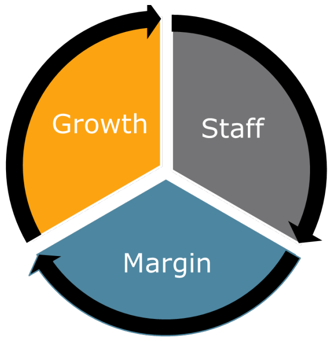
Our utilisation rates, which are, as ever, a key performance indicator for a global professional services business such as Driver, reduced to 72%, which considering the level of market disruption demonstrates our ability to minimise the impact of the pandemic over the past year.

Following my appointment as Group Chief Executive Officer on 1 June 2020 I have led a strategic review of the business which has established a five year strategic plan. The key themes of the plan are to focus growth on expert and dispute resolution services as we seek both to grow revenue and improve our margin towards a double digit operating profit margin over the life of the plan. To achieve this target we will seek to grow both the geographic and sectoral spread of our offering by recruiting and retaining our most valuable asset, technically expert and suitably qualified people.

STRATEGY

The Board believes that the execution of this strategy will enhance shareholder value through:

- Focus on growth on higher margin Diales revenue
- Sustainable financial performance
- Maintaining financial strength
- Measured organic growth through enhanced and expanded geographic presence



STAFF

- Retention and development of existing key staff
- Focussed recruitment strategy
- Culture
- Move to risk and reward sharing

MARGIN

- Focus on higher margin work
- Improve cost effectiveness of geographic presence
- Risk based approach
- Extract value from downtime

GROWTH

- Invest in technology and processes to enhance working practices and improve services to clients
- Edge growth around expertise
- True global coverage

Over the last six months our confidence in our performance has allowed us to take advantage of market opportunities when they have arisen. We have strengthened our expert offering in the Middle East, opened an office in New York (to both service our North American clients and improve access to the important South American markets), set up a strategic partnership in South Africa and recently opened an office in Madrid. These low risk actions have significantly improved our geographic and sectoral offering in both Africa and the Americas which we expect to be an important source of future measured growth towards our planned objectives. Moving forward we will continue to review further potential opportunities to broaden the geographic and sectoral coverage of our business and with our strong balance sheet, Driver is in a good position to take advantage of opportunities to achieve these aims in a controlled and progressive manner.

I would like to take this opportunity on behalf of your Board to thank all the team at Driver Group for their hard work and commitment to the business during what has been a challenging period, and to our loyal clients around the world. We are appreciative of the support of all of them while we continue to position the business for further growth and an even better advisory offering as we begin the next decade.

FINANCIAL PERFORMANCE HIGHLIGHTS

As noted, the economic uncertainty created by the pandemic has resulted in a lower revenue during the year of £53.1m (2019: £58.5m). The underlying* profit before tax was £2.5m (2019: £3.0m) which is a margin of 4.7% (2019: 5.1%). The underlying profit before tax is stated before the one-off severance cost of £0.8m in 2020 following the exit of our previous Chief Executive Officer and a credit for share-based payments in 2019 of £0.2m. The reported profit for the year after tax is £1.3m (2019: £2.7m).

REGIONAL BREAKDOWN

EUROPE AND AMERICAS

Across the EuAm region, there has again been a strong trading performance, resulting in an overall increase in revenue of 4% to £31.0m. The UK's revenue was £23.2m, (delivering a profit of £3.1m) with a good performance across the whole of the UK market for both claims and project services. Our European businesses continued to perform well with a small drop in revenue to £6.6m but an increase in profit of 37.5% to £0.9m, reflecting the strength of our proposition. Our Technical Services team in London has continued to grow, increasing revenues from £4.2m in 2019 to £4.6m in 2020. The team offers forensic architecture and engineering globally from the UK, a service which is showing demand worldwide.

The newly opened office in New York, supported by two leading resident experts, contributed £0.1m of revenue in the first month of operation and alongside our Canadian business the pipeline of opportunities is growing well.

ASIA PACIFIC

Whilst APAC started the year strongly, challenges in the second half meant it was unable to meet its performance targets. The results reflect a slowdown caused by the pandemic and downward pressure on fees; but they are, nonetheless, disappointing for the Group. Revenue was down across the region with the largest reduction being in Singapore and Malaysia which were a combined 20% below the 2019 position. This was mainly as a consequence of the closure of a low margin project services business. Profitability was improved in the region following the actions taken to reduce the cost base and the closure of the project services business. Additionally, following the recent departure of two senior members of staff we have further streamlined the business and as a result we move forward with a more cost efficient business in 2020/21 as the region manages the impact of the pandemic, and we are well placed to exploit future opportunities.

MIDDLE EAST

ME has seen a significant contraction in market activity across the whole region over the last couple of years. Additionally, this year the region suffered market disruption from the COVID-19 pandemic and the various local and national governmental restrictions imposed. As a result regional revenue reduced by 27% from the 2019 level to £14.4m. Apart from a small increase in revenue in Kuwait the decrease in revenue was felt across the region. The drop in regional profit from £1.4m in 2019 to £0.1m this year has been mitigated by actively managing our cost base and ensuring we are in the appropriate position to take advantage of the expected increase in opportunities after the pandemic. The region is now under new leadership and this, combined with the recent increase in the Diales presence in the region, leaves us well positioned.

OUTLOOK

In spite of a challenging year, the business has produced a good result, which is testimony to the work of all the team. Whilst the pandemic continues to disrupt activity with various lockdowns affecting our business globally the pipeline of opportunities has been maintained into the new financial year.

We believe that we are, therefore, well positioned for the coming year, and that we can build sustainable value for all our stakeholders over the life of the strategic plan.

“In spite of a challenging year, the business has produced a good result, which is testimony to the work of all the team”

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

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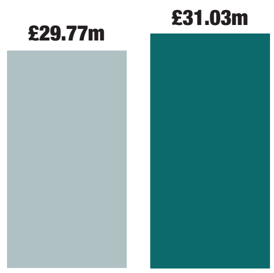
***Utilisation % is calculated by dividing the total hours billed by the total working hours available for chargeable staff

Operational Performance

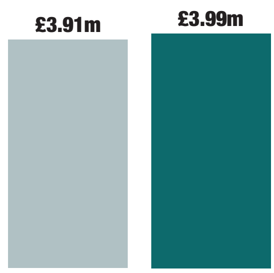
EUROPE AND AMERICAS

2019
2020

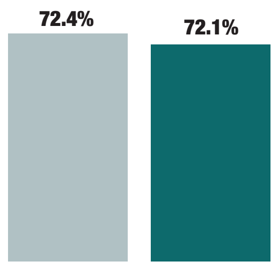
Revenue



Segmental profit



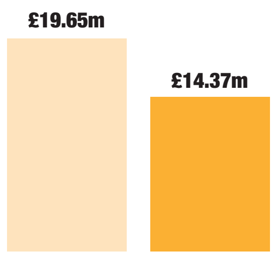
Utilisation



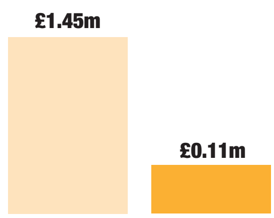
MIDDLE EAST

2019
2020

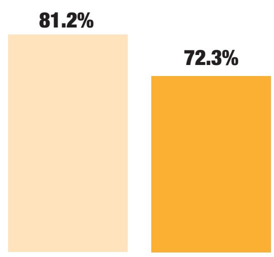
Revenue



Segmental profit



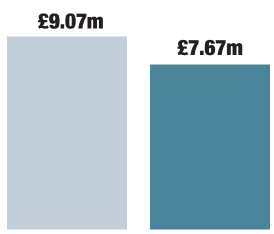
Utilisation



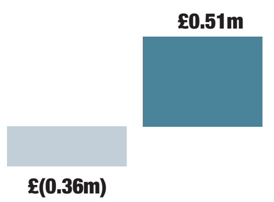
ASIA PACIFIC

2019
2020

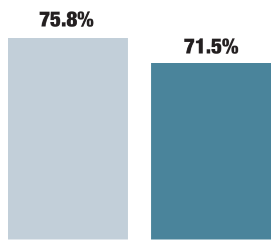
Revenue



Segmental profit



Utilisation



Chief Financial Officer's Review

David Kilgour
Chief Financial Officer
14 December 2020

INCOME STATEMENT	2020 £m	2019 £m
Revenue	53.07	58.49
Cost of sales	(39.16)	(44.95)
Impairment movement	(0.78)	0.40
Gross Profit	13.13	13.94
Recurring operating expenses	(10.52)	(10.85)
Net finance costs	(0.11)	(0.09)
Underlying* profit before tax	2.50	3.00
One off severance costs	(0.76)	-
Share-based payments credit	-	0.25
Profit before Tax	1.74	3.25
Tax expense	(0.40)	(0.50)
Profit for the year	1.34	2.75

In 2020 Driver Group managed the impact of the COVID-19 pandemic and although the EuAm region performed well there was a slowdown in activity levels in the ME and APAC regions. Overall, this resulted in lower revenues and underlying* profit before tax than 2019. We also absorbed the impact of the severance cost for our outgoing Chief Executive Officer of £0.8m. The key financial metrics are as follows:

KEY METRICS	2020	2019
Revenue	£53.07m	£58.49m
Gross Margin %	24.7%	23.8%
Profit for the year	£1.34m	£2.75m
Utilisation Rates	72.0%	76.8%
Basic earnings per share	2.6p	5.2p

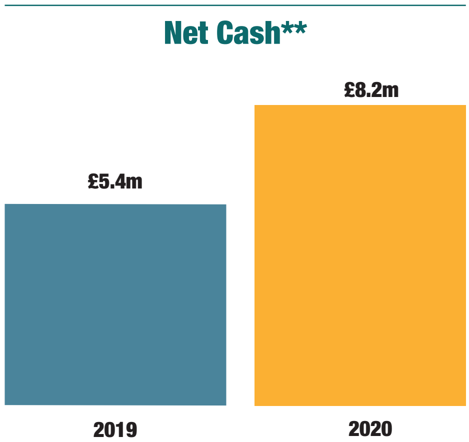
Total revenue decreased by 9% to £53.07m (2019: £58.49m) and gross profit decreased by 6% to £13.13m (2019: £13.94m). The reduction in gross margin was as a result of the lower revenues in the APAC and ME regions, the impact of which has been offset by a rationalisation of the cost base. Before the impact of £0.78m (2019: credit of £0.40m) in relation to impairment provisions, the operating gross profit has actually increased during the year to £13.91m (2019: £13.54m). The profit for the year has decreased by 51% to £1.34m (2019: £2.75m) as it is stated after the inclusion of the one off severance cost for the outgoing CEO of £0.77m in the year. The net cash** at the year end was £8.2m (2019: £5.4m), after funding a dividend payment of £0.65m.

The EuAm region increased revenue by 4.2% to £31.03m (2019: £29.77m) and generated an increase in segmental profit of 2% to £3.99m (2019: £3.91m). This strong performance was driven by good revenues in the UK of £23.23m (2019: £21.41m) with a small drop in revenues in mainland Europe of 4.6% to £6.61m (2019: £6.93m) and a drop in revenues in Canada of 26% to £1.06m (2019: £1.44m) following a change in leadership.
The ME region saw revenues drop during the year by 26.8% to £14.37m (2019: £19.65m) due to a reduction in market activity in the region and the impact of COVID-19. Revenues in Kuwait showed a small increase at £0.97m (2019: £0.76m) otherwise revenues were down across the region. Segmental profit for the region decreased to £0.11m (2019: £1.45m).

The APAC region saw revenues drop by 15.5% to £7.67m (2019: £9.07m). The reduction was mainly as a consequence of the decision to close a low margin project services business in the region resulting in a reduction in revenue of £1.58m. The segmental result for the year was a profit of £0.51m (2019: segmental loss £0.36m) which shows the benefit of the restructuring last year and the business closure this year. The APAC region continues to be a target for further growth opportunity.

The utilisation*** rate of chargeable staff across the business as a whole for the year stood at 72.0%, a decrease from 76.8% in the prior year reflecting the impact of a weaker market in the ME and APAC regions and the impact of the pandemic on market activity. The variation in utilisation during the year ranged from a low of 65% in the holiday month of August to a high of 77% in October, June and July. The overall decrease in utilisation is clearly impacted by the COVID-19 pandemic and has held up well during the year when considering the level of market disruption.

After a net interest charge of £0.11m (2019: £0.09m) the underlying* profit before tax was £2.50m (2019: £3.00m) and the reported profit before tax was £1.74m (2019:



£3.25m). The current year profit before tax includes one off severance costs for the outgoing Chief Executive Officer of £0.77m while the previous year includes a credit of £0.24m for share-based payments due to the criteria for vesting of options not being met for that year. Details of outstanding options can be found in the Report of the Directors and Directors' Remuneration Report.

NET WORKING CAPITAL

Net cash** showed a strong improvement during the year to £8.2m (2019: £5.4m) with net working capital decreasing as there was a significant reduction in outstanding debtors and a small increase in creditors.

