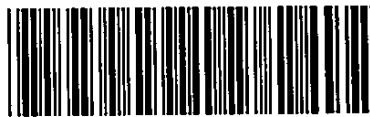


Company Registration No. 1883830 (England and Wales)

STEER DAVIES & GLEAVE LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 2012

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COMPANIES HOUSE

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 2012

The directors present their report and the audited consolidated financial statements for the year ended 31 March 2012

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 the payment of a dividend (2011 - £nil) and the retained profit has been transferred to reserves

Principal activity, business review and future developments

The principal activity of the group is the provision of consulting services to the transport and related sectors. The group supports clients in numerous locations and has offices in Europe, Canada, USA and Central and South America. At 31 March 2012 the group employed 304 employees.

The group operates both branch and subsidiary businesses. The group's branches are located in Italy, Spain, Peru, Puerto Rico, Colombia and Chile. There was a branch in United Arab Emirates, which was closed after the year-end.

Total fees earned from consulting activities in the year to 31 March 2012 was £28,934,444, an 8% reduction on the previous year (2011 - £31,455,187). Profit before tax in the year ending 31 March 2012 increased by 33% to £1,090,591 (2011 - £817,870). This higher level of profit is attributable to a reduction in cost of sales and improved business performance in the United Kingdom, in addition to a continuation of good performance in Mexico, Italy and Canada. During the year the group reduced its costs of operation in both Spain and United Arab Emirates and undertook various actions to stimulate and support the growth of its business in the United Kingdom and elsewhere.

The market for transport consultancy is highly competitive and it is the view of the directors that the group will face further competition in all of its markets of operation. The performance of the group will also be impacted by both global and local financial and economic conditions, which if they worsen may lead to a reduction in market size and increased debtor risk.

The directors consider that turnover will increase for the year ending 31 March 2013.

The group will continue to follow its strategy of offering high quality consultancy to its chosen markets to attract and retain clients in addition to adding complementary services to its offering.

Corporate governance

The group operates an established corporate governance framework that is overseen by the board of directors. The effectiveness of the board of directors and its committees are reviewed on an annual basis.

STEER DAVIES & GLEAVE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

Financial instruments

The group's financial instruments are set out in Note 20

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 group 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 where possible 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 (2011 - £2,000,000) with NatWest Bank at a standard commercial rate. At 31 March 2012, £2,000,000 (2011 - £2,000,000) of this facility was unutilised.

The group monitors cash flow as a part of its day to day control procedures and also prepares both long and short term cash flow forecasts.

The group operates 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 £2,888 (2011 - £4,961).

Post balance sheet events

At an Extraordinary General Meeting on the 14 August 2012 a resolution was passed to allow the company to buy back up to 1,900,000 of its shares. This buy back will be funded by the company's own funds and an agreed loan facility of up to £1,500,000. This action is part of wider reforms to the company's ownership structure and governance model.

The group closed its United Arab Emirates branch after the year-end.

STEER DAVIES & GLEAVE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

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 2012	As at 1 April 2011
	No.	No.
S Hewitt	15,106	13,572
H Jones	4,167	9,235
F Beltrandi	267,574	267,574
JK Steer	912,889	912,889
JL Lawrence	-	-
W Pike	-	-
	<u>1,199,736</u>	<u>1,203,270</u>

	Number of options during the year				
	At start of year	Granted	Exercised	Lapsed	At end of year
S Hewitt	34,204	-	-	-	34,204
H Jones	23,797	-	-	-	23,797
F Beltrandi	-	-	-	-	-
JK Steer (non executive)	8,977	-	-	-	8,977
JL Lawrence (non executive)	-	-	-	-	-
W Pike (non executive)	-	-	-	-	-
	<u>66,978</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,978</u>

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 2012

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 Dornington

Secretary

21 August 2012

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 2012 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 2012 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

21 August 2012

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 2012

	Notes	2012 £	2011 £
Turnover	2	28,934,444	31,455,187
Cost of sales		(22,489,386)	(25,494,975)
Gross profit		6,445,058	5,960,212
Administrative expenses		(5,562,558)	(5,205,890)
Other operating income	3	160,125	16,091
Operating profit	4	1,042,625	770,413
Interest receivable and similar income		52,568	63,442
Interest payable and similar charges	7	(4,602)	(15,985)
Profit on ordinary activities before taxation		1,090,591	817,870
Tax on profit on ordinary activities	8	(368,673)	(301,365)
Profit for the financial year	17	721,918	516,505

