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Driver Group plc
14 December 2023

DRIVER GROUP PLC

Preliminary Results for the year ended 30 September 2023

Driver Group PLC (AIM: DRV), the global specialist dispute avoidance and dispute resolution consultancy is pleased to announce its Preliminary Results for the financial year ended 30 September 2023.

	Year ended 30-Sep-23 £000	Year ended 30-Sep-22** £000	Change £000
Revenue	42,633	45,074	(2,441)
Gross Profit	10,778	9,313	1,465
Gross Profit %	*25%*	*21%*	*4%*
Profit/(loss) before tax	439	(1,958)	2,397
Add: Non-recurring costs	255	1,000	(745)
Add: Share-based payment charge	370	465	(95)
Net finance (income)/costs	(66)	100	(166)
Underlying* operating profit/(loss) before tax	998	(393)	1,391
Underlying operating profit before tax %*	*2%*	*(1%)*	*3%*
Underlying* earnings per share from continuing operations	0.2p	(4.6p)	4.8p
Profit/(loss) before tax	439	(1,958)	2,397
Loss on discontinued operations, net of tax	(461)	(468)	7
Underlying* loss before tax	(22)	(2,426)	2,404
Net cash	5,833	4,931	902
Net cash per share	11.1p	9.4p	1.7p
Dividend per share	0.75p	0.75p	0.0p

Financial Summary

- Revenue decreased by 4% to £42.6m (2022: £45.1m) which is attributable to the restructured Middle East and Asia Pacific regions
- Gross profit margin at 25% (2022: 21%), a £1.5m increase to £10.8m (2022: £9.3m)
- Underlying* operating profit increase year on year of £1.4m to £1m (2022: Loss (£0.4m)
- Underlying* operating profit before tax margin of 2% (2022: Loss (1%)
- Profit before tax from continuing operations of £0.4m (2022: Loss (£2m)
- Net cash increase year on year of £0.9m to £5.8m (2022: £4.9m)
- Cash returned to shareholders during the year of £0.8m via dividends, dividend maintained

Operational Highlights

- Utilisation improved to 72.5% (2022: 67.5%) as increased collaboration across our global office network continues to deliver a positive impact
- Europe & Americas (EuAm) reported an underlying* profit before tax and central cost recharge of £5.3m (2022: £5.4m) with utilisation rates at 74% (2022: 72%)

- Middle East (ME) reported a small underlying* operating loss pre central cost recharge of (£0.1m) (2022: loss £1.3m) with utilisation rates at 71% (2022: 53%). Loss arose due to timing of project starts from Q4 FY23 into Q1 FY24

- Asia Pacific (APAC) reported an underlying* operating loss pre central cost recharge of (£0.2m) (2022: loss £0.2m) with utilisation rates at 63% (2022: 68%). Successfully returned to profitability after swift action taken

- A number of significant commissions were secured in Q4 underpinning confidence in outlook

Outlook

- Utilisation continuing at 2023 levels

- Q1 revenue improving with an encouraging pipeline of new enquiries

- Cost reduction programme will be completed by the end of December 2023, enabling the full positive benefits of a lower and leaner cost base to flow into 2024

- Launch of the Group's integrated transformation strategy with the intention over a four-year timeframe to:

    - Rebrand the global business to Diales - to simplify and focus the brand's positioning around the Group's premium brand and further strengthen its competitive positioning across key global markets;

    - Implement a hub and spoke model - to concentrate overseas offices on work winning, the outputs of which will be fed back into the wider Group, delivering continuous improvements in utilisation and margin across our global footprint;

    - Reset relationships with overseas offices - to identify and explore opportunities for local management ownership and partnerships, where appropriate for the Group;

    - Expand the business's service offering - to hire key work winners and halo experts in adjacent sectors including aerospace, financial forensics, IT and marine.

Mark Wheeler, Chief Executive Officer of Driver Group, said:

> *'These results represent a very creditable performance by the business. The hard work of our staff and the support of our clients around the world has been central to the improvement in results. We have delivered a return to profitable trading through a significant year-on-year reduction in our cost-base, the full effect of which is yet to impact our bottom line. Also, the re-shaping of our global footprint and sizeable improvements in utilisation levels have been key to delivery. Our 'one business' approach continues to deliver tangible and lasting benefits to client servicing and margin improvement.*
>
> *The transformation strategy we announce today, harnesses a unified global footprint under our premium Diales brand, and builds on efficiency gains achieved over the last financial year. It promises to accelerate value-creation for our shareholders and realise further competitive benefits for our clients and staff.'*

Shaun Smith, Non-Executive Chair, said:

> *''These results reflect the hard work by our global team and management during the year. This has helped to deliver a significant improvement in the Group's operational performance, strong cash generation and a return to profitability. Our results provide a firm foundation on which to build, as we set out a strategy that will unlock further efficiency gains and improve our competitive positioning.'*

* Underlying figures are stated before non-recurring costs, share-based payment costs and finance costs

** Restated to exclude discontinued operations

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR

Results presentation

Driver Group's leadership team will be hosting a presentation for analysts at 10:00am on 14 December 2023. Analysts have already been invited to participate in a Q&A during the presentation, but any eligible person not having received details should contact the Company's PR advisers, Acuitas Communications, at driver@acuitascomms.com or on 020 3745 0293.

The Group will also host a presentation for investors on 14 December, at 12:00pm. Questions can be submitted before and during the online event.

To register for the webinar, please visit this link:

https://www.equitydevelopment.co.uk/news-and-events/drivergroup-investor-presentation-14december2023.

A recording of the presentation will be available shortly afterwards here: https://www.equitydevelopment.co.uk/research/tag/driver-group.

ENDS

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Chairman's Statement

Overview

I became Chairman of Driver Group PLC in March 2023, with a clear understanding that the year ahead would be one of challenges with decisions to be taken to improve operational performance and position the Company for sustainable long-term growth in order to deliver improved returns for our shareholders. I am delighted to report in this my first statement, that these results provide clear evidence that the decisions taken at the start of the period have delivered meaningful and lasting outcomes that have made our cost base leaner and more efficient, and our business more competitive.

