

Company Registration No 1883830 (England and Wales)

STEER DAVIES & GLEAVE LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2011

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STEER DAVIES & GLEAVE LIMITED

DIRECTORS AND ADVISERS

Directors	J L Lawrence F Beltrandi J K Steer S Hewitt H Jones W Pike
Secretary	V Dorrington
Company number	1883830
Registered office	28-32 Upper Ground London United Kingdom SE1 9PD
Registered auditors	BDO LLP 55 Baker Street London United Kingdom W1U 7EU

STEER DAVIES & GLEAVE LIMITED

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STEER DAVIES & GLEAVE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

The directors present their report and the audited consolidated financial statements for the year ended 31 March 2011

Results and dividends

The consolidated profit and loss account for the year is set out on page 7 and shows the profit for the year

In accordance with existing company policy, the directors do not recommend payment of a dividend (2010 - £nil) and the retained profit has been transferred to reserves

Principal activity, business review and future developments

The principal activity of the group remains the provision of consulting services to the global transport sector. The group has offices in Europe, Canada, USA, UAE and in numerous locations in South and Central America. The group has a diverse client base that includes both the private and public sectors and spans the transport sector.

Total fees earned from the consultancy services in the year to 31 March 2011 were £31,455,187 (2010 - £34,938,696). Fees earned by our Non UK offices represented 46% of the total fees earned by the group.

Profit before tax in the year ending 31 March 2011 was £817,870 (2010 - £1,657,249). This lower level of profit is attributable to a reduction in turnover in the UK and further operating losses in our Middle East and Spain operations. During the year management took action to mitigate the impact of these factors as well as support the growth of the non UK businesses.

The directors believe that group turnover will be reduced for the year ending 31 March 2012 but there will be further growth in fees earned by our non UK business.

The group will continue to pursue its core objectives reinforcing its position as a quality led consultancy operating on a global basis.

Corporate governance

The group operates an established corporate governance framework that is overseen by the board of directors. The composition of the board has been changed to strengthen the linkages between the board and the group's consulting activities.

STEER DAVIES & GLEAVE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Financial instruments

The group's financial instruments are set out in Note 21

The market for transport consultancy services has become increasingly competitive and the directors anticipate this trend to continue both in the UK and internationally. The group will continue to focus on the quality of its services to retain and attract customers.

Sales are principally in the local currency of the operation involved, but some international work is either in Euros, US Dollars or other currencies. The group is therefore exposed to movements in several exchange rates. The group seeks to structure contracts so as to minimise exchange rate risk where possible, and where not possible the finance team monitors the net exposure and takes appropriate action which may include arranging forward contracts.

The group's credit risk is primarily attributable to its trade debtors. The group's bid approval process and preferred contractual structures are employed to mitigate credit risk alongside the group's credit management capability. The group seeks to mitigate currency risk through its choice of trading currency and a preference to match currency fees and costs.

The group has loan facilities of £2,000,000 (2010 - £2,000,000) with NatWest Bank at a standard commercial rate. At 31 March 2011, £2,000,000 (2010 - £2,000,000) of this facility was unutilised.

The group monitors cash flow as a part of its day to day control procedures. The Head of Finance and Reporting, Forecasting and Planning Manager prepare both long and short term cash flow forecasts and operate a policy of preserving cash, and managing the group's facilities to ensure that the group has appropriate liquidity.

Charitable donations

During the year the group made charitable donations of £4,961 (2010 - £10,591)

Disabled persons

The group's aim is to meet the objectives of the code of good practice of the employment of disabled people. Full and fair consideration is given to disabled applicants for employment and training, and career development is encouraged on the basis of their aptitude and abilities. It is group policy to retain employees who become disabled whilst in service, where applicable.

Employee involvement

The group remains committed to employee briefing, engagement and involvement to ensure that employees are knowledgeable as to group performance and development. The group also operates a staff forum which consults and communicates with employees.

Post balance sheet events

No events have occurred since the year end which require reporting or disclosing in the financial statements.

STEER DAVIES & GLEAVE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Directors and their interests

The directors who held office during the year and their beneficial interest in the shares of the company were as follows

Ordinary shares of 1p each

		As at 31 March 2011 No.	As at 1 April 2010 No
S Hewitt *	(appointed 1 July 2010)	13,572	10,882
H Jones *	(appointed 1 July 2010)	9,235	13,468
F Beltrandi		267,574	265,615
S J Crouch	(resigned 31 July 2010)	1	8,544
J K Steer		912,889	912,889
C G Rowland	(resigned 30 September 2010)	-	-
J L Lawrence		-	-
W Pike	(appointed 1 September 2010)	-	-
		<u>1,203,271</u>	<u>1,211,398</u>

Number of options during the year

	At start of year	Granted	Exercised	Lapsed	At end of year
S Hewitt *	39,467	-	-	(5,263)	34,204
H Jones *	25,551	-	-	(1,754)	23,797
F Beltrandi	21,929	-	-	(21,929)	-
S J Crouch	43,859	-	(1)	(43,858)	-
J K Steer (non executive)	17,748	-	-	(8,771)	8,977
C G Rowland (non executive)	-	-	-	-	-
J L Lawrence (non executive)	-	-	-	-	-
W Pike (non executive)	-	-	-	-	-
	<u>148,554</u>	<u>-</u>	<u>(1)</u>	<u>(81,575)</u>	<u>66,978</u>