Turnover and operating profit derive wholly from continuing operations

STEER DAVIES & GLEAVE LIMITED**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2012**

		2012	2011
	Notes	£	£
Profit for the financial year	17	721,918	516,505
Exchange adjustments on translation of foreign operations	17	10,662	53,207
Total recognised gains and losses for the year		<u>732,580</u>	<u>569,712</u>

STEER DAVIES & GLEAVE LIMITED

BALANCE SHEETS

AS AT 31 MARCH 2012

Company Registration No. 1883830 (England and Wales)

		Group		Company	
	Notes	2012 £	2011 £	2012 £	2011 £
Fixed assets					
Intangible assets	9	70,445	78,237	70,445	78,237
Tangible assets	10	732,904	776,719	455,014	521,224
Investments	11	104	104	104	104
		<u>803,453</u>	<u>855,060</u>	<u>525,563</u>	<u>599,565</u>
Current assets					
Debtors	12	11,682,957	10,473,431	11,424,015	10,755,487
Cash at bank and in hand		6,804,795	7,719,113	4,652,206	5,807,695
		<u>18,487,752</u>	<u>18,192,544</u>	<u>16,076,221</u>	<u>16,563,182</u>
Creditors: amounts falling due within one year	13	(5,308,420)	(5,408,656)	(3,935,048)	(3,928,141)
Net current assets		<u>13,179,332</u>	<u>12,783,888</u>	<u>12,141,173</u>	<u>12,635,041</u>
Total assets less current liabilities		<u>13,982,785</u>	<u>13,638,948</u>	<u>12,666,736</u>	<u>13,234,606</u>
Provisions for liabilities	15	(690,812)	(741,101)	(690,812)	(741,101)
		<u>13,291,973</u>	<u>12,897,847</u>	<u>11,975,924</u>	<u>12,493,505</u>
Capital and reserves					
Called up share capital	16	60,583	60,583	60,583	60,583
Share premium account	17	70,413	70,413	70,413	70,413
Option reserve	17	120,866	136,384	120,866	136,384
SIP share reserve	17	(330,030)	(178,607)	(330,030)	(178,607)
EBT share reserve	17	(4,897,789)	(4,742,803)	(4,897,789)	(4,742,803)
Profit and loss account	17	18,267,930	17,551,877	16,951,881	17,147,535
Shareholders' funds	19	<u>13,291,973</u>	<u>12,897,847</u>	<u>11,975,924</u>	<u>12,493,505</u>

Approved by the Board and authorised for issue on 21 August 2012 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 2012

	Note	2012 £	2012 £	2011 £	2011 £
Net cash inflow from operating activities	24		698,420		2,342,634
Returns on investments and servicing of finance					
Interest received		52,568		63,442	
Interest paid		(1,605)		(6,586)	
Interest element of finance lease rental payments		(2,997)		(9,399)	
Net cash inflow from returns on investments and servicing of finance			47,966		47,457
Corporation tax			(465,415)		(710,844)
Capital expenditure and financial investment					
Purchase of intangible fixed assets		(46,804)		(50,557)	
Purchase of tangible fixed assets		(428,800)		(382,055)	
Sale of investments		-		8,399	
			(475,604)		(424,213)
Cash inflow before financing			(194,633)		1,255,034
Financing					
Other loans		(321,580)		192,763	
Capital element of finance leases		(27,323)		(83,703)	
Purchase of own shares		(455,339)		(372,159)	
Sale of own shares		84,557		124,711	
			(719,685)		(138,388)
Increase in cash	25, 26		(914,318)		1,116,646

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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 2012. 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 £153,939 (2011 - loss of £332,734).

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
-------------------	-------------------------------

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 of 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 2012

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 company is deemed to have control of the assets, liabilities, income and costs of its Employee Benefit Trust (EBT). The cost of the company's shares purchased for cash and held by the EBT is deducted from shareholders' funds in the company's balance sheet.

Share incentive plan

The company is deemed to have control of the assets, liabilities, income and costs of its Share Incentive Plan (SIP). The cost of the company's shares held by the SIP is deducted from shareholders' funds in the company'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 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.

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.

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 2012

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.

Rentals receivable under operating leases are credited to the profit and loss account on a straight - line basis over the terms of the lease.

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.

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.