At the start of the period, Driver Group announced a realignment of its strategy and servicing across its presence in the Middle East which was successful in achieving the outcomes required. The success of this performance-based strategy led to the adoption of a similar policy of risk-reduction across our international footprint in order to improve the resilience and competitiveness of our global business going forward, enabling it to withstand ongoing economic headwinds such as the conflict in Ukraine, inflationary pressures which, far from abating, were actually accentuated during FY23, presenting challenges to our clients and prospects alike. This, therefore, has made the business' performance in FY23 more noteworthy, incorporating, as it does, a significant year-on-year improvement in our performance.

By the end of calendar year 2023, all the planned cost and risk reductions that were set out in our Trading Update in November 2022, will have been successfully implemented in a timely way. Equally, as we have previously explained, the benefits of these changes will only begin to flow through fully to the business toward the end of H1 FY24. While up-front cost associated with achieving this has constrained performance in the short-term, the year-on-year improvement has been pronounced and beneficial, and we expect to be able to report further progress in due course on the quantum of efficiency gains that are currently being extracted.

Trading Performance

In the FY22 Preliminary Results the Board reported that it expected the Company would deliver a return to profitability in FY23. I am pleased to report that we have delivered on that commitment to our shareholders, converting an FY22 underlying operating loss of £0.4m into an underlying operating profit of £1m in FY23 on revenue from continuing operations of £42.6m compared to revenue from the same operations of £45.1m.

This is a creditable performance and a significant year-on-year improvement with an improving outlook. Accordingly, I am pleased to propose a final dividend for the year of 0.75p pence per ordinary share, which if approved at the forthcoming Annual General Meeting will make 1.5 pence per share paid as dividends for the period.

It is early days, but it is pleasing that FY24 has got off to a positive start, leaving the Group well positioned for the year ahead underpinned by the benefits of the strategic actions which are expected to be fully felt in H2 FY24.

A key indicator of the progress we have made during this year of re-adjusting our operational priorities and arrangements - and one to which I attach great importance - is cash generation. A consultancy business model such as ours generates cash when trading profitably, and significant cash when optimal operational performance is achieved. We are some way off optimal operational performance, but the path to this is clear and a short term objective the Board believes can be achieved. We generated £0.9m of cash in the period and ended the year with a significantly strengthened balance sheet with a cash balance of £5.8m (FY22 cash balance of £4.9m), the equivalent to 11.1 pence per ordinary share.

As a Group with global operations in multiple economies and markets, clients, staff and shareholders should expect us to maintain a strong balance sheet able to fund both our organic growth and our ordinary dividend payments. We must also maintain an efficient balance sheet and not hoard cash that we generate to no purpose. Shareholders can expect therefore, providing the Group performs to the Boards expectations and with a reasonable trading outlook, that the Board will review its balance sheet regularly, and where possible and appropriate, return surplus capital to shareholders in a cost efficient manner. We have identified at least £1m of surplus cash, which at the time of publishing this report is equivalent to c.7.3% of the Driver market capitalisation (£13.76m). This will be returned to shareholders within the current financial year in a cost efficient manner - most likely an on market share buyback.

Strategy

We intend to capitalise on the momentum that has been generated over the last 12 months to push further ahead to strengthen our competitive positioning in key markets and optimise our operating performance.

We have an exciting vision for the direction we will take the Group over the next few years and more fully discussed in the CEO's report. In summary, we will consolidate the branding of our various global businesses and unite under our respected Diales brand, continue to embrace the hub & spoke model and develop the entrepreneurial spirit and commercial acumen in our local offices. We are confident this next chapter in our strategy will improve and optimise operational performance, strengthen our competitive position in key markets and increase cash generation, all leading to drive the creation of value for shareholders. We will maintain a strong balance sheet and deliver returns to shareholders with a proactive approach to capital allocation.

People

Since my appointment as Chairman I have deepened my understanding of the Group and met many of the talented and dedicated people who embody our Group. Their knowledge, experience, and insights are impressive and in a year of challenges and change, they have continued to support our clients on intellectually demanding and sensitive assignments, working collaboratively across the offices and markets in which we operate, to deliver results. I would like to take this opportunity to thank all our staff around the world and record my appreciation to each of them for their hard work, determination and commitment in delivering the improvement in our business' performance.

I should also like to thank the Board for the warm welcome they have given me and for their support. Most of all, I should like to thank our CEO, Mark Wheeler, and our CFO, Charlotte Parsons, for their commitment and efforts in delivering for our business, our clients and, most of all, our shareholders, over the period. The efficiency gains that I have the privilege of reporting to you now are, in very large measure, the results of their leadership and hard work.

The business has successfully passed some important milestones over the last 12 months. I am encouraged by the progress that we have made to date, and I believe the strategic plan that we have unveiled is an important step change in our strategy, and one which will create value for our shareholders.

CEO's Statement

Introduction

I am pleased to report a significant turnaround in our trading performance in FY23, moving from an underlying operating loss of £0.4m in FY22 to an underlying operating profit of £1.0m in FY23.

This year has seen us make significant progress toward the aims we announced to shareholders at the start of FY23. We have focused on the commercial imperative of putting your Group on to a stronger, more sustainable, long term growth trajectory. The changes which have taken place were necessary, and while our objectives are close to being achieved, we still have more to do.

I extend my thanks to our staff who have worked tirelessly to deliver this transformative change across our global business platform. I should like to thank Shaun Smith, our new Chair, for his support and counsel and Charlotte Parsons, our Chief Financial Officer, who joined us last year, and who has demonstrated her resourcefulness, pragmatism and determination leading our finance team in the delivery of a new ERP IT system. Although provided to an extent earlier, this improved Management Information now provides us with real time data which enables us to serve our clients better and creates value for shareholders as we optimise performance across the Group and better identify our opportunities and take action on efficiencies.