* includes interest prior to joining the board of directors

In the interests of governance, the company discontinued the practice of issuing options to non executive directors

STEER DAVIES & GLEAVE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and 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 and loss of the group and company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Approved by the Board and signed by order of the Board



V Dorrington

Secretary

20 September 2011

STEER DAVIES & GLEAVE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF STEER DAVIES & GLEAVE LIMITED

We have audited the financial statements of Steer Davies & Gleave Limited for the year ended 31 March 2011 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

STEER DAVIES & GLEAVE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF STEER DAVIES & GLEAVE LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

BDO LLP

Anne Sayers (senior statutory auditor)
for and on behalf of BDO LLP (statutory auditor)
London
United Kingdom

20 September 2011

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

STEER DAVIES & GLEAVE LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 £	2010 £
Turnover	2	31,455,187	34,938,696
Cost of sales		(25,494,975)	(27,070,785)
Gross profit		5,960,212	7,867,911
Administrative expenses		(5,205,890)	(6,205,064)
Other operating income	3	16,091	-
Operating profit	4	770,413	1,662,847
Interest receivable and similar income		63,442	21,201
Interest payable and similar charges	7	(15,985)	(26,799)
Profit on ordinary activities before taxation		817,870	1,657,249
Tax on profit on ordinary activities	8	(301,365)	(736,322)
Profit for the financial year	18	516,505	920,927

Turnover and operating profit derive wholly from continuing operations

STEER DAVIES & GLEAVE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 2011

		2011	2010
	Notes	£	£
Profit for the financial year	18	516,505	920,927
Exchange adjustments on translation of foreign operations	18	53,207	35,483
Total recognised gains and losses for the year		<u>569,712</u>	<u>956,410</u>

STEER DAVIES & GLEAVE LIMITED

BALANCE SHEETS

AS AT 31 MARCH 2011

Company Registration No 1883830 (England and Wales)

		Group		Company	
	Notes	2011 £	2010 £	2011 £	2010 £
Fixed assets					
Intangible assets	9	78,237	72,567	78,237	72,567
Tangible assets	10	776,719	1,087,146	521,224	827,749
Investments	11	104	7,440	104	7,440
		<u>855,060</u>	<u>1,167,153</u>	<u>599,565</u>	<u>907,756</u>
Current assets					
Debtors	12	10,473,431	12,446,389	10,755,487	13,305,754
Cash at bank and in hand		7,719,113	6,602,467	5,807,695	5,943,347
		<u>18,192,544</u>	<u>19,048,856</u>	<u>16,563,182</u>	<u>19,249,101</u>
Creditors: amounts falling due within one year	13	(5,408,656)	(6,896,788)	(3,928,141)	(6,337,570)
Net current assets		<u>12,783,888</u>	<u>12,152,068</u>	<u>12,635,041</u>	<u>12,911,531</u>
Total assets less current liabilities		<u>13,638,948</u>	<u>13,319,221</u>	<u>13,234,606</u>	<u>13,819,287</u>
Creditors amounts falling due after more than one year	14	-	(27,427)	-	(27,427)
Provisions for liabilities	16	(741,101)	(908,812)	(741,101)	(908,812)
		<u>12,897,847</u>	<u>12,382,982</u>	<u>12,493,505</u>	<u>12,883,048</u>
Capital and reserves					
Called up share capital	17	60,583	60,583	60,583	60,583
Share premium account	18	70,413	70,413	70,413	70,413
Option reserve	18	136,384	180,308	136,384	180,308
SIP share reserve	18	(178,607)	(225,865)	(178,607)	(225,865)
EBT share reserve	18	(4,742,803)	(4,705,171)	(4,742,803)	(4,705,171)
Profit and loss account	18	17,551,877	17,002,714	17,147,535	17,502,780
Shareholders' funds	20	<u>12,897,847</u>	<u>12,382,982</u>	<u>12,493,505</u>	<u>12,883,048</u>

Approved by the Board and authorised for issue on 20 September 2011 and signed on its behalf by

Stephen C. Hewitt

S Hewitt
Director

H Jones
Director

H Jones

STEER DAVIES & GLEAVE LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 £	2011 £	2010 £	2010 £
Net cash inflow from operating activities	25		2,664,214		4,751,463
Returns on investments and servicing of finance					
Interest received		63,442		21,201	
Interest paid		(6,586)		(8,230)	
Interest element of finance lease rental payments		(9,399)		(18,569)	
Net cash inflow/(outflow) from returns on investments and servicing of finance			47,457		(5,598)
Corporation tax			(710,844)		(1,252,603)
Capital expenditure and financial investment					
Purchase of intangible fixed assets		(50,557)		(31,001)	
Purchase of tangible fixed assets		(382,055)		(458,697)	
Sale of investments		8,399		-	
			(424,213)		(489,698)
Acquisitions					
Purchase of CRA consultants			-		(78,488)
Cash inflow before financing			1,576,614		2,925,076
Financing					
Other loans		(128,817)		8,223	
Capital element of finance leases		(83,703)		(113,917)	
Purchase of own shares		(372,159)		(287,569)	
Sale of own shares		124,711		133,697	
			(459,968)		(259,566)
Increase in cash	26, 27		<u>1,116,646</u>		<u>2,665,510</u>

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31 March 2011. The acquisitions method of accounting has been adopted. Under this method, the results of the subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account. Its loss for the financial year was £332,734 (2010 - profit of £904,266).