Financial instruments

In relation to the disclosure in note 20

- 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 2012

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

	2012	2011
	£	£
Rent receivable	160,125	16,091

4 Operating profit

Operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Hire of plant and machinery (operating leases)	17,488	17,062
Hire of other assets (operating leases)	1,102,378	1,209,540
Auditors' remuneration - audit services	55,000	54,000
Auditors' remuneration - taxation	18,147	19,049
Auditors' remuneration - valuations	10,000	10,000
Auditors' remuneration - staff secondment	15,273	-
Foreign currency losses	171,567	256,140
Loss on sale of tangible fixed assets	88,086	865
Depreciation of owned tangible fixed assets	349,450	634,290
Depreciation of leased tangible fixed assets	35,079	57,327
Amortisation	54,597	44,887
Share scheme charges	53,595	107,858
Gain on disposal of fixed asset investments	-	(1,063)
Release of dilapidation provision	-	(718,000)
Onerous contract provision	500,000	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 2012

5 Wages and salaries

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

	Group		Company	
	2012 No.	2011 No.	2012 No.	2011 No.
Employees	304	337	256	298

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Wages and salaries	14,730,351	15,658,472	11,573,039	13,227,229
Social security	1,283,397	1,574,298	1,184,169	1,471,242
Other pension costs	789,674	905,903	685,891	813,738
Share scheme charges	53,595	107,858	53,595	107,858
	<u>16,857,017</u>	<u>18,246,531</u>	<u>13,496,694</u>	<u>15,620,067</u>

Included within wages and salaries is a FRS20 'Share-based payments' charge of £nil (2011 - £103,630) in respect of shares received by employees under an annual discretionary group bonus scheme

Share scheme charges are comprised as follows

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Share scheme admin charges	21,267	18,887	21,267	18,887
Share scheme SIP charges - directors	1,054	1,091	1,054	1,091
Share scheme SIP charges - non directors	30,150	33,959	30,150	33,959
Share scheme option charges - non directors	1,124	53,921	1,124	53,921
	<u>53,595</u>	<u>107,858</u>	<u>53,595</u>	<u>107,858</u>

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

6 Directors' emoluments

The directors' emoluments for the year are as follows

	2012 £	2011 £
Directors' emoluments (including benefits in kind)	668,137	677,142
Directors' pension contributions	103,415	66,701
Directors' share scheme charges	1,054	1,091
Compensation for loss of office	-	193,501
	<u>772,606</u>	<u>938,435</u>

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

	2012 No.	2011 No.
Money purchase	<u>4</u>	<u>5</u>

The aggregate of emoluments of the highest paid director was £171,487 (2011 - £172,908), and group pension contributions of £41,753 (2011 - £11,678) 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 nil (2011 - 1), and the total number of options exercised was nil (2011 - 1). There was nil profit/loss made during the year (2011 - loss of £1).

The amount charged to the profit and loss account during the year in respect of options granted to directors was £nil (2011 - £nil).

At 31 March 2012, 3 directors (2011 - 3) held options. Further details are disclosed in Note 18.

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

7 Interest payable

	2012	2011
	£	£
Bank interest payable	63	315
Hire purchase interest	2,997	9,399
Other interest payable	1,542	6,271
	<hr/>	<hr/>
	4,602	15,985
	<hr/>	<hr/>

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

8 Taxation

Analysis of current period tax charge

	2012 £	2011 £
Current tax		
Corporation tax credit	(32,462)	(230,100)
Under/(over) provision in previous year	57,348	(77,868)
UK Corporation tax	24,886	(307,968)
Overseas taxation	361,608	589,802
Total current tax	386,494	281,834
Deferred tax		
Origination and reversal of timing differences	(17,821)	19,531
Total tax on profit on ordinary activities	368,673	301,365

Factors affecting current period tax charge

The tax assessed on the profit on ordinary activities for the year is higher than (2011- higher than) the standard rate of corporation tax in the UK of 26.00% (2011 - 28.00%)

The differences are reconciled below

	2012 £	2011 £
Profit on ordinary activities before taxation	1,090,591	817,870
Standard rate corporation tax charge	283,554	229,004
Expenses not deductible for tax purposes	4,464	6,486
Adjustments to tax in respect of prior periods	57,348	(77,868)
Overseas tax payable	361,608	589,802
Depreciation for the period in excess of capital allowances	6,661	98,138
Adjustments in relation to share based payments	1,482	(2,864)
Taxation on profits of group subsidiaries	(293,139)	(318,588)
Non-taxable income	-	(195,723)
Gain on disposal of investments	-	(298)
Overseas tax expensed	(35,484)	(46,255)
Total current tax for the year	386,494	281,834