From the initial realignment of our local priorities and servicing in relation to the Middle East, which we announced in November 2022, we have expanded the scope of this initiative to bring the benefits of this process to every part of our global operations in order to improve servicing of our clients and their assignments. As we have previously explained, getting the benefits of early action to flow through to the bottom line has taken time and some efficiency gains incur an initial or short-term cost. But I can report that the application of this more systemic and forensic approach to metrics and operational performance improvement has already started to flow through to the bottom line.

As we have previously stated, the first beneficial effects of this activity will be noticeable toward the end of H1 FY24. Cost reduction programme will be completed by the end of December 2023, some additional savings still to be fully unlocked in the current year; for example existing office costs (including, in particular, the costs of our Cannon Street London office which we have recently vacated).

Overall trading environment

Over the last year, there has been no significant abatement in the global economic headwinds that have continued to affect our international franchise. These have impeded the ability of our business to grow as we would wish and have presented a number of challenges in relation to inflation and pressure on staff costs. At present, we have not seen any challenges affecting our operations in the Middle East in consequence of the continuing geopolitical uncertainty in the region though we remain alert to the risk and our team continuously monitor the local situation.

The conflict in Ukraine continues without any early prospect of resolution, but we are well-placed to assist in the challenging process of reconstruction across that region when the conflict concludes and more normalised trading conditions return.

The Group continues to see and benefit from significant investments by our clients in infrastructure projects, in particular in the Middle East and, more specifically, the Kingdom of Saudi Arabia. In South America, we are benefiting from an increasing flow of arbitration work from the region, which primarily comes from the marketing our office in New York conducts in the region, but also through the team in Madrid, who offer the necessary language capabilities.

I have previously noted the recruitment challenges in our business resulting from the opportunistic recruitment behaviour of our peers. Recently we have started to see that organisational turbulence lessen with some staff being released back into the market. We continue to monitor the recruitment market and will always look to recruit talent in the long-term interests of our business, and our clients.

Regional Breakdown: Europe and Americas

Our business in Europe remains a key pillar of our global platform that consistently delivers not only on its business plans but, also, contributes meaningfully to its planned strategic growth. I am delighted to report that across our European offices, we have seen growth in Spain, the Netherlands and Germany. We have also been pleased to see our testifying delay expert resources strengthened by new hires in Paris, adding further resilience and depth as well as reinforcing the Group's multilingual capabilities as we continue to focus on global collaboration between colleagues across our global platform. This allows us to bring the best possible service to our clients drawing upon expertise from colleagues around the business.

In the UK, our Project Services business has once more delivered well and consistently produces excellent work for an impressive and loyal client base across the North-East and wider. Following an exceptional record year in FY22, Driver Project Services has seen its revenues return to more normalised levels and the business remains a core part of our UK operations. Meanwhile, the UK consulting team and our Diales experts have continued to secure business and deliver advisory work around the world, and I am pleased to report that they have delivered some exceptional results for our clients who have achieved success both in arbitration litigation and most importantly through supported negotiation.

Our business in the US has secured a number of significant commissions over recent months and has expanded the team to ensure sustainable levels of high quality delivery to our clients in the region. The business has experienced some of the usual challenges arising from gaps between commissions but these have been successfully managed and, as that business continues to develop critical mass, the business will benefit from the greater levels of resilience and sustainability that come with organisational growth.

Asia Pacific

In APAC, during FY23 our team experienced a period of change and development. Our office in Australia has been consistently profitable under the careful stewardship of our Regional Director Mukul Soul, who is now, additionally, responsible for the Group's Singapore office, where we have restructured our local presence. This year, we have also established a new office and team in Seoul which the global business is already benefiting from: business opportunities secured with clients based in South Korea are currently engaging members of our team in the Middle East, Europe, and the UK - providing further proof that the strategy that we announced at the start of the period is not only working but, in fact, taking deep root across our business.

Middle East

In the Middle East, having successfully concluded the restructuring process that we unveiled in our November 22 Trading Update, we have wound down our local presence in Kuwait and Oman and I should like to express our gratitude to our staff in that region for their enormous help in collecting the significant outstanding balances owed to the Group. In particular, I wish to put on the record our thanks to Denis D'Souza, originally from our Oman office, who has been a loyal supporter of the business for a long time and played an instrumental role in securing the release of the outstanding balances back to the Group.

In Qatar, our excellent team of technicians have continued to win work across the region and, in line with our one business structure, have been sharing their expertise across assignments with colleagues in other offices in the region in order to place a wider range of talents and skills at the disposal of our clients and boost utilisation levels across the Group. This partnering between offices and teams across our global business continues to have a positive impact on our utilisation rates, which increased to 71% in the region in FY23 from 53% in FY22. As I write this statement, I am working on a significant project on behalf of the Group for a European client which operates in the United Arab Emirates alongside local resources from our UAE team, a colleague in Bristol, and a member of our technical engineering team from London.

In successfully and seamlessly delivering the Middle East restructuring we announced in November 2022, I can report that our offices in the United Arab Emirates and the Kingdom of Saudi Arabia have returned to profit. They continue to deliver excellent work to our clients, enabling us to reduce further our aged debt in the region while simultaneously receiving and responding to significant volumes of new business enquiries and winning important work whose fulfilment is shared with colleagues across other parts of the Group. In this, our new Middle East senior management team has delivered on the belief shown in them, helping us to deliver these excellent results in such a short period of time.

Current Trading

The Group has delivered a creditable £1.4m recovery from an underlying operating loss of £0.4m in FY22 to an underlying operating profit of £1.0m in FY23. I view this improvement in FY outcome positively against the global economic backdrop and specific regional factors impeding performance.

As reported in the September 2023 Trading Update, the start to H2 FY23 was slower than anticipated, but the Group delivered an improved Q4 for FY23, with a significant number of commissions secured in this period which benefited the year-end results and delivered a trading profit of £0.2m for H2.

The Group continues to maintain a robust balance sheet and I am pleased to report a further 18% improvement in our cash position to £5.8m at September 2023 (September 2022: £4.9m).