TAXATION

The Group showed a tax charge of £0.40m (2019: £0.50m). 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 23% (2019: 15%). The increase in the effective rate is due to lower profits from jurisdictions with lower tax rates.

EARNINGS PER SHARE

The basic earnings per share was 2.6 pence (2019: 5.2 pence). Underlying* continuing basic earnings per share was 4.0 pence (2019: 4.7 pence).

CASH FLOW

There was a net cash inflow from operating activities before changes in working capital of £3.28m (2019: £3.44m), however the current year does benefit by £1.05m from the amortisation of right of use assets following the transition to IFRS 16 during the year. The movement also reflects the reported profit for the year of £1.34m (2019: £2.75m) after depreciation of £0.32m (2019: £0.42m) and the one off severance charge of £0.77m (2019: £nil). The prior year saw a benefit of £0.24m for the share-based payment credit which was £nil in the current year. There was a decrease of £2.06m in trade and other receivables (2019: increase of £0.66m) reflecting improved cash collections during the year, and a small increase in trade and other payables of £0.24m (2019: decrease of £2.05m) resulting in a net cash inflow from operating activities of £5.06m (2019: £0.1m). Net tax paid in the year was £0.52m (2019: £0.62m).

There was a net cash outflow from investing activities of £0.34m (2019: £0.29m) principally capital expenditure, including IT spend, of £0.35m offset by interest received.

Net cash flow from financing activities was an outflow of £0.98m (2019: £2.36m) with the current year reflecting the dividends paid of £0.65m (2019: £0.27m) and repayment of borrowings of £3.19m (2019: £0.98m) which includes scheduled term loan repayments of £2.12m and lease repayments under IFRS 16 of £1.07m. Offsetting this is a drawdown of the £3m revolving credit facility on 1st April 2020 to allow for unforeseen circumstances as a consequence of the potential impact of the pandemic but, this facility was not required and hence was repaid on 1st October 2020.

CASH FLOW	£m
Net cash** at 30 September 2019	5.40
Operating cash flow before changes in working capital	3.28
Decrease in Trade and other receivables	2.06
Increase in Trade and other payables	0.24
Tax paid	(0.52)
Net interest paid	(0.09)
Capital spend	(0.35)
Repurchase of shares	(0.02)
Dividends paid	(0.65)
Repayment of leases	(1.07)
Effects of Foreign Exchange	(0.06)
Net cash** at 30 September 2020	8.22

LIQUIDITY AND GOING CONCERN

The Group is in a strong financial position. At the year end the Group had net cash balances of £8.2m (2019: £5.4m) together with committed borrowing facilities of £7.0m (2019: £3.0m) of which £4.0m were undrawn at 30 September 2020. At the start of the COVID-19 pandemic £3.0m of the revolving credit facility was drawn to meet any unforeseen contingencies. This was repaid on 1st October 2020. The net cash and available facilities provide significant liquidity entering into the new financial year. A summary of borrowing facilities is included in note 14.

In the interest of prudence, resilience and long term strategic competitive positioning the Board, at the beginning of the pandemic, took the following measures in order to enhance operational flexibility and maximise liquidity:

- The interim dividend was cancelled
- Non-essential capital expenditure and discretionary operational expenditure were postponed
- The Board members' salaries were deferred by 20%
- Targeted reductions in pay for under utilised staff
- The £3m revolving working capital facility was drawn for any unforeseen circumstances as a consequence of the pandemic
- Additional financing facilities along with a relaxation of covenants were agreed with HSBC

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

DIVIDENDS

The Directors propose a dividend for 2020 of 0.75p per share (2019: 0.75p per share). This will be paid on 23rd March 2021 to shareholders who are on the register of members at the close of business on 19th February 2021.

"Net cash showed a good improvement during the year to £8.2m (2019: £5.4m) with net working capital decreasing as there was a good reduction in outstanding debtors and a small increase in creditors."**

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

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

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

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.

PRINCIPLE RISKS AND UNCERTAINTIES	
RISK	**MITIGATING ACTIVITIES**
CREDIT RISK	
The Group's credit risk is primarily attributable to its trade receivables. The risk increases as our business expands into new territories where payment of outstanding receivables can be slower.	Credit risk is managed by running credit checks on customers and by monitoring payments against contractual terms. There is a clear internal process for elevating potential problems in recovering debts such that prompt action is taken to recover debts at the earliest possible point and legal action is taken where necessary.
LIQUIDITY RISK	
Liquidity risk is that the company has enough cash reserves to manage its day to day working capital requirements. The Group's working capital is heavily reliant on customer receipts as a large proportion of the Group's costs are fixed.	The Group monitors cash flow as part of its day to day control procedures. The Board reviews cash flow projections and ensures that appropriate facilities are available to be drawn upon as necessary. At the year end, the Group's borrowing facilities consisted of a revolving credit facility of £5.0m (2019: term loan £2.1m) agreed to March 2023 and in addition an undrawn CLBILS facility of a further £2.0m. With facilities amounting to £7.0m and net cash balances of £8.2m the Group had access to £15.2m of available funds at 30 September 2020. The Group's facilities with the bank are secured by means of debentures over the Group's assets.
REPUTATION RISK	
The Group's reputation is highly dependant upon the quality of work produced by fee earning staff. If this work is not of the highest calibre the Group's reputation could be damaged affecting future income streams.	The quality and experience of our people is fundamental to our success, and we are committed to the development and training of our staff. All assignments are managed by a Director who remains directly responsible until its conclusion and will regularly re-evaluate the client's requirements and issues. The Group also has a robust quality management policy including peer review before reports are isssued to clients.

UTILISATION RISK	
Utilisation risk is attributable to the number of hours billed by staff and sub consultants generating revenue against the costs of their services. 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 and employing flexible mobile staff and managing peak workloads through the use of sub consultants.
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 fail over and recovery are regularly tested and no issues have been identified. The Group liaise regularly with their key suppliers to continue to develop and improve the operating systems utilised by the Group. The Group provides regular awareness updates to help colleagues to identify and prevent fraud or misuse of information to ensure that, where certain risks are increased as a result of environmental factors (such as cybercrime in light of COVID-19), the business and colleagues are aware of any heightened risk. Beyond awareness training the Group's open culture and team ethos delivers a responsive communication environment which ensures colleagues can ask questions and be guided as required.
MACRO AND MICRO ECONOMIC ENVIRONMENT	
Current uncertainty in the market as a result of the COVID-19 global pandemic, which is expected to result in a general economic downturn, which may have a negative impact on the financial performance of the Group.	The Board believes its exposure to both macro and micro environmental factors is mitigated as a result of its global footprint including the broad spectrum of business sectors the Group serves, and the Group's continuous focus on cash collection resulting in it having good headroom to counteract the impact of the lockdown measures taken by governments across the world during 2020. As announced on 15 April 2020, the Group moved quickly to put in place a number of prudent cost saving and efficiency measures in relation to the uncertainty created by COVID-19, demonstrating the effectiveness of the senior leadership and the ability to respond promptly whilst ensuring the welfare of staff and ensuring the business was able to remain focused on delivering value to clients. The Board believes that the swift actions taken, position the Group well to trade through the current environment, which has resulted in a circa 10% decline in activity.

TREASURY POLICIES AND FOREIGN EXCHANGE MANAGEMENT

Treasury operations are managed centrally and operate to reduce financial risk, ensure sufficient liquidity is available for the Group's operations and to invest surplus cash. Corporate Treasury does not operate as a profit centre and does not take speculative positions. The Company regularly invoices in Euros for work performed in Europe as well as receiving foreign currency income in UAE Dirhams ("AED"), Omani Rials ("OMR"), Kuwaiti Dinar ("KWD") and Qatari Riyals ("QAR") from its Middle East businesses; Malaysian Ringgit ("MYR"), Singapore Dollars ("SGD"), Hong Kong Dollars ("HKD") and Australian Dollars ("AUD") from its Asia Pacific operations and United States ("USD") and Canadian ("CAD") Dollars from its businesses in the Amercas. The Group is therefore exposed to movements in these currencies relative to Sterling. AED, OMR and QAR are currently linked to the US Dollar. Foreign currency balances in excess of forecast amounts required to fund projected outgoings are returned to the UK and have been converted to Sterling balances during the year at spot rate. The net value of EUR, USD, CAD, AED, OMR, QAR, KWD, SGD, AUD and HKD exposure is managed using foreign currency hedge contracts to provide a targeted level of cover of between 60% and 80% of the net income statement exposure. Other currencies are hedged where outstanding amounts become material. This policy is regularly reviewed by the Board. Details of the foreign currency financial instruments in place at 30 September 2020 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

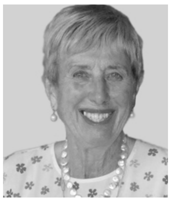
Steven Norris
Non-Executive Chairman

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 is a member of the Board of Cubic Corporation Inc (NYSE: CUB) and Deputy Chairman of Optare plc. Steve is also Chairman of the National Infrastructure Planning Association and a Commissioner of the Independent Transport Commission. He served on HM Treasury's HS2 Growth Task Force and is an Honorary Fellow of the Association for Project Management, a Companion of the Institution of Civil Engineers, an Eminent Fellow of the Royal Institution of Chartered Surveyors and an Honorary Life Member of the Railway Civil Engineers Association.

David Kilgour
Chief Financial Officer

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

David has extensive financial and operational experience of managing international businesses.



Elizabeth Filkin CBE
Non-Executive Director

Former Parliamentary Standards Commissioner, Elizabeth has carried major roles in both the private and public sectors. She currently combines chairing The Employers' Initiative on Domestic Abuse, TecSOS and The Independent Advisory Board, Marston Holdings with board membership of the Chartered Institute of Legal Executives. She also 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 and 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 extensive experience leading significant international transactions. He set up Riverhill Partners, an independent advisory practice, in 2005 and advises public, private equity and state-owned businesses.

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

John Mullen
Non-Executive Director

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

COMPANY SECRETARY
Thomas Ferns

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ENGAGING WITH STAKEHOLDERS

Section 172 statement

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

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

CLIENTS	
The clients we serve are key to the success of our business.	The Group has a diverse client base across the geographic locations and the industrial sectors the Group operates in. These include international and domestic contractors, large law firms, Governments, and individuals. Each project has a commission manager who manages the relationship and service delivery with the client. These individuals are responsible for the project from the start to the finish and ensure that both requirements and expectations of the client are managed effectively so that relationships between both parties are maintained.
COVID-19 response	
The business is dependent upon the professional development, recruitment and retention of highly qualified staff.	The COVID-19 pandemic has had an unprecedented impact across the world and as such has impacted all regions in which the Group operates. The Board made the following decisions in the year in response to the COVID-19 pandemic: ▪ Swiftly moved to a home working environment to ensure the safety of our staff and the continuity of service to our clients. ▪ The Board members took a temporary pay reduction of 20% to help safeguard the business from any potential severe financial impact due to the pandemic on the Group. ▪ For areas of the business which had seen a larger downturn in revenue due to the pandemic, whether this be through activity or price pressure, scaled pay reductions were implemented to match the cost base to the revised expected revenue for the period. This also helped the business safeguard jobs in these regions during this uncertain period. ▪ An early decision was made to cancel the interim dividend for the year ended September 2020 in order to protect Group liquidity. ▪ Supplier payments continued to be made in line with normal contractual terms. ▪ The Group extended its banking facilities with its banker HSBC from the existing £3.0m revolving credit facility, to a £5.0m revolving credit facility and a further £2.0m CLBILS loan.
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 now comprises of two Executive Directors, Mark Wheeler (Chief Executive Officer) and David Kilgour (Chief Financial Officer) and four Non-Executive Directors comprising Steven Norris (Chairman), Peter Collini (Senior Independent Director), Elizabeth Filkin CBE and John Mullen.
BANKERS	
The Group currently operates in a net cash position, however, it is important to maintain an open and transparent relationship with its bankers HSBC such that if the Group did require future funding there is a greater understanding by the bank of the Group's operations from both a strength and risk perspective.	HSBC are provided with monthly financial performance updates and narrative support regarding the results. Regular contact is also maintained between the bank and the senior finance staff members. During the early stages of the COVID-19 pandemic, regular meetings took place with the bank informing them of the impact of the pandemic on the Group, the latest Group performance and actions being taken by the Board to mitigate any negative impact on the Group.

Report of the Directors

David Kilgour
Chief Financial Officer
14 December 2020

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 2020.

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
- G Wilkinson (resigned 31 May 2020)
- M Wheeler
- D J Kilgour
- J P Mullen (appointed 1 June 2020)
- E J Filkin CBE (appointed 1 October 2019)
- 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 2020 Ordinary 0.4p Shares	30 September 2019 Ordinary 0.4p Shares
S J Norris	247,062	247,062
G Wilkinson	669,100	669,100
M Wheeler	310,000	310,000
D J Kilgour	60,000	60,000
P Collini	60,000	60,000
E Filkin	-	-
J P Mullen	2,062,428	2,062,428

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" as follows: 50,000 shares if PBET for the year ended 30 September 2018 is equal or exceeds £3.0m, a further 50,000 shares if PBET for the year ended 30 September 2019 is equal or exceeds £3.7m and a further 50,000 shares if PBET for the year ended 30 September 2020 is equal or exceeds £4.5m. Only the profit target for September 2018 has been met and the 50,000 options relating to September 2018 have not yet been exercised.