Going concern

These financial statements have been prepared on a going concern basis.

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax. In addition, turnover includes fees on long-term contracts calculated as a proportion of total contract value based on the percentage stage of completion, or on the basis of unbilled work carried out to date, dependent on the nature of the individual contract.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on the acquisition of subsidiaries or trade and asset purchases is included in intangible assets and amortised over the directors' estimate of its useful economic life.

Goodwill is stated at cost less any accumulated impairment losses.

Software licences

Where the group's software licences are expected to generate future revenues in excess of the costs of acquiring those licences, then the expenditure incurred on those licences is capitalised and treated as an intangible fixed asset and is amortised as follows:

Software licences	20% - 33 3% per annum on cost
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Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Computer equipment	33 3% - 50% per annum on cost
Furniture and equipment	10% - 25% per annum on cost
Short leasehold buildings	Higher 10% per annum or over lease term

Impairment of fixed assets

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of realisable value and its value in use.

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

(continued)

Other fixed asset investments

Investments held as fixed assets are stated at cost less any provision for impairment

Employee benefit trust

The group is deemed to have control of the assets, liabilities, income and costs of its Employee Benefit Trust (EBT). The cost of the group's shares purchased for cash and held by the EBT is deducted from shareholders' funds in the group's balance sheet. These shares are then transferred to the Share Incentive Plan (SIP) as required.

Share incentive plan

The group is deemed to have control of the assets, liabilities, income and costs of its Share Incentive Plan (SIP). The cost of the group's shares held by the SIP is deducted from shareholders' funds in the group's balance sheet. The SIP holds shares until they have vested fully with employees at which point they are no longer recognised in the SIP, and the corresponding profit or loss on disposal is recognised in reserves.

Long-term contracts

Long-term contracts are assessed by contract type and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of a category of contract can be assessed with reasonable certainty before its conclusion, a prudent estimate of the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for those contracts.

Deferred taxation

Deferred tax is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in tax computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of foreign operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. For foreign operations that meet the criteria of "closing rate" method as defined by SSAP20 "Foreign Currency Translation" and subsidiaries, exchange differences arising on translation of the opening net assets and results of foreign operations are reported in the statement of total recognised gains and losses. All other exchange differences are included in the profit and loss account.

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

(continued)

Hire purchase and finance lease contracts

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, are capitalised in the balance sheet and are depreciated over their economic lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets acquired under instalment finance agreements are treated as tangible fixed assets and depreciation is provided accordingly. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Incentives received to enter into operating lease agreements are released to the profit and loss account over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate.

Dilapidation provision

Where the group has entered into any fully repairing leases, it provides the full amount in the balance sheet for its lease obligations.

Onerous contracts

Where the unavoidable costs of a contract exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the contract.

Pensions

Contributions to the company's two defined contribution pension schemes are charged in the profit and loss account as they become payable. The assets of the scheme are held separately from those of the group in independently administered funds.

Share based employee remuneration

When shares and share options are awarded to employees a charge is made which is spread over the vesting period to the profit and loss account based on the valuation at the date at which the shares or options are granted according to the Black Scholes Option Pricing Model in accordance with FRS20 'Share-based payments'. The credit entry for this charge is taken to the share option reserve and reported in the reconciliation of movements in shareholders' funds.

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

(continued)

Financial instruments

In relation to the disclosure in note 21

- The group does not hold or issue any derivative financial instruments for trading purposes

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

2 Turnover

Turnover is wholly attributable to the principal activity of the group

Analysis of fees earned by geographical markets has been excluded as the directors consider such disclosure would be prejudicial to the interest of the group

Fees earned and profit on ordinary activities are attributable to one continuing activity, the provision of consultancy services to the public and private sector

3 Other operating income

	2011 £	2010 £
Rent receivable	16,091	-

4 Operating profit

Operating profit is stated after charging/(crediting)

	2011 £	2010 £
Hire of plant and machinery (operating leases)	17,062	17,453
Hire of other assets (operating leases)	1,209,540	1,139,018
Auditor's remuneration - audit services	54,000	54,211
Auditor's remuneration - non audit services	15,170	7,165
Foreign currency losses / (gains)	256,140	(57,641)
Loss on sale of tangible fixed assets	865	3,134
Depreciation of owned tangible fixed assets	634,290	510,240
Depreciation of leased tangible fixed assets	57,327	84,340
Amortisation	44,887	107,640
Share scheme charges	107,858	199,060
Gain on disposal of fixed asset investments	(1,063)	-
Release of dilapidation provision	(718,000)	-
Onerous contract provision	550,289	-

The auditor's remuneration for audit services as shown above is in respect of the audit of the group's and parent company's accounts

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

5 Wages and salaries

The average number of persons employed (including directors) during the year was as follows

	Group		Company	
	2011 No	2010 No.	2011 No.	2010 No.
Employees	337	357	298	323

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Wages and salaries	15,658,472	17,743,480	13,227,229	16,296,113
Social security	1,574,298	1,689,665	1,471,242	1,642,349
Other pension costs	905,903	1,071,758	813,738	1,029,995
Share scheme charges	107,858	199,060	107,858	199,060
	<u>18,246,531</u>	<u>20,703,963</u>	<u>15,620,067</u>	<u>19,167,517</u>