We continue to see good staff retention rates across the business and further recruitment of staff in key areas. A number of high profile projects and successes, combined with a marked increase in enquiries, and a significantly reduced cost-base, stands the Group in good stead going forward and demonstrates the delivery of our transformation strategy as we prepare to move up a gear and set the business up for stronger, more sustainable growth.

Strategy

Over the course of FY23, and in line with our policy of de-risking across the entire business, we have kept all our operations under continuous review. Our intention has been to assess how best to extract maximum efficiency gains for the business and our shareholders; build the right strategy to take the Group forward over the coming years; and improve utilisation and enhance margins.

We are pleased to announce a number of key decisions which will begin a significant change in the way we deliver our service to existing and prospective clients.

Branding

The branding of our global business will migrate to Diales, currently the branding of our expert witness business, which already constitutes 40% of our work worldwide. This will further strengthen our competitive positioning for expert work, claims and contractual advice services and eliminate existing branding inconsistencies in the way in which we come to market across the regions and territories in which we provide service. We will, additionally, invest in developing the Diales brand further, with the brand consolidation allowing us to focus our business development and marketing efforts more efficiently and effectively across a single branded global platform. In due course we plan to rename Driver Group Plc to reflect this uniform brand change to Diales.

Hub and spoke model

We will continue with and fully embed the hub and spoke model for offices that we announced previously and initiated over the course of FY23. We have completed a root and branch review of our Business Development and marketing function and will continue to monitor this area of the business closely, ensuring the Group delivers the best possible return on investment.

Overseas offices

We have begun a process of resetting relationships with operations across our global footprint and it may well be that, in certain jurisdictions, there will be opportunities for local management ownership and partnerships where we deem this appropriate. Consistent with this, and in order to properly support the global transition to the Diales brand in an orderly way, we are prioritising and accelerating our initiatives to hire key work winners and halo experts as we devote further attention and resource to our premium expert witness service.

Service expansion

As the final component part of this comprehensive and integrated transformation strategy, we will consider expanding our pool of talent across our global business, both in the sectors in which we currently operate as well as in adjacent sectors: we believe there are significant potential commercial opportunities and synergies in areas including, but not limited to, aerospace, financial forensics, IT and marine.

We are confident that this strategy will deliver value accretion through the identification and unlocking of further efficiency gains, improved competitive positioning, enhanced client retention, and pipeline development. In short, we believe these measures will realise true underlying value that exists within the Group but which remains under-exploited.

Capital allocation

The consultancy nature of our business model generates cash when we are trading profitably. Our constant objective is to generate increased levels of cash year on year. While we must retain a strong balance sheet, we must also maintain an efficient balance sheet.

As part of our Transformation Strategy, the Board considered our approach to Capital Allocation and will allocate its own generated cash to achieve the best returns for shareholders. This will include:

- **Organic growth:** growth of operations and capabilities, recruitment, infrastructure
- **Strategic acquisitions:** services and activities in existing areas or sectors and in complimentary new areas or sectors which are earning enhancing with returns above our cost of capital
- **Return of surplus capital to Shareholders**: the Group's priority will be to deliver a progressive dividend policy. In future, the Board will also consider additional ways to return capital to include special dividends and tender offers or on market share buybacks if the Board considers that the

- special dividends and tender offers or on market share buybacks if the Board considers that the market values the Group at a discount to its intrinsic value and the cancellation of shares is in the long term interests of Shareholders

The Board has identified at least £1.0m of surplus cash. This will be returned to shareholders within the current financial year in a cost efficient manner - most likely an on market share buyback. The Board considers that this is the most cost-efficient way to achieve this return which also delivers long term benefits to the Group.

Outlook

We enter the new financial year with a considerable number of enquiries and improved confidence. This bodes well for the start of the new year, and when coupled with the benefits now flowing through from the cost-reduction measures taken and our initiatives still underway gives us cause for optimism for the year ahead.

The last year has been one of reviewing performance in the regions and the areas in which our business operates and a resetting of the course going forward. The significant improvement in underlying profit to £1.0m in FY23, represented a £1.4m turnaround on FY22. While I am pleased with this progress, it does not represent where we should be or what we are capable of delivering.

Shareholders, and potential shareholders who are considering investing in the Group, must always be aware that forward visibility of revenues can be limited in view of dynamic client requirements. This is not new to us, it is the nature of our work and a challenge that we, like many consultancies and professional services firms live with day in day out. We reduce the scale of the challenges ahead with a simple formula: retain and recruit the best and most experienced people who can deliver a high quality service which encourages our clients to return to us with more work. We manage our utilisation rates to improve margins and through brand marketing and new business initiatives we seek to grow client numbers and our pipeline to achieve our long term strategy.

Chief Financial Officer's Review

INCOME STATEMENT	2023 £m	2022 £m Restated**
REVENUE	**42.63**	**45.07**
Cost of sales	**(31.80)**	**(35.57)**
Impairment movement	**(0.05)**	**(0.19)**
GROSS PROFIT	**10.78**	**9.31**
Administrative expenses	**(10.45)**	**(11.30)**
Other operating income	**0.04**	**0.13**
Underlying* operating profit/(loss)	**1.00**	**(0.39)**
Non-recurring costs	**(0.26)**	**(1.00)**
Share-based payment charges and associated costs	**(0.37)**	**(0.47)**
OPERATING PROFIT/(LOSS)	**0.37**	**(1.86)**
Finance income	**0.13**	**-**
Finance costs	**(0.06)**	**(0.10)**
PROFIT/(LOSS) BEFORE TAXATION	**0.44**	**(1.96)**
Tax expense	**(0.31)**	**(0.46)**
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**0.13**	**(2.42)**
Loss on discontinued operations, net of tax	**(0.46)**	**(0.47)**
LOSS FOR THE YEAR	**(0.33)**	**(2.89)**

The key financial metrics are as follows:

KEY METRICS	2023	2022 Restated	2022
Revenue	£42.63m	£45.07m	£46.90m
Gross Margin %	25%	21%	21%
Underlying* operating profit/(loss)	£1m	(£0.39)m	(£0.39)m
Loss for the year	(£0.33)m	(£2.89)m	(£2.89)m
Utilisation Rates**	72.5%	67.5%	67.5%
Basic (loss)/earnings per share	(0.2)p	(4.6)p	(4.6)p

Revenue from continuing operations decreased by 4% to £42.6m (2022: £45.1m); this reduction is attributable to the restructured Middle East and Asia Pacific regions. Gross profit margin increased by 4% to 25% (2022: 21%), a £1.5m increase to £10.8m (2022: £9.3m). This resulted in an increase in underlying* operating profit year on year of £1.4m to £1m (2022: Loss £0.4m). There was an increase in net cash year on year of £0.9m to £5.8m (2022: £4.9m), after funding a dividend payment of £0.8m (2022:

£0.8m).