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

On 22 September 2016 the above 800,000 options for Mr Wilkinson were modified with 1,300,000 options plus potential performance related options exercisable at £nil consideration. The options were conditional on the purchase of Driver Group plc shares by Mr Wilkinson and the future performance of the Company. The options over 400,000 shares vested immediately if Mr Wilkinson also purchases 400,000 shares on his own accord. The 900,000 performance options would vest if the Company achieved specified profit share-based payment costs, amortisation of intangible assets, exceptional items and tax "PBET" as follows: 300,000 shares if PBET for the year ended 30 September 2017 is equal to or exceeds £2.4m; a further 300,000 shares if PBET for the year ended 30 September 2018 is equal to or exceeds £3.0m; and a further 300,000 shares if PBET for the year ended 30 September 2019 is equal to or exceeds £3.7m. In addition to these options, Mr Wilkinson could also exercise a further 50,000 shares per year for each additional £500,000 profit by which the above PBET thresholds are exceeded.

On 22 February 2018 there was a deed of variation to the above 2016 options agreement for Mr Wilkinson. This variation was for a further 600,000 options exercisable at £nil consideration and would vest as follows: 300,000 shares if PBET for the year ended 30 September 2020 is equal to or exceeds £4.5m and a further 300,000 shares if

PBET for the year ended 30 September 2021 is equal to or exceeds £5.5m. In addition to this, the additional performance options above, where Mr Wilkinson would receive a further 50,000 shares per year for each additional £500,000 profit by which the PBET thresholds are exceeded, were amended for the years 2018 and 2019, and extended to the years 2020 and 2021 to be as follows: a further 10,000 shares for each additional £100,000 by which the PBET threshold is exceeded.

On 30 September 2016 Mr Wilkinson purchased 400,000 shares and the PBET target for September 2017 and September 2018 was met, with September 2018 exceeding the target by £800,000. The target for September 2019 was not met and upon leaving the company Mr Wilkinson's remaining options lapsed. Mr Wilkinson has not yet exercised any of the above share options which stand at 1,080,000 shares.

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" as follows: 200,000 shares if PBET for the year ended 30 September 2018 is equal or exceeds £3.0m, a further 200,000 shares if PBET for the year ended 30 September 2019 is equal or exceeds £3.7m and a further 200,000 shares if PBET for the year ended 30 September 2020 is equal or exceeds £4.5m. In addition to these options, Mr Wheeler can also exercise a further 6,667 shares for each additional £100,000 by which the PBET thresholds are exceeded. The PBET target for September 2018 was exceeded by £800,000 but the target for September 2019 and 2020 has not been met. Mr Wheeler has not exercised any of the above share options which stand at 453,336 shares.

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" as follows: 50,000 shares if PBET for the year ended 30 September 2018 is equal or exceeds £3.0m, a further 50,000 shares if PBET for the year ended 30 September 2019 is equal or exceeds £3.7m and a further 50,000 shares if PBET for the year ended 30 September 2020 is equal or exceeds £4.5m. In addition to these options, Mr Kilgour can also exercise a further 1,667 shares for each additional £100,000 by which the PBET thresholds are exceeded. The PBET target for September 2018 was exceeded by £800,000 but the target for September 2019 and 2020 has not been met. Mr Kilgour has not exercised any of the above share options which stand at 113,336 shares.

The Company has established an Employee Benefit Trust in which all the employees of the Group, including Executive Directors, are potential beneficiaries. At 30 September 2020, the Trust owned 3,677 (2019: 3,677) shares which it acquired at an average of 73p per share (note 11).

During the year the Company repurchased 50,000 shares (2019: 1,737,811 shares) at a cost of £25,000 (2019: £1.0m). These shares are held as treasury shares by the Company.

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	71,415	13
Purchase of electricity for our own use	169,649	40
Total emissions per full-time equivalent member of staff of Driver Group Plc the parent	9,155	2

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

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

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. There have been no post balance sheet events requiring further disclosure.

DIRECTORS' INDEMNITY COVER

All Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

AUDITORS

BDO LLP are willing to continue in office and a resolution proposing their re-appointment as auditors of the Company and authorising the Directors to fix their remuneration will be put to the shareholders at the Annual General Meeting.

On behalf of the Board:

David Kilgour
Chief Financial Officer

Corporate Governance Statement

INTRODUCTION

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

THE BOARD

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

During the financial year ended 30 September 2020, Gordon Wilkinson served as Chief Executive until 31 May 2020 and was then succeeded by Mark Wheeler with effect from that date.

In addition, Elizabeth Filkin CBE and John Mullen were appointed as a Non-Executive Directors on 1 October 2019 and 1 June 2020 respectively.

The two Executive Directors work full time in the business.

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

The Non-Executive Directors are considered by the Company to be independent in that: (i) none of them are executive officers or employees of the Company; and (ii) none of them have a relationship with the Company that will interfere with the exercise of independent judgment 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.

Each of the Non-Executive Directors (along with the Executive Directors) is subject to re-election as a director at least once every 3 years at an annual general meeting of the Company. The appointment of John Mullen, who was appointed as a Non-Executive Director on 1 June 2020, is also subject to confirmation at the next annual general meeting of the Company.

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

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

AUDIT COMMITTEE

The audit committee comprised Peter Collini (as Chair) and Elizabeth Filkin CBE in the period from 1 October 2019 to 31 May 2020. John Mullen was then appointed to the audit committee on 1 June 2020 to increase the number of members to three.

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

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

The audit committee is expected to meet at least three times a year and at such other times as may be required. The primary function of the audit committee is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other information provided by the Company to shareholders, the Group's systems of internal control regarding finance and accounting and the Group's auditing, accounting and financial reporting processes.

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

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

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

REMUNERATION COMMITTEE

The remuneration committee comprised Elizabeth Filkin CBE (as Chair) and Peter Collini in the period from 1 October 2019 to 31 May 2020. John Mullen was then appointed to the remuneration committee on 1 June 2020 to increase the number of members to three.

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

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

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

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

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

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

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

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

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

EXPERIENCE OF THE BOARD

Details of the individual directors and their experience are set out in the Directors and Advisors section of these Accounts on page 19.

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

The Company's nominated adviser, retained solicitors and retained accountants are available to deal with any questions which arise in relation to the application of the AIM Rules, legal matters or accountancy matters. Details of the relevant advisers can be found in the Directors and Advisors section of these Accounts on page 19.
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 2020, the Company's nominated adviser and accountants have advised the Company on routine matters within the scope of their respective engagement letters. The Company's solicitors have advised on corporate governance matters.

BOARD EVALUATION, EFFECTIVENESS AND SUCCESSION PLANNING

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

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

A Board effectiveness review in relation to the year ended 30 September 2020 has been undertaken through the circulation of an internal questionnaire circulated to all Directors as part of the review of the year end accounts and returned to the Chairman. The questionnaire asked the Directors at that time to rate the Board's performance in a number of key areas. The results were considered by the Chairman and it was noted that there were not any material areas of concern.

The chairman also noted that the Company had improved the diversity of the Board with the appointment of Elizabeth Filkin CBE as Non-Executive Director on 1 October 2019 and had improved Board independence with the appointment of John Mullen as a fourth Non-Executive Director on 1 June 2020.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The Directors attendance at meetings of the Board and meetings of the audit committee constituted by the Board since 30 September 2019 are as follows:

Board meetings:

ATTENDANCE	Meetings Eligible to Attend	Meetings Attended
Mark Wheeler	22	22
David Kilgour	22	22
Steven Norris	22	22
Peter Collini	22	22
Elizabeth Filkin CBE	22	21
John Mullen	10	10
Gordon Wilkinson	12	11

Note 1: John Mullen was appointed as a Non-Executive Director on 1 June 2020 and was not therefore eligible to attend Board meetings prior to that date.
Note 2: Gordon Wilkinson ceased to be a director with

effect from 31 May 2020 and was not therefore eligible to attend Board meetings after that date.

Audit Committee meetings:

ATTENDANCE	Meetings Eligible to Attend	Meetings Attended
Peter Collini (Chair)	6	6
Elizabeth Filkin CBE	6	4
John Mullen	4	4

Note 1: John Mullen was appointed as a Non-Executive Director on 1 June 2020 and was not therefore eligible to attend audit committee meetings prior to that date.
Note 2: David Kilgour attended 6 audit committee meetings by invitation, Steven Norris attended 3 audit committee meetings by invitation and Mark Wheeler attended 2 audit committee meetings by invitation.

Remuneration Committee meetings:

ATTENDANCE	Meetings Eligible to Attend	Meetings Attended
Elizabeth Filkin CBE (Chair)	11	11
Peter Collini	11	11
John Mullen	7	7

Note 1: John Mullen was appointed as a Non-Executive Director on 1 June 2020 and was not therefore eligible to attend remuneration committee meetings prior to that date.
Note 2: Mark Wheeler attended 5 remuneration committee meetings by invitation and David Kilgour and Steven Norris each attended 3 remuneration committee meetings by invitation.

NON-EXECUTIVE DIRECTOR TERMS OF APPOINTMENT

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

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

Under the terms of their appointment letters, Steven Norris is paid £5,000 per calendar month and Peter Collini, Elizabeth Filkin CBE and John Mullen are each paid £2,500 per calendar month. Fees are reviewed annually.

EXECUTIVE TERMS OF APPOINTMENT

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

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

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

STRATEGY AND BUSINESS MODEL

The Strategic Report (Description of Business) includes a detailed description of our business.

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

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

As mentioned in the Chairman's Statement following a strategic review of the business in June 2020, the Group's agreed objective is to develop Driver Group into a higher margin business on a steady growth curve by focussing on growth in expert and arbitration services and reducing the share of the Group revenue derived from lower margin project services. Further details of our strategy are set out in the Chief Executive Officer's Review.

STAKE HOLDER ENGAGEMENT

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

SOCIAL RESPONSIBILITY

The Group is committed to ensuring the health and safety of its employees in the workforce and where possible implementing health and safety policy improvements. The Group invests in training and development of safe working practices. The Group measures its health and safety policies through 3 metrics: lost time due to accidents, lost time delays and reportable incidents.

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

CORPORATE CULTURE

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

As mentioned in the above paragraph, the Group is committed to ensuring the health and safety of its employees and operates an Anti-Slavery and Human Trafficking Policy which is published on our website and has implemented an Anti-Corruption Policy which has been made available to all employees.

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

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

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

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

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

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

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

RISK MANAGEMENT
The Board has overall responsibility for the Group's systems of internal control and for monitoring their effectiveness. Although no system of internal control can provide absolute assurance against material misstatements or loss, the Group's systems are designed to provide the directors with reasonable assurance that issues are identified on a timely basis and dealt with appropriately.

The Group has an established organisational structure with clearly defined lines of authority, responsibility and accountability, which is reviewed regularly. Group management is responsible for the identification and evaluation of key risks applicable to their areas of business. The Board has considered the need for an internal audit function but has resolved that due to the current size and complexity of the Group, this cannot be justified on the grounds of cost effectiveness.

SHAREHOLDER INFORMATION
The Company announces the voting decisions of shareholder meetings.

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

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

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

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

UK CITY CODE ON TAKEOVERS AND MERGERS
The Company is subject to the UK City Code on Takeovers and Mergers.

ANNUAL REVIEW
This Corporate Governance Statement is effective as at 14 December 2020 and was last reviewed on that date.

The Corporate Governance Statement will be updated further on the date of publication of the audited accounts of the Group for the financial year ending 30 September 2021 and thereafter annually at the same time as the publication of the audited accounts of the Company for each financial year.