Included within wages and salaries is a FRS20 'Share-based payments' charge of £103,630 (2010 - £381,662) in respect of shares received by employees under an annual discretionary group bonus scheme

Share scheme charges are comprised as follows

	Group		Company	
	2011 £	2010 £	2011 £	2010 £
Share scheme admin charges	18,887	13,839	18,887	13,839
Share scheme SIP charges - directors	1,091	2,130	1,091	2,130
Share scheme SIP charges - non directors	33,959	66,684	33,959	66,684
Share scheme option charges - directors	-	2,300	-	2,300
Share scheme option charges - non directors	53,921	114,107	53,921	114,107
	<u>107,858</u>	<u>199,060</u>	<u>107,858</u>	<u>199,060</u>

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

6 Directors' emoluments

The directors' emoluments for the year are as follows

	2011 £	2010 £
Directors' emoluments (including benefits in kind)	677,142	698,270
Directors' pension contributions	66,701	71,702
Directors' share scheme charges	1,091	2,130
Compensation for loss of office	193,501	89,800
	<u>938,435</u>	<u>861,902</u>

During the period the number of directors who were accruing benefits under group pension schemes was as follows

	2011 No	2010 No
Money purchase	<u>5</u>	<u>4</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £172,908 (2010 - £216,597), and group pension contributions of £11,678 (2010 - £23,935) were made to a money purchase scheme on their behalf. During the year, the highest paid director did not receive shares under a long term incentive scheme.

Long term incentive schemes

The options held by the directors are detailed in the directors' report. The number of directors who exercised share options during the year was 1 (2010 - nil), and the total number of options exercised was 1 (2010 - nil). There was £1 loss made during the year (2010 - £nil).

The amount charged to the profit and loss account during the year in respect of options granted to directors was £nil (2010 - £2,300).

At 31 March 2011, 3 directors (2010 - 3) held options. Further details are disclosed in Note 19.

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

7 Interest payable

	2011 £	2010 £
Bank interest payable	315	3,035
Hire purchase interest	9,399	18,569
Other interest payable	6,271	5,195
	<hr/>	<hr/>
	15,985	26,799
	<hr/>	<hr/>

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

8 Taxation

Analysis of current period tax charge

	2011 £	2010 £
Current tax		
Corporation tax (credit)/charge	(230,100)	527,607
Over provision in previous year	(77,868)	(72,150)
Double taxation relief	-	(126,291)
UK Corporation tax	(307,968)	329,166
Overseas taxation	589,802	377,241
Total current tax	281,834	706,407
Deferred tax		
Origination and reversal of timing differences	19,531	29,915
Total tax on profit on ordinary activities	301,365	736,322

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 28.00% (2010 - 28.00%)

The differences are reconciled below

	2011 £	2010 £
Profit on ordinary activities before taxation	817,870	1,657,249
Standard rate corporation tax charge	229,004	464,030
Expenses not deductible for tax purposes	6,486	8,894
Adjustments to tax in respect of prior periods	(77,868)	(72,150)
Overseas tax payable	589,802	377,241
Depreciation for the period in excess of capital allowances	98,138	59,459
Adjustments in relation to share based payments	(2,864)	28,384
Double taxation relief	-	(126,291)
Taxation on profits of group subsidiaries	(318,588)	(33,160)
Non-taxable income	(195,723)	-
Gain on disposal of investments	(298)	-
Overseas tax expensed	(46,255)	-
Total current tax for the year	281,834	706,407

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

8 Taxation

(continued)

Factors which may affect future tax charges

The tax assessed on future profits on ordinary activities will be subject to changing tax rates in current regions, and the existence of double taxation treaties with new regions which the group may expand into

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

9 Intangible fixed assets Group

	Software Licences £	Goodwill £	Total £
Cost			
At 1 April 2010	219,860	270,628	490,488
Additions	50,557	-	50,557
At 31 March 2011	270,417	270,628	541,045
Amortisation			
At 1 April 2010	147,293	270,628	417,921
Charge for the year	44,887	-	44,887
At 31 March 2011	192,180	270,628	462,808
Net book value			
At 31 March 2011	78,237	-	78,237
At 31 March 2010	72,567	-	72,567

Intangible fixed assets Company

	Software Licences £
Cost	
At 1 April 2010	219,860
Additions	50,557
At 31 March 2011	270,417
Amortisation	
At 1 April 2010	147,293
Charge for the year	44,887
At 31 March 2011	192,180
Net book value	
At 31 March 2011	78,237
At 31 March 2010	72,567

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

10 Tangible fixed assets Group

	Short Leasehold Buildings £	Computer Equipment £	Furniture and Equipment £	Total £
Cost				
At 1 April 2010	1,516,782	1,078,323	913,888	3,508,993
Additions	99,393	204,428	78,234	382,055
Disposals	-	(2,574)	(985)	(3,559)
At 31 March 2011	1,616,175	1,280,177	991,137	3,887,489
Depreciation				
At 1 April 2010	1,154,794	789,542	477,511	2,421,847
Disposals	-	(2,574)	(120)	(2,694)
Charge for the year	352,602	220,652	118,363	691,617
At 31 March 2011	1,507,396	1,007,620	595,754	3,110,770
Net book value				
At 31 March 2011	108,779	272,557	395,383	776,719
At 31 March 2010	361,988	288,781	436,377	1,087,146

Hire purchase agreements

Included within the total net book value of tangible fixed assets is £52,038 (2010 - £136,085) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £57,327 (2010 - £84,340).