Central costs have been allocated on a different basis this year; the segmental analysis below is therefore stated prior to that charge for both periods for comparative purposes:

The EuAm region increased revenue by 1.4% to £35.6m (2022: £35.1m) with a stable segmental underlying operating profit pre central cost recharge of £5.3m (2022: £5.4m). This was driven by solid revenues in the UK of £24.0m (2022: £24.9m) an increase in revenues in mainland Europe of 19% to £8.8m (2022: £7.4m) and a stable revenue in North America of £2.8m (2022: £2.8m).

The ME region saw revenues decrease during the year by 34.4% to £4.2m (2022: £6.4m) as a result of restructure during FY22. The segmental underlying operating profit pre central cost recharge for the region was a turnaround of £1.4m to a small loss of £0.1m (2022: loss £1.3m).

The APAC region saw revenues reduce by 19% to £2.9m (2022: £3.6m) as a result of the restructure during FY22. The segmental underlying operating profit pre central cost recharge for the region was a loss of £0.2m (2022: loss £0.2m).

The profit before tax was £0.4m (2022: loss £2.0m)) after non-recurring costs of £0.2m (2022: £1.0m) charge for share-based payments of £0.4m (2022: £0.5m) and net finance income of £0.1m (2021: charge £0.1m).

There was a loss on discontinued operations relating mainly to Oman and Kuwait of £0.5m (2022: £5m).

The utilisation*** rate of chargeable staff across the business as a whole for the year increased to 72.5% (2022: 67.5%). Across the regions this was 74% in EuAm, 63% in APAC and 71% in the Middle East.

NET WORKING CAPITAL

Net cash** increased further, closing the year at £5.8m (2022: £4.9m) with an increase in net working capital following a decrease in outstanding debtors and a decrease in creditors.

TAXATION

The Group incurred a tax charge of £0.3m (2022: £0.5m). 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.

EARNINGS PER SHARE

The basic loss per share was 0.6 pence (2022: loss 5.5 pence). Underlying* basic profit per share was 1.4 pence (2022: loss 1.8 pence).

CASH FLOW

There was a net cash inflow from operating activities before changes in working capital of £1.0m (2022: £1.3m), including the current year benefit of £0.6m (2022: £1.0m) from the amortisation of right of use assets under IFRS16. The movement also reflects the reported loss for the year of £0.3m (2022: £2.9m) after depreciation of £0.2m (2022: £0.2m). There was a decrease of £6.2m in trade and other receivables (2022: increase of £1.3m) reflecting the lower revenue and continuing strong debt collection, and a decrease in trade and other payables of £4.7m (2022: decrease £4.0m) resulting in a net cash inflow from operating activities of £2.4m (2022: £0.9m). Net tax paid in the year was £0.2m (2022: £0.5m).

There was a net cash outflow from investing activities of £0.01m (2022: £0.6m) which relates to office relocations and IT spend.

Net cash flow from financing activities was an outflow of £1.5m (2022: £2.2m) with the current year reflecting the dividends paid of £0.8m (2022: £0.8m) and lease repayments under IFRS 16 of £0.7m (2022: £0.8m). The prior year included the share buyback programme of £0.5m.

CASH FLOW	**£m**
Net cash** at 30 September 2022	4.9
Operating cash flow before changes in working capital	1.0
Decrease in Trade and other receivables	6.2
Increase in Trade and other payables	(4.7)
Tax paid	(0.2)
Net interest received	0.1
Net Capital spend	(0.1)
Dividends paid	(0.8)
Purchase of Treasury shares	-
Repayment of leases	(0.7)
Effects of Foreign Exchange	0.1
Net cash** at 30 September 2023	5.8

LIQUIDITY AND GOING CONCERN

The Group continues to be in a strong financial position. At the year end the Group had increased net cash balances of £5.8m (2022: £4.9m). The net cash position is appropriate for the Group's operating requirements going forward but management are exploring new facilities to implement a more flexible working capital arrangement.

The Directors have completed a review of the Group's financial forecasts for a period of twelve months from the date of approving these financial statements. This review included sensitivity analysis and stress tests which took account of reasonable and foreseeable scenarios. Under all scenarios modelled the Directors anticipate that any funding needs required would be sufficiently covered by the existing cash reserves. As such the Directors have a reasonable expectation that the Group has sufficient resources to meet its obligations when they fall due for at least twelve months from the date of signing this report and hence these financial statements include information prepared on a going concern basis.

DIVIDENDS

The Directors propose a final dividend for 2023 of 0.75p per share (2022: 0.75p per share) in addition to the interim dividend paid in October 2023 of 0.75p per share (2022: 0.75p). This will be paid on 11 April 2024 to shareholders who are on the register of members at the close of business on 1 March 2024, with an ex-dividend date of 29 February 2024, subject to approval at the Group's Annual General Meeting.