Directors' Remuneration Report

For the year ended 30 September 2020

The members of the Remuneration Committee are Elizabeth Filkin (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
14 December 2020

DIRECTORS' REMUNERATION 2020	Salary and fees £	Severance £	Bonus £	Benefits £	Car allowance £	Pension £	Total Remuneration £
Gordon Wilkinson (8)	372,675	660,421	-	837	8,000	5,333	1,047,266
David Kilgour	167,998	-	15,000	6,239	12,000	-	201,237
Mark Wheeler	338,250	-	30,000	3,268	12,000	9,900	393,418
Steven Norris(6)	60,000	-	-	-	-	-	60,000
Peter Collini	30,000	-	-	-	-	-	30,000
Elizabeth Filkin(4)	30,000	-	-	-	-	-	30,000
John Mullen(5)(7)	10,000	-	-	-	-	-	10,000
Total	**1,008,923**	**660,421**	**45,000**	**10,344**	**32,000**	**15,233**	**1,771,921**

DIRECTORS' REMUNERATION 2019	Salary and fees £	Severance £	Bonus £	Benefits £	Car allowance £	Pension £	Total Remuneration £
Gordon Wilkinson (1)(2)	420,000	-	23,750	746	12,000	40,000	496,496
David Kilgour (1)	163,900	-	-	5,205	12,000	-	181,105
Mark Wheeler (1)	330,000	-	-	2,603	12,000	9,900	354,503
Steven Norris (1)(6)	60,000	-	-	-	-	-	60,000
John Horgan(3)	20,000	-	-	-	-	-	20,000
Peter Collini	30,000	-	-	-	-	-	30,000
Total	**1,023,900**	**-**	**23,750**	**8,554**	**36,000**	**49,900**	**1,142,104**

1 Share option charge in respect of options held by Directors in 2019 was a credit of £243,000.
2 During 2017 Gordon Wilkinson was paid a bonus of £190,000 which is subject to a retention clause to 31 December 2018. An amount of £23,750 was recognised as an expense in the prior year in relation to this payment,
3 John Horgan resigned as a Non-Executive Director on 27 February 2019.
4 Elizabeth Filkin was appointed as a Non-Executive Director on 1 October 2019.
5 John Mullen was appointed as a Non-Executive Director on 1 June 2020.
6 Steven Norris is a strategic advisor for Acuitas Communications. During the year Acuitas Communications were paid £75,000 (2019: £55,000) for services provided to the Group.
7 John Mullen continues to provide expert services and generates income for the Group. During the year, the Group paid Mullen Consult Ltd £169,000 (2019: £233,000).
8 Gordon Wilkinson resigned as Chief Executive Officer on 31 May 2020. His severance payment was as set out in his service contract.

For the year to 30 September 2020, the remuneration of Non-Executive Directors was set by the Board and consisted of an annual fee paid in equal monthly instalments.

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

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

Details of associated profit targets for the above share options can be found in the Report of the Directors.

SHARE OPTIONS 2019	Opening Number	Granted Number	Surrendered Number	Lapsed Number	Closing Number	Exercisable at 30 September 2019 Number	Exercise Price £	Value of exercisable shares at grant date £	Value of exercisable shares at 30 September 2019 £
Gordon Wilkinson	1,980,000	-	-	(300,000)	1,680,000	1,080,000	Nil	722,400	567,000
David Kilgour	213,336	-	-	(50,000)	163,336	113,336	Nil	75,735	59,501
Mark Wheeler	853,336	-	-	(200,000)	653,336	453,336	Nil	296,935	238,001
Steven Norris	150,000	-	-	(50,000)	100,000	50,000	Nil	32,750	26,250
Total	**3,196,672**	**-**	**-**	**(600,000)**	**2,596,672**	**1,696,672**	**-**	**1,127,820**	**890,753**

The value of exercisable options at 30 September 2019 is based on the closing share price on 30 September 2019 of 52.5p.

Details of associated profit targets for the above share options can be found in the Report of the Directors.

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

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Financial Statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WEBSITE PUBLICATION

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial Statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

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 2020 which comprise of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated cash flow statement, the consolidated statement of changes in equity, the Parent Company balance sheet, the Parent Company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard in the United Kingdom and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2020 and of the Group's profit for the year then ended;
- The Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- The Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

CONCLUSIONS RELATED TO GOING CONCERN

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

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

KEY AUDIT MATTERS

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

Trade Receivables Impairment Provisions	How We Addressed the Key Audit Matter
As described in note 25 (critical accounting estimates and judgements), management estimate the expected credit loss provision required for impaired receivables. As at 30 September 2020, as shown in note 12, the Group held trade receivables of £14,667k (2019: £16,371k). Judgement is required to assess the expected credit loss for receivables, to estimate the provision for receivables which may not be recoverable. Such judgements include management's expectations of future payment based on the forward looking assessment and macroeconomic factors, as applied to the historic default rates considered by the geographical location of the Group's entities. Management also exercise judgement in determining whether any specific additional provisions are required. Given the higher level of judgement involved by management, this is a significant audit risk.	We obtained assurance over management's judgements applied in calculating the amount of receivables provisions by: ■ Reviewing management's calculation of the expected credit loss provision, including agreeing the inputs to source ledgers and assessing management's judgement on the forward looking assessment by comparison to our understanding of the business and corroboration to macroeconomic reports of the relevant geographies where possible. ■ In order to assess whether any specific additional provisions were required, for significant UK components we reviewed a sample of balances for the level of cash received post year end against the year-end receivables in each entity, or other supporting documentation where this was still outstanding. ■ For significant foreign components we set trade receivables impairment provisions as a significant risk to the component audit teams to ensure specific procedures were performed in this area. We then discussed these matters with the component audit teams and reviewed the component auditor's working papers on receivables to ensure a sample of items had been tested in line with the work noted above on both management's calculation of expected credit loss provisions and any specific additional provisions considered to be required. ■ For certain non-significant components, we tested management's expected credit loss provisions by comparing to our estimate of the provisions required based on the historic data and consideration of specific provisions required. Furthermore, in order to assess for any specific provisions required, we also reviewed a sample of the aged receivables to payment, or other supporting documentation where this was still outstanding, to verify the recoverability of these balances post year end. Key observations: Based on the audit procedures performed we considered that management's judgements in relation to the expected credit loss were reasonable.

Going Concern	How We Addressed the Key Audit Matter
The outbreak of Covid-19 has resulted in uncertainty in the global economy and as such increases the difficulty in accurately forecasting the performance of the Group going forward. During the year, in order to give the Group protection from potential future unforeseen Covid-19 related impacts on the business, management agreed additional loan facilities with their bank including relaxed covenant requirements until September 2021. As at 30 September 2020 the additional £2million revolving credit facility and £2million CLBILS loan remained undrawn. Management considered implications for the Group's going concern assessment and the disclosure in the Annual Report and accounts, by developing stress test scenarios to model potential impacts and considering compliance with covenants in place. Management are required to make significant estimates and judgements when preparing such forecasts. Given the significant level of judgement involved by management, this was considered to be a significant audit risk.	We considered management's assessment of going concern by performing the following procedures: ■ Reviewed and challenged the going concern paper prepared by management by verifying the numerical inputs, accuracy of the calculations and obtaining evidence to support management's estimates; ■ Evaluated the appropriateness of the assumptions utilised by management in assessing the group's ability to continue as a going concern by comparing to previous periods and actual results achieved to date since the impact of Covid-19. The key assumptions included the timing of economic recovery during 2021 and considerations regarding timings of future cash receipts from customers, as well as headroom of available cash and compliance with covenants; ■ Reviewed the forecasts prepared to 31 December 2021 and stress tests to understand the available headroom on all financing facilities, cash and loan covenants. We have challenged the assumptions within the stress test scenarios to understand the headroom impact of reductions in revenue, EBITDA and profit, and any delays in receipts of cash from customers; ■ Challenged management on the inputs and assumptions used in the forecast models. ■ Evaluated the compliance with the relaxed covenants to September 2021 as well as the covenants applying over the remainder of the forecast period to December 2021. Key observations: Our observations are set out in the Conclusions relating to going concern section above.

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

OUR APPLICATION OF MATERIALITY

Group materiality FY 2020	Group materiality FY 2019	Basis for materiality
£265,000	£270,000	2% gross profit (2019 – 2% of gross profit)

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

We consider gross profit to provide an appropriate and consistent determinant of the Group's financial performance, given the significant fluctuations in the net profit/loss of individual components over recent years.

In considering individual account balances and classes of transactions we apply a lower level of materiality in order to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality. Performance materiality was set at £198,750 (2019: £202,500), representing 75% (2019: 75%) of materiality. The performance materiality threshold was selected based on the expected low level of misstatements and the relatively low number of accounts that are subject to management estimation.

Audit work on each component was executed at levels of materiality applicable to each individual entity, which was lower than Group materiality. Component materiality ranged from £24,000 to £140,000 (2019: £50,000 to £151,000). Component materiality was set primarily based on the size of each component, combined with the risk assessment analysis performed by component at Group level. Parent Company materiality was £140,000 (2019: £151,000). Performance materiality for all components was set at a maximum of 75% (2019: 75%).

We agreed with the Audit Committee that we would report to the committee all individual audit differences identified during the course of our audit in excess of £5,300 (2019: £5,400). We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

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

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

Together with the Parent Company and its Group consolidation, which was also subject to a full scope audit, these locations represent the principal business units of the Group. These have been audited by the Group audit team or other component auditors as noted above, and account for 75% of the Group's revenue, 84% of the Group's net assets and 75% of the Group's gross profit.

With regards to the audit of overseas significant audit components, the Responsible Individual and senior members of the Group audit team were involved at all stages of the audit process, directing the planning and risk assessment work. 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 Singapore, United Arab Emirates and Oman.

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

OTHER INFORMATION

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

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

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- The information given in the strategic report and the 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 31, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

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

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

USE OF OUR REPORT

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

Gary Harding
Senior Statutory Auditor
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom
14 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Income Statement

For the year ended 30 September 2020

	Notes	2020 £000	2019 £000
REVENUE	2	**53,074**	**58,486**
Cost of sales		**(39,162)**	**(44,950)**
Impairment movement	12	**(778)**	**401**
GROSS PROFIT		**13,134**	**13,937**
Administrative expenses		**(11,413)**	**(10,760)**
Other operating income		**130**	**155**
Underlying* operating profit		**2,618**	**3,089**
One off severance costs		**(767)**	**-**
Share-based payment charges and associated costs	17	**-**	**243**
OPERATING PROFIT	2,4	**1,851**	**3,332**
Finance income		**14**	**44**
Finance costs	6	**(128)**	**(131)**
PROFIT BEFORE TAXATION	2	**1,737**	**3,245**
Tax expense	7	**(399)**	**(497)**
PROFIT FOR THE YEAR		**1,338**	**2,748**
(Loss)/profit attributable to non-controlling interest		**(1)**	**1**
Profit attributable to equity shareholders of the Parent		**1,339**	**2,747**
		1,338	**2,748**
Basic earnings per share attributable to equity shareholders of the Parent (pence)	9	**2.6p**	**5.2p**
Diluted earnings per share attributable to equity shareholders of the Parent (pence)	9	**2.5p**	**4.8p**

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

The notes on pages 41 to 69 form part of these Financial Statements

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2020

	2020 £000	2019 £000
PROFIT FOR THE YEAR	**1,338**	**2,748**
Other comprehensive income:		
Items that could subsequently be reclassified to the Income Statement:		
Exchange differences on translating foreign operations	**(24)**	**(25)**
OTHER COMPREHENSIVE LOSS FOR THE YEAR NET OF TAX	**(24)**	**(25)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**1,314**	**2,723**
Total comprehensive income attributable to:		
Owners of the Parent	**1,315**	**2,722**
Non-controlling interest	**(1)**	**1**
	1,314	**2,723**

The notes on pages 41 to 69 form part of these Financial Statements

Consolidated Statement of Financial Position

For the year ended 30 September 2020

	Notes		2020		2019
		£000	£000	£000	£000
NON-CURRENT ASSETS					
Goodwill	11	**2,969**		**2,969**	
Property, plant and equipment	10	**501**		**685**	
Intangible asset	32	**182**		**-**	
Right of use asset	19	**1,831**		**-**	
Deferred tax asset	16	**308**		**268**	
			5,791		**3,922**
CURRENT ASSETS					
Trade and other receivables	12	**17,819**		**20,189**	
Derivative financial asset	21	**171**		**2**	
Cash and cash equivalents	15	**11,215**		**7,526**	
			29,205		**27,717**
TOTAL ASSETS			**34,996**		**31,639**
CURRENT LIABILITIES					
Borrowings	14	**(3,000)**		**(2,125)**	
Lease creditor	20	**(679)**		**-**	
Trade and other payables	13	**(9,446)**		**(9,197)**	
Derivative financial liability	21	**(178)**		**(398)**	
Current tax payable		**(264)**		**(428)**	
			(13,567)		**(12,148)**
NON-CURRENT LIABILITIES					
Lease creditor	20	**(1,040)**		**-**	
			(1,040)		**-**
TOTAL LIABILITIES			**(14,607)**		**(12,148)**
NET ASSETS			**20,389**		**19,491**
SHAREHOLDERS' EQUITY					
Share capital	17		**216**		**216**
Share premium	22		**11,496**		**11,496**
Merger reserve	22		**1,055**		**1,055**
Currency reserve	22		**(449)**		**(425)**
Capital redemption reserve	22		**18**		**18**
Treasury shares	22		**(1,025)**		**(1,000)**
Retained earnings	22		**9,075**		**8,127**
Own shares	22		**(3)**		**(3)**
TOTAL SHAREHOLDERS' EQUITY			**20,383**		**19,484**
NON-CONTROLLING INTEREST	22		**6**		**7**
TOTAL EQUITY			**20,389**		**19,491**

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

David Kilgour
Chief Financial Officer
14 December 2020

The notes on pages 41 to 69 form part of these Financial Statements.