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

10 Tangible fixed assets

(continued)

Company

	Short Leasehold Buildings £	Computer Equipment £	Furniture and Equipment £	Total £
Cost				
At 1 April 2010	1,516,782	989,497	696,342	3,202,621
Additions	99,393	178,588	42,864	320,845
Disposals	-	(2,574)	-	(2,574)
At 31 March 2011	1,616,175	1,165,511	739,206	3,520,892
Depreciation				
At 1 April 2010	1,154,794	756,875	463,203	2,374,872
Disposals	-	(2,574)	-	(2,574)
Charge for the year	352,602	188,326	86,442	627,370
At 31 March 2011	1,507,396	942,627	549,645	2,999,668
Net book value				
At 31 March 2011	108,779	222,884	189,561	521,224
At 31 March 2010	361,988	232,622	233,139	827,749

Hire purchase agreements

Included within the total net book value of tangible fixed assets is £52,038 (2010 - £136,085) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £57,327 (2010 - £84,340).

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

11 Fixed asset investments

Group

	Group undertakings £	Unlisted investments £	Total £
Cost			
At 1 April 2010	100	7,340	7,440
Disposals	-	(7,336)	(7,336)
	<hr/>	<hr/>	<hr/>
At 31 March 2011	100	4	104
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2011	100	4	104
	<hr/>	<hr/>	<hr/>
At 31 March 2010	100	7,340	7,440
	<hr/>	<hr/>	<hr/>

The group holds less than 20% of the share capital of the following company

	Country of incorporation	Principal activity	Class	%
Other undertakings				
Multi-Modal Transport Solutions PTY	Australia	Transport Consultancy	Ordinary Shares	10

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

11 Fixed asset investments

(continued)

Company

	Group undertakings £	Unlisted investments £	Total £
Cost			
At 1 April 2010	100	7,340	7,440
Disposals	-	(7,336)	(7,336)
At 31 March 2011	100	4	104
Net book value			
At 31 March 2011	100	4	104
At 31 March 2010	100	7,340	7,440

The group holds more than 20% of the share capital of the following company

	Country of incorporation	Principal activity	Class	%
Subsidiary investments				
Steer Davies & Gleave Holdings Limited	England	Holding Company	Ordinary Shares	100

The group holds less than 20% of the share capital of the following company

Other undertakings				
Multi-Modal Transport Solutions PTY	Australia	Transport Consultancy	Ordinary Shares	10

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

12 Debtors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	5,178,101	7,343,907	3,549,409	6,940,315
Amounts recoverable on long term contracts	3,878,257	3,912,215	3,079,738	3,363,888
Amounts owed by group undertakings	-	-	2,998,530	1,869,322
Other debtors	537,763	456,907	273,860	439,679
Deferred tax	154,808	174,339	154,808	174,339
Prepayments and accrued income	724,502	559,021	699,142	518,211
	<u>10,473,431</u>	<u>12,446,389</u>	<u>10,755,487</u>	<u>13,305,754</u>

Deferred Tax

	Group	Company
	£	£
As at 1 April 2010	174,339	174,339
Movement	(19,531)	(19,531)
As at 31 March 2011	<u>154,808</u>	<u>154,808</u>

Deferred tax is provided at 26.00% (2010 - 28.00%)

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Capital allowances	154,808	134,554	154,808	134,554
Sundry timing differences	-	-	-	-
Overseas tax losses	-	39,785	-	39,785
	<u>154,808</u>	<u>174,339</u>	<u>154,808</u>	<u>174,339</u>

All amounts within debtors fall due for payment within one year

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

13 Creditors amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Other loans (note 15)	100	128,917	100	128,917
Payments received on account	1,720,128	2,102,169	810,947	1,771,683
Obligations under finance leases and hire purchase contracts (note 15)	27,323	83,599	27,427	82,280
Trade creditors	589,830	89,254	532,288	77,928
Corporation tax	(344,780)	191,917	(404,669)	128,934
Social security costs and other taxes	993,510	1,228,735	648,362	1,198,516
Other creditors	611,437	1,169,632	603,048	1,153,005
Accruals and deferred income	1,811,108	1,902,565	1,710,638	1,796,307
	<u>5,408,656</u>	<u>6,896,788</u>	<u>3,928,141</u>	<u>6,337,570</u>

Included within other creditors is a balance of £321,580 (2010 - £591,580) relating to unsecured interest bearing loan notes

14 Creditors : amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Obligations under finance leases and hire purchase contracts (note 15)	-	27,427	-	27,427
	<u>-</u>	<u>27,427</u>	<u>-</u>	<u>27,427</u>

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

15 Maturity of borrowings

Group

Amounts repayable

	Other loans	Obligations under finance leases and HP contracts	Total
	£	£	£
As at 31 March 2011			
In one year or less on demand	100	27,323	27,423
Between one and two years	-	-	-
	<u>100</u>	<u>27,323</u>	<u>27,423</u>
As at 31 March 2010			
In one year or less on demand	128,917	83,599	212,516
Between one and two years	-	27,427	27,427
	<u>128,917</u>	<u>111,026</u>	<u>239,943</u>

Company

Amounts repayable

	Other loans	Obligations under finance leases and HP contracts	Total
	£	£	£
As at 31 March 2011			
In one year or less on demand	100	27,427	27,423
Between one and two years	-	-	-
	<u>100</u>	<u>27,427</u>	<u>27,423</u>
As at 31 March 2010			
In one year or less on demand	128,917	82,280	211,197
Between one and two years	-	27,427	27,427
	<u>128,917</u>	<u>109,707</u>	<u>238,624</u>

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

16 Provisions for liabilities

The lease for the Group's London office was renewed in June 2010. The lease is for a period to November 2021. The dilapidation provision relating to the London office has therefore, been re-assessed under the terms of the new lease and taking consideration of the sub-letting of part of the office. As the group continues to make substantial improvements to the premises the provision required is considered to be less substantial under the terms of the new lease.