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

CONSOLIDATED INCOME STATEMENT

For the year ended 30 September 2023

	2023 £000	2022 £000 Restated**
REVENUE	**42,633**	**45,074**
Cost of sales	**(31,800)**	**(35,573)**
Impairment movement	**(55)**	**(188)**
GROSS PROFIT	**10,778**	**9,313**
Administrative expenses	**(10,452)**	**(11,304)**
Other operating income	**47**	**133**
Underlying* operating profit/(loss)	**998**	**(393)**
Non-recurring costs	**(255)**	**(1,000)**
Share-based payment charges and associated costs	**(370)**	**(465)**
OPERATING PROFIT/(LOSS)	**373**	**(1,858)**
Finance income	**129**	**-**
Finance costs	**(63)**	**(100)**
PROFIT/(LOSS) BEFORE TAXATION	**439**	**(1,958)**
Tax expense	**(314)**	**(460)**
PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**125**	**(2,418)**
Loss on discontinued operations, net of tax	**(461)**	**(468)**
LOSS FOR THE YEAR	**(336)**	**(2,886)**
Loss attributable to non-controlling interest from continuing operations	**-**	**-**
Loss attributable to non-controlling interest from discontinued operations	**-**	**(2)**
Profit/(loss) attributable to equity shareholders of the Parent from continuing operations	**125**	**(2,418)**
Loss attributable to equity shareholders of the Parent from discontinued operations	**(461)**	**(466)**
LOSS FOR THE YEAR	**(336)**	**(2,886)**
Basic (loss) per share attributable to equity shareholders of the Parent (pence)	**(0.6)p**	**(5.5)p**
Diluted (loss) per share attributable to equity shareholders of the Parent (pence)	**(0.6)p**	**(5.3)p**
Basic earning/(loss) per share attributable to equity shareholders of the Parent (pence) from continuing operations	**0.2p**	**(4.6)p**
Diluted earnings/(loss) per share attributable to equity shareholders of the Parent (pence) from continuing operations	**0.2p**	**(4.5)p**

* Underlying figures are stated before the share-based payment costs and non-recurring costs.

** Presentation of results restated to reflect separate disclosure of net losses from operations discontinued in the 2023 financial year.

Consolidated Statement of Comprehensive Income
For the year ended 30 September 2023

	2023 £000	2022 £000
LOSS FOR THE YEAR	(336)	(2,886)
Other comprehensive income:		
Items that could subsequently be reclassified to the Income Statement:		
Exchange differences on translating foreign operations	431	(970)
OTHER COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR NET OF TAX	431	(970)
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR	95	(3,856)
Total comprehensive income attributable to:		
Owners of the Parent	95	(3,854)
Non-controlling interest	-	(2)
	95	(3,856)

Consolidated Statement of Financial Position
As at 30 September 2023

	2023		2022	
	£000	£000	£000	£000

NON-CURRENT ASSETS				
Goodwill	**2,969**		**2,969**	
Property, plant and equipment	**351**		**384**	
Intangible asset	**714**		**798**	
Right of use asset	**1,140**		**1,375**	
Deferred tax asset	**247**		**192**	
		5,421		**5,718**
CURRENT ASSETS				
Trade and other receivables	**14,033**		**20,281**	
Derivative financial asset	**-**		**-**	
Current tax receivable	**69**		**470**	
Cash and cash equivalents	**5,833**		**4,931**	
		19,935		**25,682**
TOTAL ASSETS		**25,356**		**31,400**
CURRENT LIABILITIES				
Lease creditor	**(539)**		**(754)**	
Trade and other payables	**(8,052)**		**(11,296)**	
Derivative financial liability	**-**		**(1,938)**	
Current tax payable	**-**		**(251)**	
		(8,591)		**(14,239)**
NON-CURRENT LIABILITIES				
Lease creditor	**(618)**		**(634)**	
Deferred tax liabilities	**(160)**		**(169)**	
		(778)		**(803)**
TOTAL LIABILITIES		**(9,369)**		**(15,042)**
NET ASSETS		**15,987**		**16,358**
SHAREHOLDERS' EQUITY				
Share capital		**216**		**216**
Share premium		**11,496**		**11,496**
Merger reserve		**1,055**		**1,055**
Currency reserve		**(950)**		**(1,381)**
Capital redemption reserve		**18**		**18**
Treasury shares		**(1,525)**		**(1,525)**
Retained earnings		**5,676**		**6,478**
Own shares		**(3)**		**(3)**
TOTAL SHAREHOLDERS' EQUITY		**15,983**		**16,354**
NON-CONTROLLING INTEREST		**4**		**4**
TOTAL EQUITY		**15,987**		**16,358**

CONSOLIDATED CASHFLOW STATEMENT
For the Year Ended 30 September 2023

	2023 £000	2022 £000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(336)	(2,886)
Adjustments for:		
Depreciation	162	239
Exchange adjustments	(79)	(361)
Amortisation of right of use asset	611	917
Amortisation of intangible asset	84	40
Finance expense	(66)	100
Tax expense	314	460
Equity settled share-based payment charge	319	229
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS	1,009	(1,262)
Decrease/(increase) in trade and other receivables	6,246	(1,330)
Increase/(decrease) in trade and other payables	(4,722)	4,000
CASH GENERATED IN OPERATIONS	2,533	1,408
Tax paid	(172)	(539)
NET CASH INFLOW FROM OPERATING ACTIVITIES	2,361	869
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	129	-

Acquisition of property, plant and equipment	**(143)**	**(398)**
Proceeds from the disposal of property, plant and equipment	**-**	**150**
Acquisition of intangible assets	**-**	**(321)**
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	**(14)**	**(569)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(63)**	**(100)**
Repayment of borrowings	**-**	**(1,000)**
Proceeds of borrowings	**-**	**1,000**
Repayment of lease liabilities	**(676)**	**(821)**
Purchase of Treasury shares	**-**	**(500)**
Dividends paid to equity shareholders of the Parent	**(785)**	**(783)**
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	**(1,524)**	**(2,204)**
Net increase/(decrease) in cash and cash equivalents	**823**	**(1,904)**
Effect of foreign exchange on cash and cash equivalents	**79**	**361**
Cash and cash equivalents at start of period	**4,931**	**6,474**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**5,833**	**4,931**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Year ended 30 September 2023