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) ***FOR THE YEAR ENDED 31 MARCH 2012***

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 2012

9 Intangible fixed assets Group

	Software Licences £	Goodwill £	Total £
Cost			
At 1 April 2011	270,417	270,628	541,045
Additions	46,805	-	46,805
At 31 March 2012	317,222	270,628	587,850
Amortisation			
At 1 April 2011	192,180	270,628	462,808
Charge for the year	54,597	-	54,597
At 31 March 2012	246,777	270,628	517,405
Net book value			
At 31 March 2012	70,445	-	70,445
At 31 March 2011	78,237	-	78,237

Intangible fixed assets Company

	Software Licences £
Cost	
At 1 April 2011	270,417
Additions	46,805
At 31 March 2012	317,222
Amortisation	
At 1 April 2011	192,180
Charge for the year	54,597
At 31 March 2012	246,777
Net book value	
At 31 March 2012	70,445
At 31 March 2011	78,237

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

10 Tangible fixed assets Group

	Short Leasehold Buildings £	Computer Equipment £	Furniture and Equipment £	Total £
Cost				
At 1 April 2011	1,616,175	1,280,177	991,137	3,887,489
Additions	-	236,594	192,206	428,800
Disposals	(1,418,462)	(186,461)	(139,389)	(1,744,312)
At 31 March 2012	197,713	1,330,310	1,043,954	2,571,977
Depreciation				
At 1 April 2011	1,507,396	1,007,620	595,754	3,110,770
Disposals	(1,418,462)	(176,801)	(60,963)	(1,656,226)
Charge for the year	41,511	206,246	136,772	384,529
At 31 March 2012	130,445	1,037,065	671,563	1,839,073
Net book value				
At 31 March 2012	67,268	293,245	372,391	732,904
At 31 March 2011	108,779	272,557	395,383	776,719

Hire purchase agreements

Included within the total net book value of tangible fixed assets is £16,959 (2011 - £52,038) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £35,079 (2011 - £57,327).

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

10 Tangible fixed assets

(continued)

Company

	Short Leasehold Buildings £	Computer Equipment £	Furniture and Equipment £	Total £
Cost				
At 1 April 2011	1,616,175	1,165,511	739,206	3,520,892
Additions	-	199,250	28,380	227,630
Disposals	(1,418,462)	(158,679)	(35,226)	(1,612,367)
At 31 March 2012	197,713	1,206,082	732,360	2,136,155
Depreciation				
At 1 April 2011	1,507,396	942,627	549,645	2,999,668
Disposals	(1,418,462)	(158,339)	(33,617)	(1,610,418)
Charge for the year	41,511	161,335	89,045	291,891
At 31 March 2012	130,445	945,623	605,073	1,681,141
Net book value				
At 31 March 2012	67,268	260,459	127,287	455,014
At 31 March 2011	108,779	222,884	189,561	521,224

Hire purchase agreements

Included within the total net book value of tangible fixed assets is £16,959 (2011 - £52,038) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £35,079 (2011 - £52,038)

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

11 Fixed asset investments

Group

	Group undertakings £	Unlisted investments £	Total £
Cost			
As at 1 April 2011 and 31 March 2012	100	4	104
Net book value			
At 31 March 2011 and at 31 March 2012	100	4	104

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 2012

11 Fixed asset investments

(continued)

Company

	Group undertakings £	Unlisted investments £	Total £
Cost			
As at 1 April 2011 and 31 March 2012	100	4	104
Net book value			
At 31 March 2011 and at 31 March 2012	100	4	104

The company 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 company 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 2012

12 Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	6,118,260	5,178,101	3,842,753	3,549,409
Amounts recoverable on long term contracts	4,428,243	3,878,257	3,144,636	3,079,738
Amounts owed by group undertakings	-	-	3,522,637	2,998,530
Other debtors	416,378	537,763	218,162	273,860
Deferred tax	172,629	154,808	172,629	154,808
Prepayments and accrued income	547,447	724,502	523,198	699,142
	<u>11,682,957</u>	<u>10,473,431</u>	<u>11,424,015</u>	<u>10,755,487</u>

Deferred Tax

	Group	Company
	£	£
As at 1 April 2011	154,808	154,808
Movement	17,821	17,821
As at 31 March 2012	<u>172,629</u>	<u>172,629</u>