The provision for onerous contract relates to one specific contract where future losses have been recognised in accordance with the Group's accounting policy for work in progress.

Group and company	Dilapidation provision	Onerous contract	Total provision £
As at 1 April 2010	908,812	-	908,812
Provision released in the year	(718,000)	-	(718,000)
Provision in the year	-	550,289	550,289
As at 31 March 2011	190,812	550,289	741,101

17 Share capital

	2011 £	2010 £
Authorised		
Equity		
100,000,000 Ordinary shares of 1p each	1,000,000	1,000,000
Allotted, called up and fully paid		
Equity		
6,058,274 Ordinary shares of 1p each	60,583	60,583

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

18 Reserves

Group	Share premium reserve	Option reserve	SIP share reserve	EBT share reserve	Profit and loss reserve	Total
	£	£	£	£	£	£
Balance at 1 April 2010	70,413	180,308	(225,865)	(4,705,171)	17,002,714	12,322,399
Movement (see below)	-	(43,924)	47,258	(37,632)	32,658	(1,640)
Profit for the year	-	-	-	-	516,505	516,505
Balance at 31 March 2011	70,413	136,384	(178,607)	(4,742,803)	17,551,877	12,837,264

	Option reserve	SIP share reserve	EBT share reserve	Profit and loss reserve	Total
	£	£	£	£	£
Share scheme charges	-	-	-	35,050	35,050
Exchange adjustments on translation of foreign operations	-	-	-	53,207	53,207
Purchase of shares	-	(281,535)	(90,624)	-	(372,159)
Proceeds from disposal of shares	-	90,709	34,002	-	124,711
Loss on disposal of shares	-	238,084	18,990	(257,074)	-
Share based payments	53,921	-	-	103,630	157,551
Options exercised or lapsed	(97,845)	-	-	97,845	-
	(43,924)	47,258	(37,632)	32,658	(1,640)

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

18 Reserves

(continued)

Company	Share premium reserve	Option reserve	SIP share reserve	EBT share reserve	Profit and loss reserve	Total
	£	£	£	£	£	£
Balance at 1 April 2010	70,413	180,308	(225,865)	(4,705,171)	17,502,780	12,822,465
Movement (see below)	-	(43,924)	47,258	(37,632)	(22,511)	(56,809)
Loss for the year	-	-	-	-	(332,734)	(332,734)
Balance at 31 March 2011	70,413	136,384	(178,607)	(4,742,803)	17,147,535	12,432,922

	Option reserve	SIP share reserve	EBT share reserve	Profit and loss reserve	Total
	£	£	£	£	£
Share scheme charges	-	-	-	35,050	35,050
Exchange adjustments on translation of foreign operations	-	-	-	(1,962)	(1,962)
Purchase of shares	-	(281,535)	(90,624)	-	(372,159)
Proceeds from disposal of shares	-	90,709	34,002	-	124,711
Loss on disposal of shares	-	238,084	18,990	(257,074)	-
Share based payments	53,921	-	-	103,630	157,551
Options exercised or lapsed	(97,845)	-	-	97,845	-
	(43,924)	47,258	(37,632)	(22,511)	(56,809)

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

18 Reserves

(continued)

At 31 March 2011, the Employee Benefit Trust (EBT) held 2,458,805 shares (2010 - 2,415,157), of which 701,616 (2010 - 950,498) were under option to employees

At 31 March 2011 the Share Incentive Plan (SIP) held 1,056,922 shares (2010 - 1,068,484), of which 914,036 (2010 - 904,957) were partnership shares which had vested fully with employees and were being held by the SIP on behalf of the employees, these shares are not recognised on the group's balance sheet. Of the remaining 142,886 shares (2010 - 163,527), 21,187 (2010 - 21,883) are matching shares held on behalf of employees which are due to vest in October 2011, and nil (2010 - 141,644) are bonus shares held on behalf of employees which are due to vest in July 2011, and 121,699 (2010 - nil) are unallocated. Until such time as the matching shares and the bonus shares vest unconditionally with the employees, the group is deemed to have control over these shares, therefore these shares are recognised on the group's balance sheet.

Current group policy is to retain all profits and not pay dividends and therefore there are no dividends associated with these shares.

The market value of the group's shares at 31 March 2011 was 125p per share based on the non-executive directors valuation as at November 2010 (2010 - 150p).