	Share capital 000£	Share premium 000£	Treasury shares £000	Merger reserve 000£	Other reserves(2) 000£	Retained earnings 000£	Own shares(3) 000£	Total(1 000£	Non-controlling interest 000£	Total Equity £000
OPENING BALANCE AT 1 OCTOBER 2021	**216**	**11,496**	**(1,025)**	**1,055**	**(393)**	**9,916**	**(3)**	**21,262**	**6**	**21,268**
Loss for the year	-	-	-	-	-	(2,884)	-	(2,884)	(2)	(2,886)
Other comprehensive loss for the year	-	-	-	-	(970)	-	-	(970)	-	(970)
Total comprehensive loss for the year	-	-	-	-	(970)	(2,884)	-	(3,854)	(2)	(3,856)
Dividends	-	-	-	-	-	(783)	-	(783)	-	(783)
Share-based payment(4)	-	-	-	-	-	229	-	229	-	229
Purchase of Treasury shares	-	-	(500)	-	-	-	-	(500)	-	(500)
CLOSING BALANCE AT 30 SEPTEMBER 2022	**216**	**11,496**	**(1,525)**	**1,055**	**(1,363)**	**6,478**	**(3)**	**16,354**	**4**	**16,358**
OPENING BALANCE AT 1 OCTOBER 2022	**216**	**11,496**	**(1,525)**	**1,055**	**(1,363)**	**6,478**	**(3)**	**16,354**	**4**	**16,358**
Loss for the year	-	-	-	-	-	(336)	-	(336)	-	(336)
Other comprehensive profit for the year	-	-	-	-	431	-	-	431	-	431
Total comprehensive profit for the year	-	-	-	-	431	(336)	-	95	-	95
Dividends	-	-	-	-	-	(785)	-	(785)	-	(785)
Share-based payment(4)	-	-	-	-	-	319	-	319	-	319
Purchase of Treasury shares	-	-	-	-	-	-	-	-	-	-
CLOSING BALANCE AT 30 SEPTEMBER 2023	**216**	**11,496**	**(1,525)**	**1,055**	**(932)**	**5,676**	**(3)**	**15,983**	**4**	**15,987**

(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.

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

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

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.

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

The Directors have prepared cash flow forecasts covering a period of more than 12 months from the date of releasing these financial statements. This assessment has included consideration of the forecast performance of the business for the foreseeable future, the cash and financing facilities available to the Group. At 30 September 2023 the Group had cash reserves of £5.8m. The strong cash position was after a year of restructure within the Group.

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

Based on the cash flow forecasts prepared including appropriate stress testing, the Directors are confident that any funding needs for at least 12 months from the date of signing the report required by the business will be sufficiently covered by the existing cash reserves. As such these Financial Statements have been prepared on a going concern basis.

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.

PRIOR PERIOD RESTATEMENT DUE TO DISCONTINUED OPERATIONS
The presentation below includes a prior period adjustment in the form of the re-presentation of the income statement for 2022. This has been done to ensure clear comparative data for readers of the accounts following the recognition of discontinued operations in 2023. The impact of this prior year restatement on the results for the year and shareholders' funds/net assets is £nil.

YEAR ENDED 30 SEPTEMBER 2023	Europe & Americas £000	Middle East £000	Asia Pacific £000	Eliminations £000	Unallocated £000	Continuing £000	Discontinued £000
Total external revenue	35,574	4,220	2,927	(88)	-	42,633	1,893
Total inter-segment revenue	998	388	473	(1,859)	-	-	-
Total revenue	36,572	4,608	3,400	(1,947)	-	42,633	1,893
Segmental profit/(loss) pre central cost charge	5,285	(88)	(239)	-	(3,685)	1,273	(325)
Central cost charge	(3,057)	(288)	(204)	-	3,685	136	(136)
Segmental profit/(loss)	2,228	(376)	(443)	-	-	1,409	(461)
Unallocated corporate expenses(1)	-	-	-	-	(411)	(411)	-
Share-based payments charge and associated costs	-	-	-	-	(370)	(370)	-
Non-recurring costs	(76)	(179)	-	-	-	(255)	-
Operating profit/(loss)	2,152	(555)	(443)	-	(781)	373	(461)
Finance income	-	-	-	-	129	129	-
Finance expense	-	-	-	-	(63)	(63)	-
Profit/(loss) before taxation	2,152	(555)	(443)	-	(715)	439	(461)
Taxation	-	-	-	-	(314)	(314)	-
Profit/(loss) for the period	2,152	(555)	(443)	-	(1,029)	(125)	(461)
OTHER INFORMATION							
Non current assets	3,285	78	16	-	1,888	5,267	155
Reportable segment assets	17,867	3,495	1,715	-	1,305	24,384	1,379
Capital additions(2)	1,173	14	8	-	-	1,195	-
Depreciation and amortisation	570	30	8	-	-	608	4

(1) Unallocated costs represent Directors' remuneration, administration staff, corporate head office costs and expenses associated with AIM.
(2) Capital additions comprise additions to property, plant and equipment and intangible assets. No client had revenue exceeding 10% of the Group's revenue in the year to 30 September 2023.