Deferred tax is provided at 24 00% (2011 - 26 00%)

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Capital allowances	142,619	154,808	142,619	154,808
Overseas tax losses	30,010	-	30,010	-
	<u>172,629</u>	<u>154,808</u>	<u>172,629</u>	<u>154,808</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 2012

13 Creditors : amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Other loans (note 14)	100	100	100	100
Payments received on account	1,379,262	1,720,128	773,228	810,947
Obligations under finance leases and hire purchase contracts (note 14)	-	27,323	-	27,427
Trade creditors	702,251	589,830	556,236	532,288
Corporation tax	(423,698)	(344,780)	(383,109)	(404,669)
Social security costs and other taxes	1,118,823	993,510	798,486	648,362
Other creditors	528,025	611,437	398,996	603,048
Accruals and deferred income	2,003,657	1,811,108	1,791,111	1,710,638
	<u>5,308,420</u>	<u>5,408,656</u>	<u>3,935,048</u>	<u>3,928,141</u>

Included within other creditors is a balance of £nil (2011 - £321,580) relating to unsecured interest bearing loan notes

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

14 Maturity of borrowings

Group

Amounts repayable

	Other loans	Obligations under finance leases and HP contracts	Total
	£	£	£
As at 31 March 2012			
In one year or less on demand	100	-	100
Between one and two years	-	-	-
	<u>100</u>	<u>-</u>	<u>100</u>
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>

Company

Amounts repayable

	Other loans	Obligations under finance leases and HP contracts	Total
	£	£	£
As at 31 March 2012			
In one year or less on demand	100	-	100
Between one and two years	-	-	-
	<u>100</u>	<u>-</u>	<u>100</u>
As at 31 March 2011			
In one year or less on demand	100	27,427	27,527
Between one and two years	-	-	-
	<u>100</u>	<u>27,427</u>	<u>27,527</u>

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

15 Provisions for liabilities

The lease for the Group's London office was renewed in June 2010. The lease is for the period to November 2021. The dilapidation provision relating to the London office was therefore, re-assessed under the terms of the new lease in the prior year 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 significant 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 2011	190,812	550,289	741,101
Provision released in the year	-	(550,289)	(550,289)
Provision in the year	-	500,000	500,000
As at 31 March 2012	190,812	500,000	690,812

16 Share capital

	2012 £	2011 £
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 2012

17 Reserves

Group	Share premium reserve	Option reserve	SIP share reserve	EBT share reserve	Profit and loss reserve	Total
	£	£	£	£	£	£
Balance at 1 April 2011	70,413	136,384	(178,607)	(4,742,803)	17,551,877	12,837,264
Movement (see below)	-	(15,518)	(151,423)	(154,986)	(5,865)	(327,792)
Profit for the year	-	-	-	-	721,918	721,918
Balance at 31 March 2012	70,413	120,866	(330,030)	(4,897,789)	18,267,930	13,231,390

	Option reserve	SIP share reserve	EBT share reserve	Profit and loss reserve	Total
	£	£	£	£	£
Share scheme charges	-	-	-	31,204	31,204
Exchange adjustments on translation of foreign operations	-	-	-	10,662	10,662
Net purchase of shares	-	(242,488)	(212,851)	-	(455,339)
Proceeds from disposal of shares	-	66,559	17,998	-	84,557
Loss on disposal of shares	-	24,506	39,867	(64,373)	-
Share based payments	1,124	-	-	-	1,124
Options lapsed	(16,642)	-	-	16,642	-
	(15,518)	(151,423)	(154,986)	(5,865)	(327,792)

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

17 Reserves

(continued)

Company	Share premium reserve	Option reserve	SIP share reserve	EBT share reserve	Profit and loss reserve	Total
	£	£	£	£	£	£
Balance at 1 April 2011	70,413	136,384	(178,607)	(4,742,803)	17,147,535	12,432,922
Movement (see below)	-	(15,518)	(151,423)	(154,986)	(41,715)	(363,642)
Loss for the year	-	-	-	-	(153,939)	(153,939)
Balance at 31 March 2012	70,413	120,866	(330,030)	(4,897,789)	16,951,881	11,915,341