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

19 Share based payments

The group operates share-based payment remuneration schemes through an Employee Benefit Trust (EBT) and a Share Incentive Plan (SIP) in order to facilitate wider share ownership of the group through the distribution of shares to employees

The group also operates an approved EMI option scheme at its discretion and an unapproved share option scheme in order to incentivise key staff. Options under both the approved and unapproved schemes are granted at the market price of the shares at the date of the grant which is set at the latest AGM. Awards vest three months after the date of grant and may be exercised over the contractual life of the option which varies between 3 to 4 years. In the event of an employee leaving the group, the options lapse 40 days following the leaving date.

Employees can purchase shares from the EBT in an annual trading window between 15 November and 15 December, or from the SIP via a monthly payroll saving scheme which runs from October to the following September. All group employees are eligible to participate in these schemes once they have completed six months service at the group, however there is a vesting condition for the SIP scheme shares that the individual remains an employee of the group over the savings period. The purchase price for shares from both schemes is the market price of the shares at the date of the grant which is set at the latest AGM.

For every three shares purchased from the EBT, employees are granted one EMI approved share option which vests three months after the date of grant. For every three shares purchased from the SIP, employees receive one free share which vests after one year of additional service has been completed.

Employees have previously received shares as part of an annual discretionary group bonus. Shares acquired by employees as part of this bonus vest after one year of additional service has been completed following the declaration of the bonus. Shares acquired by this method cannot be sold for three years from their award unless the recipient leaves the group.

FRS20 'Share-based payments' requires that the fair value of such equity-settled transactions is calculated and systematically charged to the profit and loss account over the vesting period. Details of outstanding share options and the calculation of this charge are set out below.

Share options

At 31 March 2011, the following share options were outstanding in respect of the ordinary shares

Year of grant	Number of share options	Number held by directors	Period of option	Exercise price
2008	6,274	-	February 2008 to May 2011	239p
2009	266,494	25,995	March 2009 to June 2012	176p
2010	30,000	-	March 2010 to June 2012	176p
2010	390,316	40,983	March 2010 to June 2013	150p
2011	8,532	-	March 2011 to June 2014	125p
	<u>701,616</u>	<u>66,978</u>		

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

19 Share based payments

(continued)

Movements in share options during the period were as follows

Year of grant	Weighted average exercise price	Outstanding options at 1 April 2010	Granted	Exercised	Lapsed	Outstanding options at 31 March 2011
2007	228p	190,955	-	(1)	(190,954)	-
2008	239p	6,552	-	-	(278)	6,274
2009	176p	288,432	-	-	(21,938)	266,494
2010	176p	30,000	-	-	-	30,000
2010	150p	434,559	-	-	(44,243)	390,316
2011	125p	-	9,065	-	(533)	8,532
		<u>950,498</u>	<u>9,065</u>	<u>(1)</u>	<u>(257,946)</u>	<u>701,616</u>

The exercise price of options outstanding at the end of the year ranged between 125p and 239p (2010 - 150p and 239p) and had a weighted average of 182p (2010 - 184p). The weighted average contractual life of options outstanding at the end of the year was 3.3 years (2010 - 3.2 years).

Of the total number of options outstanding at the end of the year, 693,084 (2010 - 485,939) had vested and were exercisable at the end of the year.

The weighted average share price (at the date of exercise) of options exercised during the year was 173p (2010 - 172p). The weighted average fair value of each option granted during the year was 41p (2010 - 31p).

The group did not enter into any share-based payment transactions with parties other than employees during the current or previous period.

The following information is relevant in the determination of the fair value of options granted during the year under the equity-settled share based remuneration schemes operated by the group.

Equity-settled	2011	2010
Option pricing model used	Black Scholes	Black Scholes
Weighted average share price at grant date (pence)	176	165
Exercise price (pence)	125	150
Weighted average contractual life (days)	1,184	1,169
Expected volatility (percentage)	12.80	13.40
Expected dividend growth rate (percentage)	-	-
Risk-free interest rate (percentage)	0.50	0.50

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of annual share prices over the last eight years.

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

20 Reconciliation of movements in shareholders' funds

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Profit/(loss) for the year	516,505	920,927	(332,734)	904,266
Exchange adjustments on translation of net assets	53,207	35,483	(1,962)	28,074
SIP share scheme charges	35,050	68,814	35,050	68,814
Purchase of SIP shares	(281,535)	(287,569)	(281,535)	(287,569)
Purchase of EBT shares	(90,624)	(591,580)	(90,624)	(591,580)
Disposal proceeds of SIP shares	90,709	126,698	90,709	126,698
Disposal proceeds of EBT shares	34,002	6,999	34,002	6,999
Share based payments	157,551	498,069	157,551	498,069
Net additions to shareholders' funds	514,865	777,841	(389,543)	753,771
Opening shareholders' funds	12,382,982	11,605,141	12,883,048	12,129,277
Closing shareholders' funds	12,897,847	12,382,982	12,493,505	12,883,048

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

21 Financial instruments

The overall policy with regard to the management of financial risks is set out in the Directors' Report

Financial assets

The group's financial assets include trade and other debtors of £5,715,864 (2010 - £7,800,814) The interest rate profile of cash balances at 31 March 2011 was as follows