Consolidated Cash Flow Statement

For the year ended 30 September 2020

	Notes	2020 £000	2019 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		1,338	2,748
Adjustments for:			
Depreciation	10	321	418
Exchange adjustments		55	(69)
Amortisation of right of use asset		1,051	-
Finance income		(14)	(44)
Finance expense	6	128	131
Tax expense	7	399	497
Equity settled share-based payment charge/(credit)	17	-	(243)
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS		3,278	3,438
Decrease/(increase) in trade and other receivables		2,056	(658)
Increase/(decrease) in trade and other payables		240	(2,053)
CASH GENERATED IN OPERATIONS		5,574	727
Tax paid		(519)	(623)
NET CASH INFLOW FROM OPERATING ACTIVITIES		5,055	104
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		14	44
Acquisition of property, plant and equipment		(167)	(338)
Acquisition of intangible assets		(182)	-
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(335)	(294)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(107)	(131)
Repayment of borrowings		(3,191)	(981)
Proceeds of borrowings		3,000	-
Proceeds from issue of new shares		-	22
Purchase of Treasury shares		(25)	(1,000)
Dividends paid to equity shareholders of the Parent		(653)	(270)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(976)	(2,360)
Net increase/(decrease) in cash and cash equivalents		3,744	(2,550)
Effect of foreign exchange on cash and cash equivalents		(55)	69
Cash and cash equivalents at start of period		7,526	10,007
CASH AND CASH EQUIVALENTS AT END OF PERIOD	15	11,215	7,526

The notes on pages 41 to 69 form part of these Financial Statements

Consolidated Statement of Changes in Equity

For the year ended 30 September 2020

	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
CLOSING BALANCE AT 1 OCTOBER 2018	**215**	**11,475**	**-**	**1,055**	**(382)**	**6,154**	**(3)**	**18,514**	**6**	**18,520**
Profit for the year	-	-	-	-	-	2,747	-	2,747	1	2,748
Other comprehensive income for the year	-	-	-	-	(25)	-	-	(25)	-	(25)
Total comprehensive income for the year	-	-	-	-	(25)	2,747	-	2,722	1	2,723
Dividends	-	-	-	-	-	(531)	-	(531)	-	(531)
Share-based payment	-	-	-	-	-	(243)	-	(243)	-	(243)
Purchase of Treasury shares	-	-	(1,000)	-	-	-	-	(1,000)	-	(1,000)
Issue of new shares	1	21	-	-	-	-	-	22	-	22
CLOSING BALANCE AT 30 SEPTEMBER 2019	**216**	**11,496**	**(1,000)**	**1,055**	**(407)**	**8,127**	**(3)**	**19,484**	**7**	**19,491**
OPENING BALANCE AT 1 OCTOBER 2019	**216**	**11,496**	**(1,000)**	**1,055**	**(407)**	**8,127**	**(3)**	**19,484**	**7**	**19,491**
Profit for the year	-	-	-	-	-	1,339	-	1,339	(1)	1,338
Other comprehensive income for the year	-	-	-	-	(24)	-	-	(24)	-	(24)
Total comprehensive income for the year	-	-	-	-	(24)	1,339	-	1,315	(1)	1,314
Dividends	-	-	-	-	-	(391)	-	(391)	-	(391)
Share-based payment	-	-	-	-	-	-	-	-	-	-
Purchase of Treasury shares	-	-	(25)	-	-	-	-	(25)	-	(25)
Issue of new shares	-	-	-	-	-	-	-	-	-	-
CLOSING BALANCE AT 30 SEPTEMBER 2020	**216**	**11,496**	**(1,025)**	**1,055**	**(431)**	**9,075**	**(3)**	**20,383**	**6**	**20,389**

(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.

The notes on pages 41 to 69 form part of these Financial Statements

Summary of Significant Accounting Policies

For the year ended 30 September 2020

1 ACCOUNTING POLICIES

Driver Group plc ("the Company") is a company incorporated and domiciled in the UK. The policies have been applied consistently to all years presented, unless stated.

The Group Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRS), International standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Boards (IASB) as adopted by the European Union ("adopted IFRSs") and with those parts of the Companies Act 2006 applicable to those companies reporting under IFRS.

The Company has elected to prepare its financial statements in accordance with FRS 102. These are provided on pages 64 to 69.

BASIS OF PREPARATION

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets, and in accordance with Applicable Accounting Standards.

GOING CONCERN

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

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

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

The Directors have prepared cash flow forecasts and a reverse stress test covering a period of more than 12 months from the date of releasing these financial statements. This assessment has included consideration of the forecast performance of the business for the foreseeable future, the cash and financing facilities available to the Group and the mitigating actions undertaken to reduce the impact of COVID-19. In preparing these forecasts, the Directors have considered sensitivities incorporating the potential impact of COVID-19 such as a reduction in both revenues and debtor receipts. The forecasts show that the Group could incur a further reduction in revenues of up to approximately 15% compared to existing depressed COVID-19 levels if combined with a minimal change to the cost base and a reduction of cash collections by up to 33% compared to current levels and still have sufficient headroom to operate. In all scenarios, the Group remained in a cash positive position with headroom throughout and as such there were no concerns with the banking covenants associated with the Group's facilities.

At 30 September 2020 the Group had cash reserves of £11.2m with an undrawn amount of £2.0m from a revolving credit facility of £5.0m (£3.0m drawn down) and an undrawn £2.0m Coronavirus Large Business Interruption Loan Scheme Facility. In addition to the above, the Group has also agreed a relaxation of its banking covenants until 30 September 2021.

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

BASIS OF CONSOLIDATION

Where the Company has the power over the investee, either directly or indirectly, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns, it is classified as a subsidiary. The Consolidated Financial Statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity.

The Group Statement of Financial Position incorporates the shares held by the Driver Group Employee Benefit Trust which are reserved under option which have not vested by the Statement of Financial Position date. These are shown as a deduction from shareholders' equity as an 'own shares' reserve until such a time as they vest unconditionally with the employee.

Accounting policies are consistently applied throughout the Group. Intercompany balances and transactions have been eliminated. Material profits from intercompany sales, to the extent that they are not yet realised outside the Group, have also been eliminated.

Non-controlling interests in subsidiaries are presented separately from the equity attributable to equity owners of the Parent Company. Non-controlling shareholders' interest may initially be measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

The choice of measurement basis is made on each acquisition individually. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

BUSINESS COMBINATIONS

The Consolidated Financial Statements incorporate the results of business combinations using the purchase method. In the Consolidated Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Income Statement from the date on which control is obtained. They are derecognised from the date that control ceases.

Determining the fair value of intangibles acquired in business combinations requires estimation of the value of the cash flows related to the identified intangibles and a suitable discount rate in order to calculate the present value.

In arriving at the cost of acquisition, the fair value of the shares issued by the Company is taken to be the closing bid price of those shares at the date of issue. Where this figure exceeds the nominal value of the shares, the excess amount is treated as an addition to reserves.

GOODWILL

Goodwill represents the excess of the cost of a business combination over the interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired. Cost comprises the fair values of assets given, liabilities assumed and equity instruments issued. Following the adoption of IFRS 3, costs incurred in connection with acquisitions are recognised in profit and loss as incurred.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the Consolidated Income Statement.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

FOREIGN CURRENCY TRANSLATION

In preparing the financial statements of the individual entities, transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the Statement of Financial Position date. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period.

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Sterling using exchange rates prevailing on the Statement of Financial Position date. Income and expense items (including comparatives) are translated using the exchange rates at each month end. Exchange differences arising, if any, are recognised in other comprehensive income and in the Group's translation reserve. Cumulative translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

REVENUE

Revenue is recognised in accordance with IFRS 15 which dictates that revenue is recognised when contracted performance obligations are satisfied. Revenue in respect of the core services being: consultancy, contract administration and project consultancy services, represents the amount earned from the provision of services provided to customers outside of the Group and is recognised based on time incurred, as the services are delivered in line with the contractual arrangements and represents a continual flow of benefits to the customer.

Where the Group enters into a fixed fee arrangement revenue is recognised by reference to the stage of completion of the project. The stage of completion is determined by the Group's management based on the Project Manager's assessment of the contract terms, the time incurred and the performance obligations achieved and remaining.

Fees which are contingent on the occurrence of one or more significant future events are recognised as revenue once the events on which they are contingent have occurred.

Unbilled revenue is included within accrued income.

GOVERNMENT GRANTS

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

SEGMENT REPORTING

In accordance with IFRS 8, operating segments are identified based on the "management approach". This approach stipulates external segment reporting based on the Group's internal organisational and management structure and on internal financial reporting to the chief operating decision maker. The chief operating decision maker is the Chief Executive Officer.

Details of the segments are provided in note 2.

FINANCING COSTS

Interest income and interest payable are recognised in the Consolidated Income Statement on an accruals basis, using the effective interest method.

LEASED ASSETS

Lessee

From the 1 October 2019 leased assets are recognised in accordance with IFRS 16 which replaces IAS 17 and provides a single lessee accounting model. In line with IFRS 16, a right of use asset is recognised in relation to all leases entered into by the Group that are greater than one year in length. The amount initially recognised as an asset is equal to the present value of the minimum lease payments payable over the term of the lease. The asset is then amortised over the lease term. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the Consolidated Income Statement over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

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

Lessor

Rentals received are credited to the Income Statement on a straight-line basis over the term of the lease.

DIVIDENDS

Interim dividends are recognised when they are paid.

Final dividends are recorded in the Financial Statements in the period in which they are approved by the Group's shareholders in the Annual General Meeting.

EMPLOYEE BENEFITS

Defined contribution plan

The Group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the Consolidated Income Statement.

Share-based payment transactions

The cost of share options awarded to employees, measured by reference to their fair value at the date of grant, is recognised over the vesting period of the options based on the number of options which in the opinion of the Directors will ultimately vest. This number is reviewed annually. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The cost of the share options is recognised as an employee expense with a corresponding increase in retained earnings.

TAXATION

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates and laws that have been enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying value amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

IMPAIRMENT OF ASSETS

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e. the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows).

Goodwill is allocated on initial recognition to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires an entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. Any change in estimates could result in an adjustment to recorded amounts.

Impairment charges are included in the administrative expenses line item in the Consolidated Income Statement, except to the extent they reverse gains previously recognised in the Consolidated Statement of Changes in Equity. An impairment loss recognised for goodwill is not reversed.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

FINANCIAL ASSETS

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

Fair value through profit or loss

This category comprises only in-the-money derivatives (see Financial Liabilities section for out-of-the-money derivatives). They are carried in the Consolidated Statement of Financial Position at fair value with changes in fair value recognised in the Consolidated Income Statement in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Financial assets at amortised cost

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

From 1 October 2018, and following the adoption of IFRS 9, the impairment provisions for trade receivables are now recognised using the "expected credit loss model" 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:

- Buildings 2% per annum
- Fixtures and fittings 10% - 33% per annum
- Computer equipment 25% per annum
- Motor Vehicles 25% per annum

Residual values and remaining economic useful lives and depreciation methods are reviewed annually and adjusted if appropriate.

Gains or losses on disposal are included in profit and loss.

EMPLOYEE BENEFIT TRUST

The Group Statement of Financial Position incorporates the results of the Driver Group Employee Benefit Trust. The Directors consider that the activities of the Trust are being conducted on behalf of the Group and the Group obtains the benefits from the Trust's operation. In accordance with IFRS 10 the assets of the Trust, and any liabilities it has, are recognised in the Group's Statement of Financial Position. Own shares held by the Trust for future distribution to employees under share option arrangements are deducted from shareholders' equity until such a time as they vest unconditionally with the employee. Any income or expenditure incurred by the Trust is recognised in the Group's Financial Statements. The shortfall in the market value of the shares held by the EBT and the outstanding loan is transferred from own shares to retained earnings.

JOINT ARRANGEMENTS

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

The Group classifies its interests in joint arrangements as either:

- Joint ventures: where the Group has rights to only the net assets of the joint arrangement; or
- Joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

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

STANDARDS ADOPTED FOR THE FIRST TIME

IFRS 16 Leases: is effective for periods beginning on or after 1 January 2019 and the Group transitioned on 1 October 2019. IFRS 16 replaces IAS 17 Leases and provides a single lessee accounting model, requiring lessees to recognise related right of use lease assets and lease liabilities for all applicable leases in the statement of financial position. The presentation and timing of income and expense recognition in the income statement has also changed. Management conducted a review of the Group's operating lease position on transition and adopted the modified retrospective approach. Details and a reconciliation of the impact of the new standard can be found in note 18 of these financial statements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Notes to the Financial Statements

For the year ended 30 September 2020

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

(1) Unallocated costs represent Directors' remuneration (the audited Directors' remuneration report can be found on page 28 of these financial statements), administration staff, corporate head office costs and expenses associated with AIM. (2) Capital additions comprise additions to property, plant and equipment and intangible assets. No client had revenue exceeding 10% of the Group's revenue in the year to 30 September 2020.