	Option reserve	SIP share reserve	EBT share reserve	Profit and loss reserve	Total
	£	£	£	£	£
Share scheme charges	-	-	-	31,204	31,204
Exchange adjustments on translation of foreign operations	-	-	-	(25,188)	(25,188)
Net purchase of shares	-	(242,488)	(212,851)	-	(455,339)
Proceeds from disposal of shares	-	66,559	17,998	-	84,557
Loss on disposal of shares	-	24,506	39,867	(64,373)	-
Share based payments	1,124	-	-	-	1,124
Options lapsed	(16,642)	-	-	16,642	-
	(15,518)	(151,423)	(154,986)	(41,715)	(363,642)

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2012**

17 Reserves

(continued)

At 31 March 2012, the Employee Benefit Trust (EBT) held 2,606,182 shares (2011 - 2,458,805), of which 630,723 (2011 - 701,616) were under option to employees

At 31 March 2012 the Share Incentive Plan (SIP) held 1,056,922 shares (2011 - 1,056,922), of which 791,599 (2011 - 914,036) 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 265,323 shares (2011 - 142,886), 16,374 (2011 - 21,187) are matching shares held on behalf of employees which are due to vest in October 2012 and 248,949 (2011 - 121,699) 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 2012 was 120p per share based on the non-executive directors valuation as at 11 November 2011 (2011 - 125p).

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

18 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 2012, 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
2009	239,985	25,995	March 2009 to June 2012	176p
2010	30,000	-	March 2010 to June 2012	176p
2010	347,206	40,983	March 2010 to June 2013	150p
2011	8,532	-	March 2011 to June 2014	125p
2012	5,000	-	March 2012 to June 2015	120p
	<u>630,723</u>	<u>66,978</u>		

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

18 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 2011	Granted	Exercised	Lapsed	Outstanding options at 31 March 2012
2008	239p	6,274	-	-	(6,274)	-
2009	176p	266,494	-	-	(26,509)	239,985
2010	176p	30,000	-	-	-	30,000
2010	150p	390,316	-	-	(43,110)	347,206
2011	125p	8,532	-	-	-	8,532
2012	120p	-	5,000	-	-	5,000
		<u>701,616</u>	<u>5,000</u>	<u>-</u>	<u>(75,893)</u>	<u>630,723</u>

The exercise price of options outstanding at the end of the year ranged between 120p and 176p (2011 - 125p and 239p) and had a weighted average of 182p (2011 - 182p). The weighted average contractual life of options outstanding at the end of the year was 3.2 years (2011 - 3.3 years).

Of the total number of options outstanding at the end of the year, 625,723 (2011 - 693,084) 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 176p (2011 - 173p). The weighted average fair value of each option granted during the year was 12p (2011 - 41p).

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	2012	2011
Option pricing model used	Black Scholes	Black Scholes
Weighted average share price at grant date (pence)	161	176
Exercise price (pence)	120	125
Weighted average contractual life (days)	1,165	1,184
Expected volatility (percentage)	12.29	12.80
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 2012

19 Reconciliation of movements in shareholders' funds

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Profit/(loss) for the year	721,918	516,505	(153,939)	(332,734)
Exchange adjustments on translation of net assets	10,662	53,207	(25,188)	(1,962)
SIP share scheme charges	31,204	35,050	31,204	35,050
Purchase of SIP shares	(242,488)	(281,535)	(242,488)	(281,535)
Purchase of EBT shares	(212,851)	(90,624)	(212,851)	(90,624)
Disposal proceeds of SIP shares	66,559	90,709	66,559	90,709
Disposal proceeds of EBT shares	17,998	34,002	17,998	34,002
Share based payments	1,124	157,551	1,124	157,551
Net additions/(reductions) to shareholders' funds	394,126	514,865	(517,581)	(389,543)
Opening shareholders' funds	12,897,847	12,382,982	12,493,505	12,883,048
Closing shareholders' funds	13,291,973	12,897,847	11,975,924	12,493,505

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

20 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 £6,534,638 (2011 - £5,715,864) The company's financial assets include trade and other debtors of £4,060,915 (2011 - £3,823,269) The interest rate profile of cash balances at 31 March 2012 was as follows