	Group			Company		
	Interest bearing	Non-interest bearing	Total	Interest bearing	Non-interest bearing	Total
2011	£	£	£	£	£	£
UK Sterling	4,449,790	1,250	4,451,040	4,449,790	1,250	4,451,040
US Dollar	661,139	-	661,139	215,507	-	215,507
Euro	749,035	887	749,922	749,035	887	749,922
Canadian Dollar	877,862	-	877,862	190,301	-	190,301
South African Rand	2,821	-	2,821	2,821	-	2,821
Chilean Peso	121,189	137	121,326	84,082	-	84,082
Colombian Peso	85,167	3,321	88,488	85,167	3,321	88,488
UAE Dirham	20,034	-	20,034	20,034	-	20,034
Saudi Arabian Riyal	5,500	-	5,500	5,500	-	5,500
Mexican Peso	-	509	509	-	-	-
Brazilian Real	740,472	-	740,472	-	-	-
	<u>7,713,009</u>	<u>6,104</u>	<u>7,719,113</u>	<u>5,802,237</u>	<u>5,458</u>	<u>5,807,695</u>

	Group			Company		
	Interest bearing	Non-interest bearing	Total	Interest bearing	Non-interest bearing	Total
2010	£	£	£	£	£	£
UK Sterling	4,174,234	718	4,174,952	4,174,234	718	4,174,952
US Dollar	225,652	-	225,652	41,647	-	41,647
Euro	942,323	694	943,017	942,323	694	943,017
Canadian Dollar	460,379	-	460,379	264,753	-	264,753
South African Rand	12,924	-	12,924	12,924	-	12,924
Chilean Peso	63,777	145	63,922	36,160	145	36,305
Colombian Peso	375,007	2,822	377,829	375,007	2,822	377,829
UAE Dirham	53,339	36	53,375	53,339	36	53,375
Saudi Arabian Riyal	38,545	-	38,545	38,545	-	38,545
Mexican Peso	150,280	253	150,533	-	-	-
Brazilian Real	100,528	811	101,339	-	-	-
	<u>6,596,988</u>	<u>5,479</u>	<u>6,602,467</u>	<u>5,938,932</u>	<u>4,415</u>	<u>5,943,347</u>

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

21 Financial instruments

(continued)

Interest bearing assets comprise cash in current and short term deposits. The group earned interest on its cash balances at rates between 0% and 6% (2010 - 0% and 6%) during the year.

Financial liabilities

The group's financial liabilities include trade and other creditors of £1,201,267 (2010 - £1,258,886). The group's financial liabilities also consist of overdrafts, loans and obligations under finance leases. The interest rate profile at 31 March 2011 of these liabilities was as follows:

	Group			Company		
	Interest bearing	Non-interest bearing	Total	Interest bearing	Non-interest bearing	Total
2011	£	£	£	£	£	£
UK Sterling	27,423	-	27,423	27,527	-	27,527

	Group			Company		
	Interest bearing	Non-interest bearing	Total	Interest bearing	Non-interest bearing	Total
2010	£	£	£	£	£	£
UK Sterling	239,943	-	239,943	238,624	-	238,624

Fair values

At 31 March 2011 and 2010, the fair value and book value of the group's financial assets and liabilities were materially the same.

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

22 Operating lease commitments

At 31 March 2011 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011	2010	2011	2010
	£	£	£	£
Expiry date				
Within one year	90,593	-	45,417	45,417
Between two and five years	194,696	833,717	16,554	16,554
In over five years	660,704	-	4,010	4,010
	<u>945,993</u>	<u>833,717</u>	<u>65,981</u>	<u>65,981</u>

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011	2010	2011	2010
	£	£	£	£
Expiry date				
Within one year	53,808	-	45,417	45,417
Between two and five years	130,765	767,236	16,554	16,554
In over five years	660,704	-	4,010	4,010
	<u>845,277</u>	<u>767,236</u>	<u>65,981</u>	<u>65,981</u>

23 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £905,903 (2010 - £1,071,758).

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

24 Related party transactions

The group provided consultancy services to a company of which J K Steer, one of the directors, is a member of the board. Services were provided at commercial rates amounting to £nil (2010 - £33,600) and £nil was outstanding at the year end (2010 - £nil).

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2011

25 Reconciliation of operating profit to net cash inflow from operating activities

	2011	2010
	£	£
Operating profit	770,413	1,662,847
Amortisation	44,887	107,640
Depreciation	691,617	594,580
Loss on disposal of fixed assets	865	3,134
Profit on disposal of fixed assets investments	(1,063)	-
Provision	(167,711)	-
SIP share scheme charges	35,050	68,814
Bonus share payments	103,630	381,662
Share option charges	53,921	116,407
Decrease in debtors	1,953,427	1,745,144
(Decrease)/increase in creditors	(820,822)	71,235
Net cash inflow from operating activities	2,664,214	4,751,463

26 Reconciliation of net cash inflow to movement in net funds

	2011	2010
	£	£
Increase in cash in the year	1,116,646	2,665,510
Cash inflow from decrease in debt and lease financing	482,520	105,694
Change in net funds resulting from cash flows	1,599,166	2,771,204
Change in net debt resulting from non-cash flows	-	(591,580)
Opening net funds	5,770,944	3,591,320
Closing net funds	7,370,110	5,770,944

27 Analysis of net funds

	1 April 2010	Cash flow	31 March 2011
	£	£	£
Cash in hand and at bank	6,602,467	1,116,646	7,719,113
	6,602,467	1,116,646	7,719,113
Obligations under finance leases	(111,026)	83,703	(27,323)
Debt due within one year	(128,917)	128,817	(100)
Unsecured loan notes	(591,580)	270,000	(321,580)
Total	5,770,944	1,599,166	7,370,110