YEAR ENDED 30 SEPTEMBER 2019	Europe & Americas £000	Middle East £000	Asia Pacific £000	Eliminations £000	Unallocated £000	Consolidated £000
Total external revenue	29,771	19,645	9,070	-	-	58,486
Total inter-segment revenue	47	121	20	(188)	-	-
Total revenue	29,818	19,766	9,090	(188)	-	58,486
Segmental profit/(loss)	3,908	1,446	(363)	-	-	4,991
Unallocated corporate expenses(1)	-	-	-	-	(1,902)	(1,902)
Share-based payment charge	-	-	-	-	243	243
Operating profit/(loss)	3,908	1,446	(363)	-	(1,659)	3,332
Finance income	-	-	-	-	44	44
Finance expense	-	-	-	-	(131)	(131)
Profit/(loss) before taxation	3,908	1,446	(363)	-	(1,746)	3,245
Taxation	-	-	-	-	(497)	(497)
Profit/(loss) for the period	3,908	1,446	(363)	-	(2,243)	2,748
OTHER INFORMATION						
Non current assets	3,200	379	129	-	214	3,922
Reportable segment assets	11,707	9,609	3,832	-	6,491	31,639
Capital additions(2)	43	190	77	-	28	338
Depreciation and amortisation	99	145	100	-	74	418

(1) Unallocated costs represent Directors' remuneration (the audited Directors' remuneration report can be found on page 28 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 2019.

Notes to the Financial Statements (continued)

GEOGRAPHICAL INFORMATION

EXTERNAL REVENUE BY LOCATION OF CUSTOMERS	2020 £000	2019 £000
UK	17,622	16,709
UAE	5,757	9,124
Oman	5,043	6,004
Saudi Arabia	2,589	806
Singapore	2,413	3,608
Netherlands	2,230	2,294
Germany	2,193	2,461
France	1,953	2,149
Qatar	1,877	3,582
Ireland	1,599	533
Australia	1,393	1,559
Canada	1,027	1,298
Indonesia	1,006	-
Spain	955	1,246
Malaysia	949	1,812
United States	943	771
Italy	506	514
Denmark	390	161
Belgium	365	570
Russia	353	365
Poland	327	485
Kuwait	286	430
South Korea	210	42
Hong Kong	193	288
Croatia	192	70
Vietnam	127	84
India	30	518
Luxembourg	5	114
Kazakhstan	-	122
Other countries	541	767
	53,074	58,486

GEOGRAPHICAL INFORMATION OF NON CURRENT ASSETS

	2020 £000	2019 £000
UK	4,927	3,396
UAE	275	184
Netherlands	144	10
Oman	123	129
Malaysia	75	43
Hong Kong	68	21
Qatar	53	38
Singapore	46	54
France	33	3
Australia	19	11
Kuwait	12	28
Canada	8	5
USA	8	-
	5,791	3,922

3 EMPLOYEES

STAFF COSTS INCLUDING DIRECTORS' REMUNERATION

	2020 £000	2019 £000
Wages and salaries	33,343	36,993
Social security costs	1,770	1,615
Other pension costs	909	1,020
Share-based payment charges and associated costs	-	(243)
	36,022	39,385

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

BY ROLE	2020	2019
Directors	6	5
Fee-earners	272	301
Administration	77	74
	355	380

KEY MANAGEMENT AND DIRECTORS' REMUNERATION

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

	2020 £000	2019 £000
Remuneration	2,741	2,898
Social security costs	206	176
Short term benefits	4	4
Money purchase pension contributions	57	95
Compensation for loss of office	660	-
	3,668	3,173
Share-based compensation	-	(243)
Total key management compensation	3,668	2,930

Key management consists of the statutory Executive Directors of the Company plus a further 4 (2019: 5) Operational Directors who form part of the Global Management Board.

The Executive Directors' remuneration is shown below:

	2020 £000	2019 £000
Emoluments	1,096	1,092
Compensation for loss of office	660	-
Money purchase pension contributions	15	50
Total remuneration	1,771	1,142

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

	2020 £000	2019 £000
Emoluments	382	456
Compensation for loss of office	660	-
Money purchase pension contributions	5	40
Total remuneration	1,047	496

The number of Directors to whom retirement benefits are accruing:

	2020	2019
Money purchase pension schemes	1	2

Notes to the Financial Statements (continued)

4 PROFIT FROM OPERATIONS

Profit from operations includes the following significant expenses:

	2020 £000	2019 £000
Depreciation and amounts written off property, plant and equipment – owned assets	321	418
Amortisation of right of use assets	1,051	-
Audit services:		
– statutory audit of Parent	11	10
– statutory audit of subsidiaries	83	83
– audit regulatory reporting – interim review	15	9
Tax services:		
– compliance	11	16
– other services – iXBRL	3	5
Operating lease rentals – land and buildings	-	1,736
Operating lease rentals – other leases	-	118
Lease payments – short life assets	359	-
Exchange loss/(gain)	135	(61)

5 DIVIDENDS

	2020 £000	2019 £000
The aggregate amount of equity dividends comprises:		
Final dividend paid in respect of prior year	392	270
Interim dividend in respect of the previous year (paid 31 October 2019)	-	261
Aggregate amount of dividends paid in the financial year	392	531
Equity dividends proposed for approval at Annual General Meeting (not recognised at year end)		
Final dividend for 2020: Nilp (2019: 0.75p)	-	392

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

	2020 £000	2019 £000
Bank interest	107	131
Finance lease interest	21	-
	128	131

7 TAXATION

ANALYSIS OF THE TAX CHARGE

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

	2020 £000	2019 £000
Current tax:		
UK corporation tax on profit for the year	88	165
Non-UK corporation tax	388	568
Adjustments to the prior period estimates	(37)	(37)
	439	696
Deferred tax:		
Origination and reversal of temporary difference (note 16)	(40)	(199)
Tax charge for the year	399	497

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:

	2020 £000	2019 £000
Profit before tax	1,737	3,245
Expected tax charge based on the standard average rate of corporation tax in the UK of 19% (2019: 19%)	330	617
Effects of:		
Expenses not deductible	8	(24)
Deferred tax – other differences	(40)	(199)
Foreign tax rate differences	124	206
Adjustment to prior period estimates	(37)	(37)
Utilisation of losses	(47)	(168)
Share options exercised	-	(11)
Unprovided losses	61	113
Tax charge for the year	399	497

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

As at the balance sheet date there are no known reasons that will affect future tax charges.

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 profit for the financial period was £714,000 (2019: £1,536,000). The Company has elected to prepare the Parent Company Financial Statements in accordance with FRS 102.

9 EARNINGS PER SHARE

	2020 £000	2019 £000
Profit for the financial year attributable to equity shareholders	1,339	2,747
Compensation for loss of office	767	-
Share-based payment charges and associated costs (note 17)	-	(243)
Underlying profit for the year before share-based payments and compensation for loss of office	2,106	2,504
Weighted average number of shares:		
- Ordinary shares in issue	53,962,868	53,942,035
- Shares held by EBT	(3,677)	(3,677)
- Treasury shares	(1,786,937)	(619,223)
Basic weighted average number of shares	52,172,254	53,319,135
Effect of Employee share options	2,558,796	3,462,087
Diluted weighted average number of shares	54,731,050	56,781,222
Basic earnings per share	2.6p	5.2p
Diluted earnings per share	2.5p	4.8p
Underlying basic earnings per share before share-based payments and compensation for loss of office	4.0p	4.7p

Notes to the Financial Statements (continued)

10 PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
COST				
At 1 October 2018	1,437	1,738	362	3,537
Additions	190	148	-	338
Foreign exchange movement	40	23	22	85
At 30 September 2019	1,667	1,909	384	3,960
DEPRECIATION				
At 1 October 2018	1,120	1,311	341	2,772
Charge for year	176	219	23	418
Foreign exchange movement	37	28	20	85
At 30 September 2019	1,333	1,558	384	3,275
NET BOOK VALUE				
At 30 September 2019	334	351	-	685
At 30 September 2018	317	427	21	765
COST				
At 1 October 2019	1,667	1,909	384	3,960
Additions	26	141	-	167
Disposals	(5)	(8)	-	(13)
Foreign exchange movement	(40)	(33)	(34)	(107)
At 30 September 2020	1,648	2,009	350	4,007
DEPRECIATION				
At 1 October 2019	1,333	1,558	384	3,275
Charge for year	139	182	-	321
Disposals	(1)	(1)	-	(2)
Foreign exchange movement	(30)	(24)	(34)	(88)
At 30 September 2020	1,441	1,715	350	3,506
NET BOOK VALUE				
At 30 September 2020	207	294	-	501
At 30 September 2019	334	351	-	685

11 GOODWILL

	£000
COST	
At 1 October 2019	2,969
At 30 September 2020	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 10% or revenues need to decrease in excess of 15% 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:

	2020 £000	2019 £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 USA Inc	United States of America	Construction consultancy services	100%	(4)

* 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 loss of £22,000 (2019 profit: £23,000) to net margin during the financial period.

(4) Driver Trett USA Inc was incorporated on 10 August 2020.

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 2020 the assets of the Trust comprised 3,677 (2019: 3,677) of the Company's own shares with a nominal value of £15 (2019: £15) and a market value of £1,829 (2019: £1,930). The cost of shares has been deducted from equity. The net assets of the Trust are available for the benefit of Driver Consult's and Driver Group's employees. Neither the loan from the Company nor the equivalent liability of the Trust is included in debtors or creditors.

Notes to the Financial Statements (continued)

12 TRADE AND OTHER RECEIVABLES

	2020 £000	2019 £000
Trade receivables	**14,667**	**16,371**
Other receivables	**1,264**	**1,384**
Prepayments	**1,213**	**1,478**
Accrued income	**675**	**956**
	17,819	**20,189**

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. Included within other receivables and accrued income is £571,000 (2019: £744,000) due after 1 year.

As at 30 September 2020 trade receivables past due and net of provision were £7,899,000 (2019: £7,347,000). The ageing analysis of trade receivables is as follows:

		Debt age – "days overdue"			
30 September 2020	**Current (not yet overdue) £000**	**0-30 days £000**	**31-60 days £000**	**Over 60 days £000**	**Total £000**
Gross Trade receivables	7,638	2,118	1,246	6,224	17,226
Expected credit loss provision	-	-	(14)	(2,545)	(2,559)
Trade Receivables	7,638	2,118	1,232	3,679	14,667
Expected credit loss %	0%	0%	1%	41%	15%
30 September 2019					
Gross Trade receivables	9,024	2,988	1,474	5,269	18,755
Expected credit loss provision	-	-	(15)	(2,369)	(2,384)
Trade Receivables	9,024	2,988	1,459	2,900	16,371
Expected credit loss %	0%	0%	1%	45%	12.7%

As at 30 September 2020 the Group has an impairment allowance against trade receivables of £2,559,000 (2019: £2,384,000). From the 1 October 2018, and following the adoption of IFRS 9, the impairment provisions for trade receivables are now recognised using the "expected credit loss model" and the Group has adopted a simplified model to recognise lifetime expected credit losses to trade receivables. Due to the forward looking nature of this standard in comparison to the previous incurred loss, this increased the provision required on transition by £0.95m. This new 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:

	2020 £000	2019 £000
At the beginning of the year	**2,384**	**2,046**
Accounting policy change - IFRS 9	**-**	**953**
Increase/(decrease) during the year	**778**	**(401)**
Receivables written off during the year as uncollectible	**(603)**	**(214)**
At the end of the year	**2,559**	**2,384**

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

13 TRADE AND OTHER PAYABLES

	2020 £000	2019 £000
Trade payables	**2,082**	**2,415**
Social security and other taxes	**1,745**	**1,185**
Other payables	**2,214**	**3,083**
Accrued expenses	**3,405**	**2,514**
	9,446	**9,197**

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

14 BORROWINGS

An analysis of the maturity of loans is given below:

	2020 £000	2019 £000
Current:		
Bank loan and overdraft	3,000	2,125
Lease liability	679	-
	3,679	2,125
Non-current falling due between one and two years:		
Lease liability	393	-
	393	-
Non-current falling due between two and five years:		
Lease liability	647	-
	647	-

The carrying value of liabilities is a reasonable approximation of the fair value.
As at 30 September 2020 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
Term loan repayable in instalments by 29 September 2023	£2,000,000	1.68% over Libor

As at 30 September 2020 the Company had access to cash balances of £11,215,000 in addition to the unutilised revolving credit facility of £2,000,000 and the undrawn CLBILS loan of £2,000,000. The Group's borrowings are secured by debentures over the Group's assets.

15 CASH AND CASH EQUIVALENTS

	2020 £000	2019 £000
Cash at bank	11,215	7,526

Cash and cash equivalent balances are denominated in Sterling, Euros, US Dollars, Qatari Riyals, UAE Dirhams, Omani Rials, South African Rand, Malaysian Ringgits, Singapore Dollars, Australian Dollars, Hong Kong Dollars, Canadian Dollars and Kuwaiti Dinar.

16 DEFERRED TAXATION

Deferred tax has been calculated at 19% (2019: 17%) based on expected future tax rates in jurisdictions where the deferred tax is expected to reverse.