	Group			Company		
	Interest bearing	Non-interest bearing	Total	Interest bearing	Non-interest bearing	Total
2012	£	£	£	£	£	£
UK Sterling	3,073,188	1,250	3,074,438	3,073,188	1,250	3,074,438
US Dollar	888,920	-	888,920	282,925	-	282,925
Euro	728,112	813	728,925	728,112	813	728,925
Canadian Dollar	1,015,613	-	1,015,613	217,071	-	217,071
South African Rand	2,510	128	2,638	2,510	-	2,510
Chilean Peso	48,214	-	48,214	6,210	-	6,210
Colombian Peso	182,151	1,760	183,911	182,151	1,760	183,911
UAE Dirham	150,683	-	150,683	150,683	-	150,683
Saudi Arabian Riyal	5,533	-	5,533	5,533	-	5,533
Mexican Peso	579,025	43	579,068	-	-	-
Brazilian Real	126,806	46	126,852	-	-	-
	<u>6,800,755</u>	<u>4,040</u>	<u>6,804,795</u>	<u>4,648,383</u>	<u>3,823</u>	<u>4,652,206</u>
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	618,982	509	619,491	-	-	-
Brazilian Real	121,490	-	121,490	-	-	-
	<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>

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

20 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% (2011 - 0% and 6%) during the year.

Financial liabilities

The group's financial liabilities include trade and other creditors of £1,230,276 (2011 - £1,201,267). The company's financial liabilities include trade and other creditors of £955,232 (2011 - £1,135,336). The group's financial liabilities also consist of overdrafts, loans and obligations under finance leases. The interest rate profile at 31 March 2012 of these liabilities was as follows:

	Interest bearing	Group Non-interest bearing	Total	Interest bearing	Company Non-interest bearing	Total
	£	£	£	£	£	£
2012						
UK Sterling	100	-	100	100	-	100
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Interest bearing	Group Non-interest bearing	Total	Interest bearing	Company Non-interest bearing	Total
	£	£	£	£	£	£
2011						
UK Sterling	27,423	-	27,423	27,527	-	27,527
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Fair values

At 31 March 2012 and 2011, 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 2012

21 Operating lease commitments

At 31 March 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Expiry date				
Within one year	160,582	90,593	-	45,417
Between two and five years	221,037	194,696	4,010	16,554
In over five years	638,500	660,704	-	4,010
	<u>1,020,119</u>	<u>945,993</u>	<u>4,010</u>	<u>65,981</u>

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Expiry date				
Within one year	37,030	53,808	-	45,417
Between two and five years	144,120	130,765	4,010	16,554
In over five years	638,500	660,704	-	4,010
	<u>819,650</u>	<u>845,277</u>	<u>4,010</u>	<u>65,981</u>

22 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 £789,674 (2011 - £905,903)

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

23 Related party transactions

The group did not provide consultancy services to any related party companies during the year (2011 - £nil)

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2012

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

	2012	2011
	£	£
Operating profit	1,042,625	770,413
Amortisation	54,597	44,887
Depreciation	384,529	691,617
Loss on disposal of fixed assets	88,086	865
Profit on disposal of fixed assets investments	-	(1,063)
Provision	(50,289)	(167,711)
SIP share scheme charges	31,204	35,050
Bonus share payments	-	103,630
Share option charges	1,124	53,921
(Increase)/decrease in debtors	(1,191,705)	1,953,427
Increase/(decrease) in creditors	338,249	(1,142,402)
Net cash inflow from operating activities	698,420	2,342,634

25 Reconciliation of net cash inflow to movement in net funds

	2012	2011
	£	£
(Decrease)/increase in cash in the year	(914,318)	1,116,646
Cash inflow from decrease in debt and lease financing	348,903	482,520
Change in net funds resulting from cash flows	(565,415)	1,599,166
Change in net debt resulting from non-cash flows	-	-
Opening net funds	7,370,110	5,770,944
Closing net funds	6,804,695	7,370,110

26 Analysis of net funds

	1 April 2011	Cash flow	31 March 2012
	£	£	£
Cash in hand and at bank	7,719,113	(914,318)	6,804,795
	7,719,113	(914,318)	6,804,795
Obligations under finance leases	(27,323)	27,323	-
Debt due within one year	(100)	-	(100)
Unsecured loan notes	(321,580)	321,580	-
Total	7,370,110	(565,415)	6,804,695

STEER DAVIES & GLEAVE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2012**

27 Post Balance sheet events

At an Extraordinary General Meeting on 14 August 2012 a resolution was passed to allow the company to buy back up to 1,900,000 of its shares. This buy back will be funded by the company's own funds and an agreed loan facility of up to £1,500,000. This action is part of wider reforms to the company's ownership structure and governance model.

The group closed its United Arab Emirates branch after year-end.