YEAR ENDED 30 SEPTEMBER 2022	Europe & Americas £000	Middle East £000	Asia Pacific £000	Eliminations £000	Unallocated £000	Continuing £000	Discontinued £000
Total external revenue	35,089	6,410	3,575	-	-	45,074	1,823
Total inter-segment revenue	1,093	754	439	(2,398)	-	(113)	113
Total revenue	36,182	7,164	4,014	(2,398)	-	44,961	1,936
Segmental profit/(loss) pre central cost charge	5,400	(1,318)	(214)	-	(1,835)	2,033	(353)
Central cost charge	(1,477)	(131)	(227)	-	1,835	-	(115)
Segmental profit/(loss)	3,923	(1,449)	(441)	-	-	2,033	(468)
Unallocated corporate expenses(1)	-	-	-	-	(2,426)	(2,426)	-
Share-based payments charge and associated costs	-	-	-	-	(465)	(465)	-
Non-recurring costs	-	-	-	-	(1,000)	(1,000)	-
Operating profit/(loss)	3,923	(1,449)	(441)	-	(3,891)	(1,858)	(468)
Finance income	-	-	-	-	-	-	-
Finance expense	-	-	-	-	(100)	(100)	-
Profit/(loss) before taxation	3,923	(1,449)	(441)	-	(3,991)	(1,958)	(468)
Taxation	-	-	-	-	(460)	(460)	-
Profit/(loss) for the period	3,923	(1,449)	(441)	-	(4,451)	(2,418)	(468)
OTHER INFORMATION							
Non current assets	3,241	105	14	-	2,184	5,544	174
Reportable segment assets	17,780	4,888	1,647	-	1,855	26,170	5,230
Capital additions(2)	138	249	3	-	326	716	3
Depreciation and amortisation	566	212	118	-	259	1,155	41

(1) Unallocated costs represent Directors' remuneration, administration staff, corporate head office costs and expenses associated with AIM.
(2) Capital additions comprise additions to property, plant and equipment and intangible assets. No client had revenue exceeding 10% of the Group's revenue in the year to 30 September 2022.

GEOGRAPHICAL INFORMATION

EXTERNAL REVENUE BY LOCATION OF CUSTOMERS (CONTINUED AND DISCONTINUED OPERATIONS)	2023 £000	2022 £000
United Kingdom	20,975	21,624

United Kingdom	[illegible]	[illegible]
Netherlands	**4,221**	**3,241**
Germany	**2,987**	**3,154**
United Arab Emirates	**1,532**	**2,074**
Australia	**2,464**	**2,041**
South Korea	**124**	**1,372**
Qatar	**129**	**1,357**
Oman	**1,948**	**1,327**
Singapore	**1,321**	**1,156**
Saudi Arabia	**1,700**	**1,150**
France	**1,509**	**1,107**
Canada	**801**	**1,059**
Spain	**433**	**975**
United States	**1,937**	**876**
Italy	**830**	**707**
Hong Kong	**67**	**626**
Ireland	**7**	**403**
Kuwait	**68**	**341**
Peru	**70**	**328**
Belgium	**284**	**279**
Serbia	**87**	**233**
Norway	**99**	**198**
Russia	**-**	**192**
Malaysia	**116**	**170**
South Africa	**195**	**149**
Philippines	**-**	**107**
Chile	**54**	**105**
Indonesia	**31**	**99**
Other countries	**537**	**447**
	44,526	**46,897**

GEOGRAPHICAL INFORMATION OF NON CURRENT ASSETS

	2023 £000	2022 £000
UK	5,019	5,094
Oman	124	140
UAE	49	63
Singapore	6	121
Qatar	29	42
Malaysia	31	34
Kuwait	-	-
Hong Kong	-	-
Netherlands	91	148
France	3	11
Australia	10	9
Canada	3	3
USA	13	8
Spain	7	6
Germany	37	39
	5,422	5,718

ANALYSIS OF THE TAX CHARGE
The tax charge on the profit for the year is as follows:

	2023 £000	2022 £000
Current tax:		
UK corporation tax on profit for the year	153	71
Non-UK corporation tax	335	140
Adjustments to the prior period estimates	(110)	-
	378	211
Deferred tax:		
Origination and reversal of temporary differences	(64)	249

Tax charge for the year	**314**	**460**

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:

	2023 £000	2022 £000
Loss before tax	**(22)**	**(2,426)**
Expected tax charge based on the standard average rate of corporation tax in the UK of 22% (2022: 19%)	**(5)**	**(461)**
Effects of:		
Expenses not deductible	**2,475**	**237**
Deferred tax - other differences	**(65)**	**249**
Share options exercised	**59**	**(99)**
Foreign tax rate differences	**(1,240)**	**554**
Adjustment to prior period estimates	**(110)**	**-**
Utilisation of losses	**(281)**	**(32)**
Unprovided losses	**(519)**	**12**
Tax charge for the year	**314**	**460**

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Corporation tax rate for the year ended 30 September 2023 was a hybrid rate of 22%. This is following the announcement in the Budget on 3 March 2021 that the corporation tax rate would be increased to 25% with effect from 1 April 2023. Legislation that was substantively enacted in the Finance Bill 2021. To this end the UK corporation tax rate applied in future years is expected to be at a higher rate in line with this legislation.

EARNINGS PER SHARE

	2023 £000	2022 £000
Loss for the financial year attributable to equity shareholders	**(336)**	**(2,884)**
Non-recurring costs	**255**	**1,000**
Share-based payment charges and associated costs	**370**	**465**
Loss from discontinued operations	**461**	**468**
Underlying profit/(loss) for the year before share-based payments, non-recurring costs and loss from discontinued operations	**750**	**(951)**
Weighted average number of shares:		
Ordinary shares in issue	**53,962,868**	**53,962,868**
Shares held by EBT	**(3,677)**	**(3,677)**
Treasury shares	**(1,520,488)**	**(1,405,839)**
Basic weighted average number of shares	**52,438,703**	**52,553,352**
Effect of Employee share options	**1,625,179**	**2,309,028**
Diluted weighted average number of shares	**54,063,882**	**54,862,380**
Basic loss per share	**(0.6)p**	**(5.5)p**
Diluted loss per share	**(0.6)p**	**(5.3)p**
Underlying basic earnings/(loss) per share before share-based payments, non-recurring costs and loss from discontinued operations	**1.4p**	**(1.9)p**
Basic earnings/(loss) per share attributable to equity shareholders of the parent (pence) from continuing operations	**0.2p**	**(4.6)p**
Diluted earnings/(loss) per share attributable to equity shareholders of the parent (pence) from continuing operations	**0.2p**	**(4.4)p**

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.

impairment is required.

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 £2,960,000 (2022: £3,159,000) 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.

POST BALANCE SHEET EVENTS

There have been no significant events requiring disclosure since 30 September 2023.

END