DEFERRED TAX LIABILITY

	2020 £000	2019 £000
At the beginning of the year	-	-
Credit for the year recognised in the Income Statement	-	-
Temporary differences on property credited to the Income Statement	-	-
At the end of the year	-	-

DEFERRED TAX ASSET

	2020 £000	2019 £000
At the beginning of the year	268	69
Credit for the year recognised in the Income Statement	40	199
At the end of the year	308	268

Notes to the Financial Statements (continued)

The elements of the deferred tax balances are as follows:

	Assets		Liabilities	
	2020 £000	2019 £000	2020 £000	2019 £000
Temporary differences on property	-	-	-	-
Capital allowances difference to depreciation	-	-	-	-
Other short term temporary differences	308	268	-	-
	308	268	-	-

The Group had taxable losses of £7,052,000 (2019 losses: £7,502,000) carried forward at the year end. No deferred tax asset has been recognised in relation to these losses as an accurate estimate of when this asset would be utilised cannot yet be determined.

17 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal Value	2020 £000	2019 £000
53,962,868	Ordinary	0.4p	216	216

Ordinary shares of 0.4p each	2020 Number	2020 £000	2019 Number	2019 £000
At beginning of the year	53,962,868	216	53,862,868	215
Issued during the year	-	-	100,000	1
At end of the year	53,962,868	216	53,962,868	216

SHARE-BASED PAYMENT TRANSACTIONS

On 23 January 2011 the Group modified the existing share options by issuing 2,902,500 modified options at an option price of 21.5p which were conditional on the surrender of 1,935,000 existing options. The incremental increase in fair value of the share options has been recognised over the revised vesting period. During the year no options were exercised. 100,000 of these options remain outstanding at the year end.

During 2016 1,300,000 share options were granted plus the potential for further performance options. These were granted with an exercise price of nil p and a vesting period between 0 and 4 years. Some of these options are contingent on the employee purchasing their own shares with the remaining conditional on profit targets. 800,000 of these share options were modified from original options granted in the same year. 1,080,000 were exercisable at 30 September 2018, of which 80,000 of these shares are in relation to the additional performance options. During the year none have been exercised.

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

At 30 September 2020 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 6 employees (2019: 6):

Year of grant	Vesting period	Exercise price per 0.4p share (pence)	2020 Number	2019 Number
2011	23-01-2011 to 01-10-2014	21.5p	100,000	100,000
2016	22-09-2016 to 30-09-2016	Nilp	400,000	400,000
	22-09-2016 to 30-09-2017	Nilp	300,000	300,000
	22-09-2016 to 30-09-2018	Nilp	300,000	300,000
	22-09-2016 to 30-09-2019	Nilp	-	-
2017	29-01-2018 to 01-10-2018	Nilp	50,000	50,000
	29-01-2018 to 01-10-2019	Nilp	-	-
	29-01-2018 to 01-10-2020	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	50,000
	22-02-2018 to 01-10-2019	Nilp	50,000	50,000
	22-02-2018 to 01-10-2020	Nilp	-	600,000
	22-02-2018 to 01-10-2021	Nilp	-	300,000
	30-09-2018 to 01-10-2018	Nilp	146,672	146,672
			1,846,672	2,796,672

	2020		2019	
	Options	Weighted average exercise price per share (pence)	Options	Weighted average exercise price per share (pence)
Outstanding at 1 October	2,796,672	1	3,546,672	1
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Lapsed during the year	(950,000)	-	(650,000)	-
Exercised during the year	-	-	(100,000)	-
Outstanding at 30 September	1,846,672	1	2,796,672	1
Exercisable at 30 September	1,846,672	1.2	1,846,672	1.2

The options outstanding at 30 September 2020 had an exercise price between nil p and 21.5p and a weighted average remaining contractual life of 6.32 years.

The Group has not recognised a charge in the current year in relation to share options (2019: credit £243,000).

The Directors' interests in share options are shown on pages 22 and 23 in the Report of the Directors.

18 NEW STANDARDS ADOPTED

IFRS 16

IFRS 16 Leases: is effective for periods beginning on or after 1 January 2019 and the Group transitioned on 1 October 2019. IFRS 16 replaces IAS 17 Leases and provides a single lessee accounting model, requiring lessees to recognise related right of use lease assets and lease liabilities for all applicable leases on the statement of financial position. The presentation and timing of income and expense recognition in the income statement has also changed. On transition, management adopted the modified retrospective approach and as such, comparative figures have not been restated. As a result of the new accounting standard, the statement of financial position as at 30 September 2020 has seen an increase in non current assets of £1.8m, a decrease in prepayments of £0.1m

and a resulting increase in liabilities of £1.7m, of which, £0.7m is a current liability and £1.0m is a non current liability. Overall profit has not materially changed, however, EBITDA and cash flow from operating activities have both increased by £1.1m due to IFRS 16. Leases of under one year in length and low value assets have not been capitalised as they are exempt from IFRS 16.

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

Notes to the Financial Statements (continued)

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

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

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

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

19 RIGHT OF USE ASSET

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

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

20 LEASES

The following leases have been recognised in line with IFRS 16. The net carrying value of these right of use assets at 30 September 2020 was £1,831,000 (2019: £Nil).

The present values of future lease payments are analysed as:

	2020 £000	2019 £000
Current liabilities	**679**	-
Non-current liabilities	**1,040**	-
	1,719	-

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

	2020		2019	
	Land and buildings £000	Other Leases £000	Land and buildings £000	Other Leases £000
Due:				
Not later than one year	**111**	**2**	**1,360**	**91**
Later than one year and not later than five years	-	-	**1,417**	**91**
Later than five years	-	-	**265**	-
	111	**2**	**3,042**	**182**

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

	2020 £000	2019 £000
Not later than one year	145	145
Later than one year and not later than five years	182	327
	327	472

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	
	2020 £000	2019 £000	2020 £000	2019 £000
FINANCIAL ASSETS				
Cash and cash equivalents	-	-	11,215	7,526
Trade and other receivables	-	-	16,606	18,711
Derivative financial assets	171	2	-	-
TOTAL FINANCIAL ASSETS	171	2	27,821	26,237

	Financial liabilities at fair value through income statement		Financial liabilities at amortised cost	
	2020 £000	2019 £000	2020 £000	2019 £000
FINANCIAL LIABILITIES				
Trade and other payables	-	-	7,701	8,012
Loans and borrowings	-	-	3,000	2,125
Lease creditor	-	-	1,719	-
Derivative financial liabilities	178	398	-	-
TOTAL FINANCIAL LIABILITIES	178	398	12,420	10,137

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:

	2020 £000	2019 £000
Undrawn borrowing facilities at 30 September	4,000	3,000
Cash and cash equivalents	11,215	7,526
Available funds	15,215	10,526

Notes to the Financial Statements (continued)

Maturity analysis

The table below analyses the Group's non-derivative financial liabilities into maturity groupings based on the period outstanding at the Statement of Financial Position date up to the contractual maturity date. All figures are contracted gross cash flows that have not been discounted.

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

30 SEPTEMBER 2019	Due within 1 year £000	Due between 1 and 5 years £000	Total £000
Non-derivative financial liabilities			
Bank loans and overdrafts	2,125	-	2,125
Finance lease creditor	-	-	-
Trade and other payables	8,012	-	8,012
Total	10,137	-	10,137

As at 30 September 2020 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
CLBILS loan repayable in instalments by 29 September 2023	£2,000,000	1.68% over Libor

As at 30 September 2020 the Company had access to cash balances of £11,215,000 in addition to the unutilised revolving credit facility of £2,000,000 and the undrawn CLBILS loan of £2,000,000. The Group's borrowings are secured by debentures over the Group's assets.

(B) FOREIGN EXCHANGE RISK

The Group operates in a number of markets across the world and is exposed to foreign exchange risk arising from various currency exposures in particular, with respect to the UAE Dirham, Omani Rial and Qatari Riyal, all of which are linked to the US dollar, the Euro, Malaysian Ringgitt, Singapore Dollar, Australian Dollar, Hong Kong Dollar, Canadian Dollar and Kuwaiti Dinar. The Group is exposed to foreign currency risk arising from recognised assets and liabilities as well as commitments arising from future trading transactions. The Group selectively uses financial products to insure against the effect of adverse movements in foreign exchange rates. This includes foreign exchange contracts and foreign currency borrowing. Reviews are carried out on a monthly basis at an overall Group level to assess the level of foreign exchange exposure and to take any necessary action. The Group does not operate hedge accounting.

The following balances are disclosed on the statement of financial position in respect of derivative financial instruments, being foreign currency forward contract arrangements:

	2020 £000	2019 £000
Asset	171	2
Liability	(178)	(398)
	(7)	(396)

The balances are all current with assets of £171,000 (2019: £2,000) and liabilities of £178,000 (2019: £398,000).

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

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

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

FINANCIAL ASSETS 2019	Cash and cash equivalents £000	Trade and other receivables £000
GBP	5,884	5,149
EUR	715	1,553
CAD	49	555
AED	325	2,934
OMR	181	3,778
KWD	3	449
USD	71	1,138
QAR	65	898
SGD	101	1,286
MYR	65	658
HKD	19	19
AUD	48	294
Total	**7,526**	**18,711**

Notes to the Financial Statements (continued)

FINANCIAL LIABILITIES 2019	Trade and other payables £000	Loans and borrowings £000
GBP	2,684	2,125
EUR	586	-
CAD	366	-
AED	2,219	-
OMR	949	-
KWD	176	-
USD	94	-
QAR	472	-
SGD	140	-
MYR	169	-
HKD	25	-
AUD	132	-
Total	**8,012**	**2,125**

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	(85)	(156)	(63)	(117)
Sterling weakens relative to Euro	104	234	78	176
Sterling strengthens relative to US Dollar	(435)	(798)	(281)	(513)
Sterling weakens relative to US Dollar	532	1,197	342	770
Sterling strengthens relative to Malaysian Ringgit	(33)	(61)	(25)	(46)
Sterling weakens relative to Malaysian Ringgit	40	91	30	68
Sterling strengthens relative to Singapore Dollar	333	611	277	508
Sterling weakens relative to Singapore Dollar	(407)	(917)	(337)	(761)
Sterling strengthens relative to Australian Dollar	(13)	(23)	(9)	(16)
Sterling weakens relative to Australian Dollar	15	35	10	24
Sterling strengthens relative to Hong Kong Dollar	1	2	-	1
Sterling weakens relative to Hong Kong Dollar	(1)	(3)	(1)	(3)
Sterling strengthens relative to Canadian Dollar	(2)	(4)	(2)	(3)
Sterling weakens relative to Canadian Dollar	3	6	2	4
Sterling strengthens relative to Kuwaiti Dinar	6	11	5	9
Sterling weakens relative to Kuwaiti Dinar	(7)	(16)	(6)	(14)

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

30 SEPTEMBER 2019	Fixed rate £000	Floating rate £000	Non-interest bearing £000	Total £000
Cash and cash equivalents	-	7,526	-	7,526
Trade and other receivables	-	-	18,711	18,711
Derivative financial instrument – asset	-	-	2	2
Trade and other payables	-	-	(8,011)	(8,011)
Derivative financial instrument – liability	-	-	(398)	(398)
Bank loans and overdrafts	-	(2,125)	-	(2,125)
Finance lease creditor	-	-	-	-
	-	5,401	10,304	15,705

Interest rates on bank loans are disclosed in note 14.

Sensitivity analysis

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

IMPACT ON INCOME STATEMENT AND EQUITY	2020 £000
1% increase in base rate of interest	-
2% increase in base rate of interest	-

(D) CREDIT RISK

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

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

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The Group mitigates risk by using surplus cash deposits to pay down borrowings and spreading significant deposits among a range of large international banks.

(E) CAPITAL MANAGEMENT

The Group's main objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders. The Group aims to maintain a strong credit rating and headroom whilst optimising return to shareholders through an appropriate balance of debt and equity funding. The Group manages its capital structure and makes adjustments to it with regard to the risks inherent in the business and in light of changes to economic conditions.

Capital is managed by maximising retained profits after dividend distributions. Working capital is managed in order to generate maximum conversion of these profits into cash and cash equivalents.

The policy for managing debt is to create a smooth debt maturity profile with the objective of ensuring continuity of funding to meet the Group's future liquidity requirements.

Capital includes share capital, share premium, merger reserve, translation reserve, capital redemption reserve, other reserve, own shares and retained earnings reserve (note 22). Net borrowings include short and long term borrowings (including overdrafts and lease obligations) net of cash and cash equivalents.

(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.

Notes to the Financial Statements (continued)

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 2020 was 3,677 (2019: 3,677).

TREASURY SHARES

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

23 RELATED PARTY TRANSACTIONS

Other than the transactions with Directors noted in the Directors' Remuneration Report (page 28) 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 £169,000 (2019: £233,000) in relation to fee earning expert services provided by John Mullen. At 30 September 2020 there was a balance owed to Mullen Consult Limited of £53,000 (2019: £72,000).

24 MAJOR SHAREHOLDERS

The major shareholders (more than 3%) as at 30 September 2020 are:

	Percentage Shareholding	Number of Shares 30 September 2020
Gresham House	18.59%	9,701,013
AB Traction (Stockholm)	15.60%	8,137,500
Mr Adrian J Williams	7.74%	4,036,167
Allianz Global Investors	6.81%	3,550,500
Ruffer	6.69%	3,490,000
Mr John P Mullen	3.95%	2,062,428
Soros Fund Management	3.94%	2,054,981
The Ramsey Partnership Fund Ltd	3.92%	2,042,801
Teviot Partners	3.48%	1,815,000
Unicorn Asset Management	3.12%	1,626,936
Close Asset Management	3.08%	1,609,169

25 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

The following are considered to be key accounting estimates:

IMPAIRMENT REVIEWS

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires an entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. An impairment review test has been performed at the reporting date and no impairment is required. Further details can be found in note 11.

RECEIVABLES IMPAIRMENT PROVISIONS

The amounts presented in the Consolidated Statement of Financial Position are net of allowances for doubtful receivables, estimated by the Group's management based on the expected credit loss within IFRS 9. This is calculated using a simplified model of recognising lifetime expected losses based on the geographical location of the Group's entities and considers historical default rates, projecting these forward taking into account any specific debtors and forecasts relating to local economies. At the Statement of Financial Position date a £2,559,000 (2019: £2,384,000) 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 GOVERNMENT GRANTS

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

27 POST BALANCE SHEET EVENTS

There have been no significant events requiring disclosure since 30 September 2020.

28 SUBSIDIARY COMPANY DETAILS

Subsidiary	Registered Address	Company No:
Driver Consult Ltd	Driver House, 4 St Crispin Way, Haslingden, Lancashire, BB4 4PW	3881875
Driver Project Services Ltd	Driver House, 4 St Crispin Way, Haslingden, Lancashire, BB4 4PW	2785199
Driver Consult Oman LLC	Building No: 2847, Way No: 4247, Al Ghubra, PO Box 363 Postal Code 121, Seeb, Sultanate of Oman	1049477
Driver Consult UAE LLC	Office No. 11A, Tamouh Tower, Al Reem Island, P.O. Box 112193, Abu Dhabi, UAE	CN-1163115
Driver Consult Qatar LLC	Building No 9771, Al Hilal Street, Al Muntazah, Doha, State of Qatar, PO Box 187	46180
Trett Holdings Ltd	Driver House, 4 St Crispin Way, Haslingden, Lancashire, BB4 4PW	04742346
Trett Ltd	Driver House, 4 St Crispin Way, Haslingden, Lancashire, BB4 4PW	01339325
Driver Trett (Hong Kong) Ltd	Unit E, 14/F., Neich Tower, 128 Gloucester Road, Wan Chai, Hong Kong	725638
Driver Trett (Singapore) Pte. Ltd	141 Cecil Street, #05-01, Tung Ann Association Building, Singapore, 069541	200001372H
Trett Consulting B.V.	's-Heer, Hendrikskinderendijk 105, 4461 EA Goes, Netherlands	22044617
Trett Contract Services Ltd	Driver House, 4 St Crispin Way, Haslingden, Lancashire BB4 4PW	01689325
Driver Trett (Malaysia) SDN BHD	Unit 2A-6-1, Block 2A, Plaza Sentral, Jalan Stesen Sentral 5, 50470 Kuala Lumpur, Malaysia	501417-D
Driver Trett Australia Pty Ltd	Level 10, 12 Creek Street, Brisbane, QLD, Australia	160 611 861
Driver Trett (Canada) Ltd	Suite 2600, 3 Bentall Centre, PO Box 49314, 595 Burrard Street, Vancouver, BC V7X 1L3	810615039BC001
Driver Trett France SAS	17 Rue Dumont D'Urville, 75116, Paris, France	811 017 656 RCS Paris
Driver Trett Kuwait General Contracting for Building Co. W.L.L.	PO Box 9337, Villa 4, Block 4, Compound 54, Coastal Road, Mahboula, Kuwait	379592
Diales Ltd	Driver House, 4 St Crispin Way, Haslingden, Lancashire, BB4 4PW	10476443
Driver Trett USA Inc	251 Little Falls Drive, Wilmington, New Castle, DE 19808, USA	N/A

Driver Group plc (Company) Statement of Financial Position

For the year ended 30 September 2020

			2020		2019
COMPANY NUMBER: 3475146	Notes	£000	£000	£000	£000
FIXED ASSETS					
Tangible assets	30	**68**		**104**	
Investments	31	**8,085**		**8,085**	
Intangible assets	32	**182**		**-**	
Deferred Tax	36	**154**		**111**	
			8,489		**8,300**
CURRENT ASSETS					
Debtors	33	**5,892**		**6,343**	
Cash and cash equivalents		**6,272**		**4,134**	
			12,164		**10,477**
CREDITORS					
Amounts falling due within one year	34	**(4,629)**		**(3,050)**	
NET CURRENT ASSETS			**7,535**		**7,427**
TOTAL ASSETS LESS CURRENT LIABILITIES			**16,024**		**15,727**
CREDITORS					
Amounts falling due after more than one year	35		**-**		**-**
NET ASSETS			**16,024**		**15,727**
CAPITAL RESERVES					
Called up share capital	37		**216**		**216**
Share premium	38		**11,496**		**11,496**
Treasury Shares	38		**(1,025)**		**(1,000)**
Capital redemption reserve	38		**18**		**18**
Retained earnings	38		**5,322**		**5,000**
Own shares	39		**(3)**		**(3)**
SHAREHOLDERS' FUNDS			**16,024**		**15,727**

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 profit for the year was £714,000 (2019: profit of £1,536,000).

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

David Kilgour
Chief Financial Officer
14 December 2020

The notes on pages 65 to 69 form part of the Financial Statements

Statement of Changes in Equity – Company

For the year ended 30 September 2020

	Share capital £000	Share premium £000	Treasury Shares £000	Revaluation reserve £000	Capital redemption reserve £000	Retained earnings £000	Own shares £000	Total equity £000
OPENING BALANCE AT 1 OCTOBER 2018	**215**	**11,475**	-	-	**18**	**4,238**	**(3)**	**15,943**
Profit for the year	-	-	-	-	-	1,536	-	1,536
Total comprehensive income for the year	-	-	-	-	-	1,536	-	1,536
Share-based payment credit	-	-	-	-	-	(161)	-	(161)
Investment in subsidiary – Share options	-	-	-	-	-	(82)	-	(82)
Issue of share capital	1	21	-	-	-	-	-	22
Dividend	-	-	-	-	-	(531)	-	(531)
Purchase of Treasury shares	-	-	(1,000)	-	-	-	-	(1,000)
CLOSING BALANCE AT 30 SEPTEMBER 2019	**216**	**11,496**	**(1,000)**	-	**18**	**5,000**	**(3)**	**15,727**
Profit for the year	-	-	-	-	-	714	-	714
Total comprehensive income for the year	-	-	-	-	-	714	-	714
Share-based payment costs	-	-	-	-	-	-	-	-
Investment in subsidiary – Share options	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	(392)	-	(392)
Purchase of Treasury shares	-	-	(25)	-	-	-	-	(25)
CLOSING BALANCE AT 30 SEPTEMBER 2020	**216**	**11,496**	**(1,025)**	-	**18**	**5,322**	**(3)**	**16,024**

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

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

Depreciation is provided on other assets at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 10% - 33% per annum on cost
Computer equipment	- 25% per annum on cost

INVESTMENTS IN SUBSIDIARIES

Investments are included at cost, less amounts written off.

Notes to the Financial Statements (continued)

DEFERRED TAX

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax balances are not discounted.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

LEASES

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Company (a "finance lease"), the asset is treated as if it had been purchased outright. The amount initially recognised as an asset is the lower of the fair value of the leased asset and the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to the Profit and Loss Account over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

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

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

PENSIONS

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

EMPLOYEE BENEFIT TRUST

In accordance with FRS 102.9.33 to 9.38, any payments made to the Trust established for the benefit of the Group's employees are treated as the exchange of one asset for another. Accordingly, the assets of the Trust, and any liabilities it has, are recognised on the Company's Balance Sheet and are deducted from equity. Assets which vest unconditionally to beneficiaries of the Trust cease to be recognised as assets of the Company. Any income or expenditure incurred by the Trust is recognised in the Company's Financial Statements.

SHARE-BASED PAYMENT TRANSACTIONS

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

DIVIDENDS ON SHARES PRESENTED WITHIN SHAREHOLDERS' FUNDS

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

ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

- Determine whether leases entered into by the Company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- The Company operates an equity-settled share-based compensation plan as detailed in note 17. Employee services received and the corresponding increase in equity are measured by reference to the fair value of the equity instruments as at the date of grant.
- Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

30 TANGIBLE FIXED ASSETS

	Fixtures and fittings £000	Computer equipment £000	Total £000
COST OR VALUATION			
At 30 September 2019	262	693	955
Additions	-	23	23
Disposals	-	-	-
At 30 September 2020	262	716	978
DEPRECIATION			
At 1 October 2019	243	608	851
Charge for year	8	51	59
Disposals	-	-	-
At 30 September 2020	251	659	910
NET BOOK VALUE			
At 30 September 2020	11	57	68
At 30 September 2019	19	85	104

31 FIXED ASSET INVESTMENTS

	Shares in Group Undertakings £000
COST	
At 1 October 2019	8,085
Capital investment	-
Disposal	-
At 30 September 2020	8,085
NET BOOK VALUE	
At 30 September 2020	8,085
At 30 September 2019	8,085

The capital divestment in the prior year of £0.1m relates to share options. There were no additional investments during the year.
The list of subsidiaries that the company has a direct and indirect interest in can be found in note 11 of the Consolidated Financial Statements.

32 INTANGIBLE ASSETS

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

	2020 £000
At 1 October 2019	**-**
Additions	**182**
At 30 September 2020	**182**

33 DEBTORS

Amounts falling due within one year:

	2020 £000	2019 £000
Trade debtors	**1**	**-**
Amounts owed by Group undertakings	**5,408**	**6,195**
Prepayments and accrued income	**483**	**148**
	5,892	**6,343**

Notes to the Financial Statements (continued)

34 CREDITORS

Amounts falling due within one year:

	2020 £000	2019 £000
Trade creditors	130	151
Bank loans and overdrafts	3,000	2,125
Social security and other taxes	543	7
Accrued expenses	956	767
	4,629	3,050

Amounts falling due after more than one year:

	2020 £000	2019 £000
Bank loan (note 35)	-	-
	-	-

35 BANK LOAN AND OVERDRAFTS

An analysis of the maturity of loans is given below:

	2020 £000	2019 £000
Amounts falling due within one year or on demand:		
Bank loans and overdrafts	3,000	2,125
	3,000	2,125
Amounts falling due between one and two years:		
Bank loan	-	-
Amount falling due between two and five years:		
Bank loan	-	-
	-	-

As at 30 September 2020 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
Term loan repayable in instalments by 29 September 2023	£2,000,000	1.68% over Libor

As at 30 September 2020 the Company had access to cash balances of £11,215,000 in addition to the unutilised revolving credit facility of £2,000,000 and the undrawn CLBILS loan of £2,000,000. The Group's borrowings are secured by debentures over the Group's assets.

36 DEFERRED TAX

Deferred tax liability

	2020 £000	2019 £000
At the beginning of the year	-	-
Credit for the year recognised in Other Comprehensive Income in relation to property	-	-
At the end of the year	-	-

Deferred tax asset

	2020 £000	2019 £000
At the beginning of the year	111	-
Credit for the year recognised in the Income Statement for deferred tax relating to share options and capital allowances	43	111
At the end of the year	154	111

The elements of the deferred tax balances are as follows:

	Assets		Liabilities	
	2020 £000	2019 £000	2020 £000	2019 £000
Deferred tax relating to share options and capital allowances	154	111	-	-
	154	111	-	-

37 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal Value	2020 £000	2019 £000
53,962,868	Ordinary	0.4p	**216**	216

Ordinary shares of 0.4p each	2020 Number	2020 £000	2019 Number	2019 £000
At beginning of the year	**53,962,868**	**216**	**53,862,868**	**215**
Issued during the year	**-**	**-**	**100,000**	**1**
At end of the year	**53,962,868**	**216**	**53,962,868**	**216**

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

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 2019	3
At 30 September 2020	3

40 COMMITMENTS

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

	Land and buildings	
	2020 £000	2019 £000
Due		
Not later than one year	**277**	**564**
Later than one year and not later than five years	**840**	**908**
Later than five years	**55**	**265**
	1,172	**1,737**

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 £67,000 (2019: £353,000) and due later than one year and not later than five years £Nil (2019: £68,000).

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 28 and with further disclosure in note 23. There is no ultimate controlling party.

42 POST BALANCE SHEET EVENTS

There have been no significant events requiring disclosure since 30 September 2020.

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